



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



9<sup>th</sup> September, 2022

To  
**BSE Limited**  
**Listing Dept. / Dept. of Corporate Services**  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai – 400001

**Scrip Code: 526638**

Dear Sir / Madam,

**Sub: Submission of Annual Report for the Financial Year 2021-22**

With reference to our submission dated 6<sup>th</sup> September, 2022, we had submitted Annual Report of the Company for the financial year 2021-22 by signing the cover page in physical mode. In accordance with the “Guidance Note on use of digital signature certificate for announcements submitted by listed companies” dated 7<sup>th</sup> September, 2022 by BSE, we hereby submit the Annual Report of the Company for the financial year 2021-22 by affixing DSC. It may be noted that there are no changes in the information as provided in the earlier intimation.

The 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)

Kindly take the same on record.

**Thanking you,**

**Yours faithfully,**  
**For Texel Industries Limited**

**Harsh Hirpara**  
**Company Secretary & Compliance Officer**

Encl: As above



**Texel  
Industries  
Limited**



*Enriching Farmer's  
Lives Since 1989*



**33<sup>rd</sup>  
Annual Report  
2021-22**

***Per Drop, More Crop***  
– Hon'ble PM Sh. Narendra Modi

# 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 (upto 14<sup>th</sup> July, 2022)  
Mr. Harsh Hirpara (w.e.f. 15<sup>th</sup> July, 2022)

### CHIEF FINANCIAL OFFICER

Mr. Vikram Patel (upto 15<sup>th</sup> July, 2022)

### STATUTORY AUDITORS

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

Chartered Accountants,  
Ahmedabad

### INTERNAL AUDITORS

#### M/s. Pabari & Company (upto 30<sup>th</sup> June, 2022)

Chartered Accountants,  
Ahmedabad

#### M/s. CNK & Associates (w.e.f. 1<sup>st</sup> July, 2022)

Chartered Accountants,  
Mumbai

### SECRETARIAL AUDITORS

#### M/s. SANJ & Associates

Company Secretaries,  
Ahmedabad

### BANKERS

Union Bank of India  
HDFC Bank  
Kotak Mahindra 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)

<b>INDEX</b>		
<b>SR. NO.</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
1.	Notice of Annual General Meeting	1
2.	Directors' Report	13
	Annexures to Directors' Report	
	• Annexure A - Management Discussion & Analysis Report	27
	• Annexure B - Details of Remuneration of Directors, KMPs & Employees	33
	• Annexure C - Secretarial Audit Report (Form No. MR-3)	34
	• Annexure D - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo	37
	• Annexure E - Salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures (Form No. AOC-1)	38
	• Annexure F - FORM NO. AOC -2	39
	• Annexure G - Declaration of Compliance with the Code of Conduct	40
3.	Standalone Financial Statements	
	• Independent Auditors' Report	41
	• Balance Sheet	50
	• Statement of Profit & Loss	51
	• Cash Flow Statement	52
	• Statement of Changes in Equity	53
	• Notes to the Financial Statements	55
4.	Consolidated Financial Statements	
	• Independent Auditors' Report	85
	• Balance Sheet	92
	• Statement of Profit & Loss	93
	• Cash Flow Statement	94
	• Statement of Changes in Equity	95
	• Notes to the Financial Statements	97



## **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 ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **THIRTY-THIRD (33<sup>rd</sup>) Annual General Meeting (“AGM”)** of the Members of **TEXEL INDUSTRIES LIMITED** will be held on **Thursday, 29<sup>th</sup> September, 2022 at 11:00 a.m.** through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) 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, 2022 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, 2022 and the Report of the Auditors thereon.

##### **2. To appoint a Director in place of Mr. Naresh Ramniklal Mehta (DIN: 02888018), who retires by rotation and being eligible, offers himself for re-appointment.**

##### **3. To re-appoint M/s. Sunil Poddar & Company, Chartered Accountants as a Statutory Auditors of the Company for the second term of five consecutive years.**

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

**RESOLVED THAT** pursuant to provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Sunil Poddar & Co., Chartered Accountants (FRN: 110603W), be and are hereby appointed as the Statutory Auditors of the Company for the second term of five consecutive years i.e. from the F.Y. 2022-23 to F.Y. 2026-27, who shall hold office from the conclusion of the 33<sup>rd</sup> Annual General Meeting (AGM) till the conclusion of the 38<sup>th</sup> AGM of the Company, at a remuneration as may be decided by the , Board of Directors of the Company in consultation with the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board (including any Committee thereof) be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.

#### **SPECIAL BUSINESS:**

##### **4. 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** pursuant to the provisions of Sections 196, 197, 198, 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), and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals as are necessary read with Articles of Association of the Company, 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 Managing Director of the Company for a period of three years with effect from 15<sup>th</sup> February, 2023, on the terms and conditions including remuneration (including the remuneration to be paid in the event of loss or inadequacy of profit 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 by way of an Annual

Increment upto 25% of last salary drawn, subject to the overall limits laid down in Section 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 this resolution.

5. **Payment of remuneration to Dr. Christy Leon Fernandez, Independent Director of the Company pursuant to the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

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 Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with Section 197 of the Companies Act, 2013 ('the Act') and Rules framed there under, the consent of the Members of the Company be and is hereby accorded for payment of remuneration by way of commission for the Financial Year 2022-23 to Dr. Christy Leon Fernandez (DIN: 00090752), Independent Director of the Company, not exceeding 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.

**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 this resolution.

**Registered Office:**

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

**Place :** Ahmedabad

**Date :** 13<sup>th</sup> August, 2022

By Order of the Board of Directors

**Harsh Rameshbhai Hirpara**

Company Secretary & Compliance Officer  
Membership No.: ACS 42374

**NOTES:**

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
2. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 read with General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020 and 02/2021 dated 13<sup>th</sup> January, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC or OAVM without the physical presence of the members at the meeting. Further, the Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 ('SEBI Circulars') has granted certain relaxations in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and SEBI Circulars, the 33<sup>rd</sup> AGM of the Company will be held through VC or OAVM on **Thursday, 29<sup>th</sup> September, 2022 at 11:00 a.m.** The deemed venue for the 33<sup>rd</sup> AGM shall be the Registered Office of the Company. Therefore, members can attend and participate in the 33<sup>rd</sup> AGM through VC or OAVM mode only.
3. SINCE THE 33<sup>RD</sup> AGM OF THE COMPANY WILL BE HELD THROUGH VC OR OAVM PURSUANT TO THE ABOVE CITED MCA CIRCULARS & SEBI CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, SEBI CIRCULARS AND LISTING REGULATIONS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE 33<sup>RD</sup> AGM ARE NOT ANNEXED TO THIS NOTICE.
4. Corporate members are requested to send to the Company on the email id: [finance@geotexelin.com](mailto:finance@geotexelin.com), the certified true copy of Board Resolution pursuant to the provisions of Section 113 of the Companies Act, 2013 authorizing their representatives to attend the AGM on their behalf through VC or OAVM and to vote through e-Voting in the AGM or through remote e-Voting.
5. Details as required, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India in respect of the Director seeking appointment/re-appointment at the AGM are provided in Annexure-A to this Notice.

6. 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.
7. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with the depositories. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/166 dated 7<sup>th</sup> September, 2020 had fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Accordingly, Link Intime India Private Limited (RTA of the Company) has stopped accepting any fresh lodgment of transfer of shares in physical form. In view of the above, shareholders are requested to take action to dematerialize the Equity Shares of the Company held by them promptly.
8. Members holding shares in electronic form, are requested to intimate 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.
9. Members holding shares in physical form, are requested to intimate any change in their address or any other changes with regard to their Identity proof to 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](mailto:ahmedabad@linkintime.co.in)
10. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members in electronic mode up to the date of the 33<sup>rd</sup> Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at [finance@geotexelin.com](mailto:finance@geotexelin.com).
11. Members desirous of getting any information on the Accounts at the Annual General Meeting, are requested to send an email to [finance@geotexelin.com](mailto:finance@geotexelin.com), at least 7 days before the Annual General Meeting so as to enable the Management to keep the information ready on the date of AGM.
12. The Annual Report alongwith the Notice of 33<sup>rd</sup> AGM will be sent by electronic mode to all members whose email addresses are registered with the RTA of the Company/ Depository Participant(s). Members may note that this Notice alongwith the Annual Report for the F.Y. 2021-22 will be available on the Company's website viz. [www.geotexelin.com](http://www.geotexelin.com)
13. To support the 'Green Initiative' of the Ministry of Corporate Affairs, 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) as under:  
  
For Physical shareholders:-  
  
Please send duly signed Request Letter mentioning therein Name of shareholder, Folio No., Email ID & Mobile No. alongwith self-attested copy of PAN Card through email at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in).  
  
For Demat shareholders:-  
  
Please contact your Depository Participant (DP) and register your email ID, Mobile No. & PAN No. with your DP as per the process advised by your DP.
14. The Company has a designated Email ID: "[invrelations@geotexelin.com](mailto:invrelations@geotexelin.com)" for redressal of Shareholders'/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write to the above mentioned email address.
15. 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 RTA of the Company for consolidation of their shareholding into a single folio.
16. The Securities and Exchange Board of India (SEBI) has mandated pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/ CIR/2021/655 dated 3<sup>th</sup> November, 2021 for Members holding shares of the Company in physical form furnishing their PAN, KYC details and Nomination.. The aforesaid communication is available on the website of the Company. The Members holding shares of the Company in physical form are requested to see this important communication under the weblink at <https://www.geotexelin.com/mandatory-furnishing-of-pan-kyc-details-and-nomination-by-holders-of-physical-securities/>

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

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and

the aforesaid MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 33<sup>rd</sup> AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system during the 33<sup>rd</sup> AGM will be provided by CDSL. Instructions for remote e-voting are provided herein below at point no. (A.). Members whose email ids are not registered with the Company/RTA/Depositories, for obtaining Annual Report & the login credentials for e-voting for the resolutions are requested to refer the instructions provided at point no. (B.). Instructions for shareholders attending the 33<sup>rd</sup> AGM through VC or OAVM are given at point no. (C.). Further, instructions for e-voting during the 33<sup>rd</sup> AGM are provided at point no. (D.).

2. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting through VC or OAVM but shall not be entitled to cast their vote again.
3. The Members can join the 33<sup>rd</sup> AGM in the VC or OAVM mode 15 minutes before the scheduled time of the commencement of the meeting and it will be closed on expiry of 15 minutes from the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the 33<sup>rd</sup> AGM through VC or OAVM is limited upto 1000 members on first come first serve basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 33<sup>rd</sup> AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the 33<sup>rd</sup> AGM through VC or OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **Cut-off date i.e. Thursday, 22<sup>nd</sup> September, 2022**, shall be entitled to avail the facility of remote e-voting as well as e-voting system at the 33<sup>rd</sup> AGM.
6. 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 holding shares as on the **Cut-off date i.e. Thursday, 22<sup>nd</sup> September, 2022**, shall be entitled to exercise his/her vote electronically. i.e. through remote e-voting or through e-voting system at the 33<sup>rd</sup> AGM. Such members may obtain Sequence No. for e-voting by sending a request at [finance@geotexelin.com](mailto:finance@geotexelin.com) and cast vote after following the instructions as provided in the Notice convening the meeting, which is available on the websites 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.
7. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
8. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e. Thursday, 22<sup>nd</sup> September, 2022**.
9. **M/s. D. A. Rupawala & Associates, Chartered Accountants, Ahmedabad (Firm Regn. No. 108902W; Membership No. 37674)**, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting system on the date of 33<sup>rd</sup> AGM in a fair and transparent manner.
10. The voting results will be declared on receipt of Scrutinizers Report. The voting results along with the Scrutinizer's Report will be placed on the website of the agency [www.evotingindia.com](http://www.evotingindia.com) and also on the website of the Company [www.geotexelin.com](http://www.geotexelin.com), not later than two working days of the conclusion of the 33<sup>rd</sup> AGM of the Company and will also be submitted to the Bombay Stock Exchange (BSE) where the shares of the Company are listed.

**(A) The instructions for shareholders for remote e-voting and joining virtual meetings are as under:**

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The **remote E-voting period commences at 10:00 a.m. on Sunday, 25<sup>th</sup> September, 2022 and ends at 5:00 p.m. on Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive)**. During this period shareholders of the Company holding shares either in physical form or dematerialized form as on the **Cut-off date i.e. Thursday, 22<sup>nd</sup> September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide



remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available on abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) **Login Method for e-voting and joining virtual meeting for physical shareholders and other than individual shareholders holding shares in Demat form:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on "Shareholders" module.
3. 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

**For physical shareholders and other than individual shareholders holding shares in Demat Form**

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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field which will be communicated 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 (3).</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice of AGM.
10. Click on the EVSN of Texel Industries Limited on which you choose to vote.
11. 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.
12. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
13. 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.
14. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. 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.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

Additional facility for Non – Individual shareholders and Custodians – for remote evoting only:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically and can be delink in case of any wrong mapping.
- It is mandatory that 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company by email to [rupawala\\_ca@yahoo.co.in](mailto:rupawala_ca@yahoo.co.in) and [finance@geotexelin.com](mailto:finance@geotexelin.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**(B) The Process for those Shareholders whose email addresses are not registered with the Company/ Depositories, for obtaining AGM Notice along with Annual Report & login credentials for e-Voting:**

**1. For Physical shareholders:-**

Please send a request letter mentioning therein Name of shareholder, Folio No., Mobile No. and Email ID alongwith self-attested copy of PAN Card by email to Company's RTA at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) and also to the Company at [invrelations@geotexelin.com](mailto:invrelations@geotexelin.com).

**2. For Demat shareholders:-**

Please send a request letter mentioning therein Name of shareholder, Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID) along with Client Master or copy of Consolidated Account Statement and self-attested copy of PAN Card by email to Company's RTA at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) and also to the Company at [invrelations@geotexelin.com](mailto:invrelations@geotexelin.com).

**(C) The instructions for shareholders attending the AGM through VC or OAVM are as under:**

1. Shareholders will be provided with a facility to attend the AGM through VC or OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC or OAVM to attend the AGM will be available in shareholders/members login where the EVSN of Company will be displayed.
2. For joining the 33<sup>rd</sup> AGM through VC or OAVM, shareholders need good speed internet connectivity and Laptop having inbuilt camera or Desktop having webcam on the day of meeting to avoid any disturbance during the meeting.
3. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request letter in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number through registered email id at [finance@geotexelin.com](mailto:finance@geotexelin.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number through registered email id at [finance@geotexelin.com](mailto:finance@geotexelin.com). The same will be replied by the Company suitably by email.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**(D) The instructions for shareholders for e-voting during the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned at point no. (A.) above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC or OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting system available during the AGM and if the same shareholders have not participated in the meeting through VC or OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM through VC or OAVM. However, they will not be eligible to vote again at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

**Registered Office:**

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

**Place :** Ahmedabad

**Date :** 13<sup>th</sup> August, 2022

By Order of the Board of Directors

**Harsh Rameshbhai Hirpara**  
Company Secretary & Compliance Officer  
Membership No.: ACS 42374



## ANNEXURE TO THE NOTICE

### Explanatory Statement (Pursuant to the provisions of Section 102 of the Companies Act, 2013)

#### ITEM NO. 4

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 his re-appointment for a period of 3 years with effect from 15<sup>th</sup> February, 2023 subject to the approval of the members of the company in the Annual 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 15<sup>th</sup> February, 2023.

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, 2023 to 14<sup>th</sup> February, 2026.

#### 2. Remuneration:

(Amount in ₹)	
Salary Components	Per annum
Basic Salary	48,96,725/-
House Rent Allowance	8,64,085/-
<b>Total (a):</b>	<b>57,60,810/-</b>
<b>Perquisites</b>	
Medical Insurance	2,00,000/-
Accidental Insurance	1,50,000/-
Utility (Electricity, Telephone, Property tax etc.)	3,00,000/-
<b>Total (b):</b>	<b>6,50,000/-</b>
<b>Grand Total (a)+(b):</b>	<b>64,10,810/-</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, 2023.

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. The Medical Insurance Premium and Accidental Insurance Premium will cover Insurance Policies of Managing Director and his family members.

#### Note:

Family members means the following:

Self, Spouse, Children (whether or not dependent and whether or not married)

**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.

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:

<b>I General Information:</b>			
(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>2021-22 (₹ in Lacs)</b>	<b>2020-21 (₹ in Lacs)</b>
	Revenue from Operations	9093.98	8262.00
	Other Income	110.75	35.29
	Profit before Tax	175.04	303.75
	Total Tax Expense	46.26	82.73
	Profit after Tax	128.78	221.02
	Other Comprehensive Income	3.48	7.40
	Total Comprehensive Income	132.26	228.42
(5)	Foreign investments or collaborations, if any.	For details of foreign investments made by the company, please refer to Note no 3 of the Standalone Financial Statements forming part of the Annual Report for FY 2021-22. The Company has not entered into any Foreign collaboration.	
<b>II Information about the appointee:</b>			
(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. 2021-22, he was paid annual remuneration of ₹ 55,20,316/- including perquisites.	
(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)</b>	<b>Other information:</b>	
(1)	Reasons of loss or inadequate profits	The company has not suffered losses during the F.Y. 2021-22. The Company's products are well accepted in the domestic markets. Due to increase in raw materials cost, finance cost, employee cost, sales and distribution 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 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 R & D of existing products 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.</b>	<b>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 in electronic mode up to the date of ensuing Annual General Meeting. Members can inspect the same by sending an email through registered email id at <a href="mailto:finance@geotexelin.com">finance@geotexelin.com</a>	
	(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, 2023 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 interest of the Company and accordingly, your Directors recommends the resolution set out at Item No. 4 for approval of the members as a Special Resolution.

Except Mr Shailesh Ramniklal Mehta being an appointee, Mr Naresh Ramniklal 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. 5

The members of the Company at the 30<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2019 had approved the re-appointment of Dr. Christy Leon Fernandez (DIN: 00090752), as an Independent Director of the Company for a term of five consecutive years and payment of remuneration

by way of commission during his term, not exceeding 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.

As per regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders by way of Special Resolution is required to be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty percent of the total annual remuneration payable to all non-executive directors.

Dr. Fernandez was in Indian Administrative Service (Ex-IAS Officer) and he possess vast skills, experience and knowledge. He is the Chairman of the Nomination and Remuneration Committee and also Member of the Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee of the Board of Directors of the Company. Since the remuneration payable to Dr. Fernandez for the Financial Year 2022-23 will exceed fifty percent of the total annual remuneration payable to all non-executive directors, the approval of the Members of the Company is being sought by way of special resolution to ensure compliance with Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the resolution as set out at Item No. 5 for approval of the members as a Special Resolution.

Dr. Christy Leon Fernandez and his relatives are concerned or interested in the proposed resolution to the extent of his annual remuneration. None of the other 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 Director seeking appointment/re-appointment at the Annual General Meeting**

(Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

<b>Name of Director</b>	<b>DIN</b>	<b>Date of Birth</b>	<b>Qualification</b>	<b>Experience</b>	<b>Original Date of Appointment</b>	<b>Expertise in specific functional area</b>	<b>Details of Directorship held in other Listed entities</b>	<b>Details of Membership/ Chairmanship of other Board Committees</b>	<b>Shareholding in the company</b>	<b>Relationship, if any between Directors</b>
Mr. Shailesh Ramniklal Mehta	01457666	29/01/1960	Bachelor of Commerce	More than 30 years	02/08/1989	Plastic Manufacturing Industry	Nil	Nil	20,02,817	Brother of Mr. Naresh Mehta, Non-Executive Director
Mr. Naresh Ramniklal Mehta	02888018	06/12/1961	Bachelor of Science and Masters of Science in Plastics Engineering - University of Massachusetts at Lowell, USA	More than 20 years	02/08/1989	Plastic Manufacturing Industry	Nil	Nil	99,801	Brother of Mr. Shailesh Mehta, Managing Director

**Registered Office:**

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

**Place :** Ahmedabad

**Date :** 13<sup>th</sup> August, 2022

By Order of the Board of Directors

**Harsh Rameshbhai Hirpara**

Company Secretary & Compliance Officer

Membership No.: ACS 42374



## DIRECTORS' REPORT

To,  
The Members,

Your Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

### 1. FINANCIAL PERFORMANCE:

The financial performance of your Company on standalone basis for the Financial Year ended 31<sup>st</sup> March, 2022 is summarized below:

(₹ in Lakhs)

Particulars	Financial Year ending	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total Revenue	9204.74	8297.30
<b>Profit before Interest, Depreciation &amp; Tax (EBIDTA)</b>	<b>652.69</b>	<b>526.59</b>
Less: Finance Cost	335.83	142.20
Less: Depreciation	141.82	80.64
<b>Profit Before Tax (PBT)</b>	<b>175.04</b>	<b>303.75</b>
Less: Provisions for Taxation including Deferred Tax	46.26	82.73
<b>Profit for the Year</b>	<b>128.78</b>	<b>221.02</b>
Other Comprehensive Income	3.48	7.40
<b>Total Comprehensive Income for the Year</b>	<b>132.26</b>	<b>228.42</b>

The Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022, 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 2021-22, the Company achieved total Operating Revenue of ₹ 9093.99 lakhs in the current year, against ₹ 8262.00 lakhs in the previous year, thereby registering an increase of 10.07% as compared to the previous year. The Company registered the Net Profit after tax of ₹ 128.78 lakhs in the current year, against ₹ 221.02 lakhs in the previous year, thereby registering a decrease of 41.74% in the Net Profit as compared to the previous year.

### 3. MATERIAL CHANGES AND COMMITMENTS:

There are 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 on the date of this report.

### 4. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the financial year 2021-22.

### 5. DIVIDEND:

After considering holistically the relevant circumstances and keeping in view the current economy situation, 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, 2022.

### 6. TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of profits for Financial Year 2021-22 in the profit and loss account and have not transferred any amount to general reserve.

### 7. DEPOSITS:

During the year under review, 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.

## **8. FUND RAISING – RIGHT ISSUE:**

During the year under review, the Board of Directors of the Company issued 31,22,398 Equity Shares of face value of ₹ 10 each on rights basis to eligible equity shareholders of the Company who were on the Register of Members as on 17<sup>th</sup> August, 2021, being the record date fixed for the purpose at an issue price of ₹ 40 per equity share (including a premium of ₹ 30 per equity share). The rights entitlement ratio was 55:92 (i.e. 55 Equity Shares were offered for every 92 Equity Shares held by the eligible equity shareholders of the Company). Further, 13,59,041 equity shares were allotted to Promoters and members of Promoter Group.

There has been no deviation in the utilization of rights issue proceeds from the objects stated in the letter of offer letter dated 12<sup>th</sup> August, 2021.

## **9. SHARE CAPITAL:**

The Paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2022 stands at ₹ 83,396,890/- i.e. 83,396,89 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, 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### **CHANGES TO SHARE CAPITAL:**

During the year under review, the Company has allotted 31,16,768 Equity Shares of face value of ₹ 10 each to the Eligible Equity Shareholders under rights issue at an issue price of ₹ 40 per Equity Share (including a premium of ₹ 30 per equity share), thereby raising funds on fully paid-up equity shares aggregating to ₹ 1246.71 Lakhs.

Further, the Board of Directors approved by passing circular resolution on 11<sup>th</sup> March, 2022, the forfeiture and cancellation of 5,630 equity shares on which call money remained unpaid.

## **10. COMMENCEMENT OF PRODUCTION AT NEW MANUFACTURING UNIT:**

The Company has set up a new manufacturing facility at Unit No. P-2, Prime Industrial and Logistic Hub, Mouje- Hariyala, Taluka & District: Kheda, Gujarat with an installed manufacturing capacity of 10,080 metric tonnes (M.T.) per annum for Geosynthetics products.

Further, Company has started commercial trial production from 4<sup>th</sup> February, 2022 and regular commercial production from 9<sup>th</sup> February, 2022.

The new manufacturing unit of the Company is undertaken for inducting new technologies for achieving higher efficiencies in operations and achieving higher returns on capital employed. With new technologies the Company will be developing new products to gain access to new markets both international and domestic.

## **11. SUBSIDIARY COMPANY:**

The Company has a Wholly Owned Subsidiary Company in the name of “Texel Industries (Africa) Limited” (hereinafter referred as WOS).

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 the WOS in Form AOC-1 forms an integral part of this report and is annexed as **Annexure – E**.

## **12. POLICY FOR DETERMINING MATERIAL SUBSIDIARY:**

The Company has a Policy for determining Material Subsidiary in line with the requirements of Regulations 16(1)(c) and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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: [https://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_for\\_determining\\_Material\\_Subsiary\\_141.pdf](https://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_for_determining_Material_Subsiary_141.pdf)

## **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 and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report and is annexed as **Annexure – A**.

## **14. CORPORATE GOVERNANCE REPORT:**

The report on Corporate Governance as required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company due to the exemption under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015” or “Listing Regulations”].

Accordingly, the Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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) Regulations, 2015 read with SEBI circular no: CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> 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 14<sup>th</sup> May, 2019 is not applicable to the Company due to the exemption under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **16. ANNUAL RETURN:**

Pursuant to the amendments in Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended 31<sup>st</sup> March, 2022, is available on the Company's website and can be accessed <https://www.geotexelin.com/wp-content/uploads/2022/08/Annual-Return-2021-22.pdf>

## **17. RELATED PARTY TRANSACTIONS:**

Information on transactions with related party in terms of Section 134 of Companies Act, 2013, particulars of contracts or arrangements with Related Parties is disclosed in Form AOC-2 is annexed as **Annexure – F**.

All related party transactions are placed before the Audit Committee for approval. The omnibus approval is obtained on a yearly basis for related party 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. 38] in the notes to the accounts of the Financial Statements.

The Company has 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://www.geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_on\\_Materiality\\_of\\_Related\\_Party\\_Transactions\\_and\\_on\\_dealing\\_with\\_Related\\_Party\\_Transactions\\_142.pdf](http://www.geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Materiality_of_Related_Party_Transactions_and_on_dealing_with_Related_Party_Transactions_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 forms an integral part of this Report is attached as **Annexure – B**.

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.

For details of investments made in shares of Wholly Owned Subsidiary Company (WOS), M/s. Texel Industries (Africa) Limited, please refer Note [No. 3] and for loans granted to WOS, please refer Note [No. 4] of the Standalone Financial Statements forming part of the Annual Report for F.Y. 2021-22.

## **20. UNSECURED LOAN FROM DIRECTOR:**

During the year under review, the Company has received unsecured loan of ₹ 91,00,000/- from Mr. Shailesh Ramniklal Mehta, Managing Director (Promoter) of the Company. The said loan was advanced by the above director @ 5% interest p.a. from his own funds for the business purpose of the Company. Mr. Shailesh Ramniklal Mehta, Managing Director (Promoter) at the time of giving the aforesaid loan had furnished to the Company a declaration in writing, that the amount is not being given out of funds acquired by borrowing or accepting loans or deposits from others.

Further, as on 31<sup>st</sup> March, 2022 there is NIL outstanding towards the above loan along with interest thereon.

## **21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **Composition of the Board:**

The Company believes that the Board of Directors ('Board') needs to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence, and to separate the functions of governance and management. As on 31<sup>st</sup> March, 2022, the Board of the Company 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 requirement of the Companies Act, 2013 and the Listing Regulations. 1 out of 5 members is a women Director.

The following is the Composition of the Board as at 31<sup>st</sup> March, 2022:

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
Ms. Jasmin Nahidakhtar Vhora	Independent Director

The relevant details in terms of Sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director proposed to be re-appointed, are provided in the Notice for convening the 33<sup>rd</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. Naresh Ramniklal Mehta, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

#### **Board Meeting:**

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. Minimum four (4) Board meetings are held every year. Further, additional Board meetings are also convened as per Company's requirements. Agenda along with Notes on Agenda and Agenda papers are circulated to the Directors, in advance, for facilitating meaningful and focused discussions at the meeting. 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 notice of Board meeting is given well in advance to all the Directors. 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 within the prescribed time period. 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 include detailed notes on the items to be discussed at the meeting to enable the Directors for making informed decisions.

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

During the Financial Year ended 31<sup>st</sup> March, 2022, Board of Directors of the Company met Seven (7) times i.e. on 8<sup>th</sup> May, 2021; 21<sup>st</sup> June, 2021; 29<sup>th</sup> June, 2021; 13<sup>th</sup> August, 2021; 28<sup>th</sup> October, 2021; 12<sup>th</sup> November, 2021 and 12<sup>th</sup> February, 2022. The maximum gap between two meetings was not more than 120 days:

Name of Director	No. of Board Meetings Attended/Held	Attendance at the Last Annual General Meeting held on 29 <sup>th</sup> September, 2021
Mr. Kirit Narotamdas Mehta	6/7	Yes
Mr. Shailesh Ramniklal Mehta	7/7	Yes
Mr. Naresh Ramniklal Mehta	3/7	No
Dr. Christy Leon Fernandez	7/7	Yes
Ms. Jasmin Nahidakhtar Vhora	2/7	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, 2022:

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

### **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(6) of the Companies Act, 2013 read with the applicable Schedule and Rules framed thereunder and as per Regulations 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### **Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of Independent Directors:**

The Board of Directors of the Company are of the opinion that the Independent Directors of the Company are persons of integrity and possess the relevant expertise, the appropriate skills, experience and knowledge in one or more fields of finance, audit, taxation, public administration and Company Law.

Pursuant to the requirements of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered their names in the Data Bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"), the authority notified by the Ministry of Corporate Affairs.

### **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, which inter alia explains the role, function, duties and responsibilities expected from him/ her as a Director of the Company. The Director is also explained in detail the compliances required from him/ her under Companies Act, 2013, the Listing Regulations and other applicable statutes, if any.

The details of the familiarization programme for Independent Directors is available on the Company's website at [www.geotexelin.com](http://www.geotexelin.com) and can be downloaded from the weblink: [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 framed thereunder mandates that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors. At such meetings, the Independent Directors shall (i) review the performance of Non-Independent Directors and the Board as a whole, (ii) review the performance of Chairman of the Company after taking into account views of Executives and Non-Executive Directors and (iii) assess 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 25<sup>th</sup> March, 2022. All the Independent Directors were present in 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 Directors/ 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 and has also evaluated the fulfillment of independence criteria of the Independent Directors as specified under Section 149(6) of the Companies Act, 2013 and under Regulation 25(8) of the SEBI (LODR) Regulations, 2015 and their independence from the management. The evaluation of the working of the Board, its committees, individual directors, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction over the evaluation process.

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

## 22. 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 the Committees 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

### A. **AUDIT COMMITTEE:**

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31<sup>st</sup> March, 2022, the Audit Committee comprise of 4 Directors/Members out of which 3 are Independent Directors. All the Members of the Audit Committee are well qualified, experienced and possess sound knowledge of finance, accounting practices and internal controls. The Company Secretary of the Company acts as the Company Secretary of the Audit Committee.

#### **Meeting and Attendance:**

During the Financial Year ended 31<sup>st</sup> March, 2022, the Audit Committee met Four (4) times i.e. on 29<sup>th</sup> June, 2021; 13<sup>th</sup> August, 2021; 12<sup>th</sup> November, 2021 and 12<sup>th</sup> February, 2022. The maximum gap between two meetings was not more than 120 days. The requisite quorum was present in 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	4/4
Mr. Shailesh Ramniklal Mehta	Member	Managing Director	4/4
Dr. Christy Leon Fernandez	Member	Independent Director	4/4
Ms. 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) Modified opinion(s) 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) Reviewing and monitoring 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 Internal audit reports relating to internal control weaknesses;
- 23) Review of appointment, removal and terms of remuneration of the Chief internal auditor;
- 24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- 25) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders;
- 26) Review of the following statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1);
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
- 27) Approval of all Related Party Transactions and subsequent material modifications of transactions of the company with related parties;
- 28) Review of the information provided by the company for approval of proposed Related Party Transactions;
- 29) Review of the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis; and
- 30) Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provisions under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable laws.

## 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 Board of Directors of the Company has adopted the Nomination and Remuneration Policy (the “Policy”) on the recommendation of the Nomination and Remuneration Committee of the Board. The Policy, inter alia, provides guidelines for the appointment, removal and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel.

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, 2022, the NRC Committee comprise of 4 Members out of which 3 are the Independent Directors and one is a Non-Executive Director.

### Meeting and Attendance:

During the Financial Year ended 31<sup>st</sup> March, 2022, the Nomination and Remuneration Committee met one (1) time i.e. on 29<sup>th</sup> June, 2021 and the requisite quorum was present in 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 Meeting Attended/Held
Dr. Christy Leon Fernandez	Chairman	Independent Director	1/1
Mr. Naresh Ramniklal Mehta	Member	Non-Executive Director	0/1
Mr. Kirit Narotamdas Mehta	Member	Independent Director	1/1
Ms. Jasmin Nahidakhtar Vhora	Member	Independent Director	0/1

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) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- 2) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- 3) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 4) Formulation of criteria for evaluation of performance of independent director and the board of directors;
- 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) To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and new Senior Management personnel;
- 9) 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;
- 10) To assist the Board in fulfilling its responsibilities;
- 11) To perform such other functions as may be necessary or appropriate for the performance of its duties;

- 12) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates;
- 13) Devising a policy on diversity of Board of Directors; and
- 14) Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent director.

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 weblink: [https://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination\\_and\\_Remuneration\\_Policy\\_147.pdf](https://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 transfer/transmission of shares, name change/deletion/correction, non-receipt of annual reports, issue of new/duplicate share certificates and other shareholder related queries, complaints etc.

##### **Meeting and Attendance:**

During the Financial Year ended 31<sup>st</sup> March, 2022, the Stakeholders Relationship Committee met once (1) on 12<sup>th</sup> February, 2022 and the requisite quorum was present in the Meeting.

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

<b>Name of Members</b>	<b>Designation</b>	<b>Category of Director</b>	<b>No. of Stakeholders Relationship Committee Meeting Attended/Held</b>
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 / re-materialization 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 / transmission of shares, non-receipt of annual report and non-receipt of declared dividends;
- 6) To review the measures taken for effective exercise of voting rights by shareholders;
- 7) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 8) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- 9) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;
- 10) To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal;



- 11) 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; and
- 12) 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, 2013 or SEBI (LODR) Regulations, 2015 or any other applicable law.

**Redressal of Investor Grievances:**

The Company and its Registrar and Share Transfer Agent addresses the complaints and grievances of its shareholders expeditiously and replies are sent usually within 15 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 constituted Finance and Investment Committee ("Committee"). The Minutes of the committee meeting is noted in the subsequent meeting of the Board.

**Meeting and Attendance:**

During the Financial Year ended 31<sup>st</sup> March, 2022, the Finance and Investment Committee met eleven (11) times i.e. on 23<sup>rd</sup> April, 2021, 6<sup>th</sup> August, 2021, 12<sup>th</sup> August, 2021, 8<sup>th</sup> September, 2021, 18<sup>th</sup> September, 2021, 6<sup>th</sup> October, 2021, 20<sup>th</sup> November, 2021, 27<sup>th</sup> December, 2021, 11<sup>th</sup> January, 2022, 8<sup>th</sup> February, 2022 and 11<sup>th</sup> March, 2022 and the requisite quorum was present in all the Meetings.

**The table below provides the Composition and Attendance of the Finance and Investment Committee:**

Name of Members	Designation	Category of Director	No. of Finance and Investment Committee Meeting Attended/Held
Mr. Kirit Narotamdas Mehta	Chairman	Independent Director	11/11
Mr. Shailesh Ramniklal Mehta	Member	Managing Director	11/11
Ms. Jasmin Nahidakhtar Vhora	Member	Independent Director	1/11

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

- a) To borrow money;
- b) To Invest funds of the company;
- c) To grant loans or give guarantee or provide security in respect of loans;
- d) To review the adequacy of term debt, fund based and non-fund based borrowings and all banking arrangements and cash management and to approve any modification, addition and reduction of the same;
- e) To make application for new loans and facilities, negotiate and finalize the terms, acceptance of sanction letters, loan documents, security documents such as mortgage, hypothecation deeds etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers;
- f) To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, Balance Confirmation Letters that may be received from various Banks and Financial Institutions;
- g) To approve the exercise of guarantees as may be required by Banks, Financial Institutions, lenders etc. on any matter pertaining to the working affairs of the Company;
- h) To review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments;
- i) To review and approve from time to time various business arrangements, projects, purchase of equipment's and apparatus for the existing and new business;
- j) To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting parties etc.;
- k) To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/ Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary;

- l) To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the Officials of the Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, etc. and close the Banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as committee may in its discretion decide for the transactions to be entered into by such officials of the Company; and
- m) To make and submit whether by committee itself or delegate authority to the Officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance etc.

#### **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 1000 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.

The meeting of Risk Management Committee was not held during the year under review.

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

<b>Name of Members</b>	<b>Designation</b>	<b>Category of Director</b>
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 [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\\_Risk\\_Management\\_87.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Risk_Management_87.pdf)

#### **23. 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 has been followed along with proper explanation relating to material departures;
- b) the directors have 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, 2022 and of the profit and loss of the Company for financial year ended 31<sup>st</sup> March, 2022;
- c) the directors have 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 have prepared the annual accounts on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **24. 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 Board of Directors of the Company at their meeting held on 27<sup>th</sup> May, 2022, based on the recommendation of the Audit Committee, recommended re-appointment of M/s. Sunil Poddar & Co., Chartered Accountants, (Firm Registration No. 110603W) as the Statutory Auditors of the Company for the second term of five consecutive years i.e. from F.Y. 2022-23 to F.Y. 2026-27 who shall hold the office from the conclusion of ensuing 33<sup>rd</sup> Annual General Meeting till the conclusion of 38<sup>th</sup> Annual General Meeting of the Company, subject to compliance of the various provisions of Companies Act, 2013.

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 framed 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, 2022 does not contain any qualifications, reservations or adverse remarks.
- 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. SPANJ & Associates, Practicing Company Secretaries, Ahmedabad, to conduct Secretarial Audit of the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31<sup>st</sup> March, 2022 forms an integral part of this report and is annexed as **Annexure – C**.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2022 does not contain any qualifications, reservations or adverse remarks.

### **C. INTERNAL AUDITORS:**

The Board of Directors has re-appointed M/s. Pabari & Co, Chartered Accountants (FRN: 144036W), Ahmedabad as the Internal Auditors of the Company for the first quarter of the Financial Year ended 31<sup>st</sup> March, 2022.

Further, Board of Directors has appointed M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W/W-100036), as Internal Auditors of the Company w.e.f. 1<sup>st</sup> July, 2021, for the remaining period of the Financial Year ended on 31<sup>st</sup> March, 2022.

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

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

## **26. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

## **27. 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 – D**.

## **28. 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.

## **29. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has an adequate internal financial control system commensurate with the nature of its business and the size and complexity of its operations and are operating effectively with no material weakness.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of the said internal financial control system.

### **30. BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report as per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 1000 listed Companies on the basis of market capitalization.

### **31. DIVIDEND DISTRIBUTION POLICY:**

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 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.

### **32. 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 (all female employees on the rolls of the Company including those on deputation, contract, temporary, part time or working as consultants are covered under this Policy) to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

The Company has constituted an Internal Complaints Committee to redress complaints relating to sexual harassment. During the year, no complaints with allegations of sexual harassment were received by the Company.

### **33. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a Vigil Mechanism which also incorporates a Whistle Blower Policy ("this Policy") in compliance with the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015.

This Policy has been formulated with a view to provide a mechanism / channel for employees, directors and other stakeholders of the Company to raise concerns of suspected frauds, any violations of legal / regulatory requirements or Code of Conduct for Directors and Senior Management of the Company, incorrect or misrepresentation of any financial statements and reports or any instance(s) of leakage / suspected leakage of UPSI etc.

The Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at the link: <http://www.geotexelin.com/wp-content/uploads/2020/02/Whistle-Blower-Policy.pdf>

### **34. 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 2021-22 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. However, the appointment of Cost Auditor for undertaking audit of the cost records of the company is not applicable to your Company.

### **35. RISK MANAGEMENT POLICY:**

The Company has a robust 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 ("Policy") which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting.

The main objective of this Policy is to achieve sustainable business growth with stability and to promote a proactive approach in identifying, reporting, evaluating and resolving risks associated with the Company's business which, in the opinion of the Risk Management Committee, may threaten the growth, stability and existence of the Company.

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)

### **36. 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, 2022 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – G**.

### **37. ACCREDITATIONS AND RECOGNITIONS:**

Your Company has received the following accreditations and recognitions:

1. **ISO 9001:2015** (Quality Management System Standard)
2. **ISO 14001:2015** (The Environmental Management System Standard)
3. **ISO 45001:2018** (The Occupational Health & Safety Management System Standard)
4. 1<sup>st</sup> Company in India to obtain ISI license for marking under IS: 15351
5. Carries ISI mark as per BIS standard **IS 15351:2015** for **Agro Textiles Laminated High Density Polyethylene (HDPE)** woven geomembrane for water proof lining.
6. Carries ISI mark as per BIS standard **IS 7903:2017** for **Textiles Tarpaulins made from High Density Polyethylene (HDPE)** woven fabric.
7. Carries ISI mark as per BIS standard **IS 15907:2010** for **Agro Textiles High Density Polyethylene (HDPE) woven beds** for vermiculture.
8. Carries ISI mark as per BIS standard **IS 16190:2014** for **Agro Textiles High Density Polyethylene (HDPE) laminated woven lay Flat Tube** for irrigation purpose.
9. Carries ISI mark as per BIS standard **IS 16627:2017** for **Agro Textiles High Density Polyethylene (HDPE) laminated woven lay Flat Tube** for mains & sub mains of drip irrigation system.
10. Carries ISI mark as per BIS standard **IS 17374:2020** for **Geosynthetics — Reinforced HDPE Membrane** for Effluents and Chemical Resistance Lining.

### **38. 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 Board guideline is of high concern to the Company.

### **39. CERTIFICATION FROM MANAGING DIRECTOR AND CFO:**

In terms of Regulation 17(8) read with part B of Schedule II of SEBI (LODR) Regulations 2015, 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.

### **40. LISTING FEES:**

The Company's Equity Shares are listed with Bombay Stock Exchange (BSE). The Company has paid Listing Fees for the financial year 2022-23 to BSE within the prescribed time period.

### **41. OTHER DISCLOSURES:**

- a) 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.
- b) There was no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- c) There was no instance of onetime settlement with any Bank or Financial Institution.

### **42. 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

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

Place : San Jose, California, USA  
Date : 27<sup>th</sup> May, 2022



## “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 31<sup>st</sup> March, 2022

### **A. OVERVIEW OF THE COMPANY “TEXEL INDUSTRIES LIMITED”:**

Established in 1989, Texel Industries Limited (“Texel”) is an ISO 9001:2015 certified company engaged in manufacturing of Tarpaulins and Geomembranes with 33 years of innovation in Geo-synthetics industry. The company has proven the capabilities in manufacturing a wide range of Geo-synthetics Textile products which includes Tarpaulins, Geomembranes, Vermibed, Geotank, Geotube, Grow Bags Azollabed, House Wrap, Lumber Wrap, Metal Wrap and Water Proof Membrane. Our products are used in agriculture, aquaculture, horticulture, animal husbandry, civil engineering, water harvesting, water conservation and disaster relief, landscaping, transportation and waste management.

Texel is having total installed manufacturing capacity of 23,680 metric tonnes (M.T.) per annum (13,600 metric tonnes at Santej and 10,080 metric tonnes at Kheda) for Geo-synthetic Textile products. The total practical capacity of both the Plant is 19080 M.T. per annum (9,000 metric tonnes at Santej Plant and 10,080 metric tonnes at Kheda Plant).

During F.Y. 2021-22, the Company achieved total production level of 3712.38 M.T. The Company has achieved production level of 3673.29 M.T. at Santej Plant and capacity utilization was 41% (approx.) during F.Y. 2021-22 against 37% (approx.) during F.Y. 2020-21.

The Company has started commercial production from 9<sup>th</sup> February, 2022 at Kheda Plant and achieved production level of 39.09 M.T. during F.Y. 2021-22.

The underutilization of capacity was due to the impact of pandemic, economic crisis and excessive rains during the period under review, due to which the installation process of our Geomembrane products were affected extensively.

The Company also undertakes research and development activities to reduce costs through more efficient production processes, to develop new products and to enhance its products, services, technologies, processes etc.

During F.Y. 2021-22, the revenue from operations has increased to ₹ 9093.99.00 lakhs in the current year, against ₹ 8262.00 lakhs in the previous year, an increase rate of approx. 10.07% as compared to previous year. The Net Profit of the Company decreased by 41.73% i.e. the Net Profit after Tax on standalone basis for the current year is ₹ 128.78 lakhs, against ₹ 221.02 lakhs in the previous year.

Your Company has always put in the best efforts to maintain the trust of its stakeholders and is continuously making its best efforts to increase the turnover and profits of the Company.

#### **• IMPACT OF GEOPOLITICAL CRISIS AND COVID-19 PANDEMIC ON THE COMPANY**

When the global economy seemed to be at the cusp of witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties associated with subsequent waves of infection and rising global inflationary pressures), the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. Due to which the revenue and profitability of the Company was impacted.

Although conditions are improving, the pandemic may yet take another turn for the worse—as seen, for example, with recent rising caseloads in China and elsewhere in the Asia-Pacific region. Although the original Omicron strain ended up being relatively mild in terms of severe illness for the vaccinated, it is too soon to assess the threat its subvariants pose. A more dangerous mutation, perhaps one that retains Omicron’s ability to dodge immunity but with enhanced lethality, would be a significant blow.

However, fluctuations in the prices of crude oil are the major factor that is restraining the growth of the market. Most of the raw material for Company’s products is petroleum-based and is vulnerable to volatility in the prices of crude oil. The fluctuations in crude oil prices directly affects the price of the raw materials required for Company’s products, due to which the revenue and profitability of the Company was impacted.

The demand for Company’s products is good in the domestic as well in international market. However, the Company may face challenges in the future due to changes in government regulations, tax regimes, laws and regulations that apply to the Geo-Synthetic Textile industry, changes in fiscal, economic or political conditions in India, changes in the foreign exchange control regulations, interest rates and tax laws in India etc.

The following information on the Global & Indian Economies and Geo-Synthetic industry is based on the various reports on industry obtained from sources generally believed to be reliable, but their accuracy, completeness and assumptions are not guaranteed and their reliability cannot be assured and accordingly, the Company is not responsible for any discrepancy/error in the information.

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

According to the International Monetary Fund (“IMF”), the projected global economic growth rate is 4.4 percent in 2022 and further it is expected to slow to 3.8 percent in 2023, the downgrade largely reflects the war’s direct impacts on Russia and Ukraine and global spillovers and economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. The last couple of years have been very difficult for the world as a whole. The repeated waves of infections of Covid-19, and the resultant supply chain disruptions, rising energy & commodity prices, challenges in logistics and even rising inflation levels, have created challenging scenarios for governments across the world. The first half of 2021 witnessed mass vaccination drives, easing of restrictions and opening of economies to reverse economic losses. It was further under pinned by quantitative easing methods adopted by the governments, follow-up support packages, and initiatives towards revival of the economies to bounce back and reach pre-Covid-19 levels.

According to the IMF, the global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

As per the IMF, the advanced economy group growth is estimated to be moderate at 5.5% and will continue to be slow to 3.5% in 2022. The inflation to remain elevated in the near term, averaging 5.7% in advanced economies and 8.7% in emerging market and developing economies in 2022, due to impact of Covid-19 pandemic and global geopolitical tensions arising from the Russian invasion of Ukraine on the economy.

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

As per Economic Survey the Indian economic growth to grow by 8.0% to 8.5% in 2023 considering the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the normal range and global supply chain disruptions will steadily ease over the course of the year.

During the year under review, the growth of the Indian economy is affected due to the post-pandemic economic recovery faces a complex set of challenges. Several crosscurrents have hit the global economy all at once, and will slow growth more significantly. The economic spillovers of the Russia-Ukraine military conflict are still unfolding, as is the effect on global growth from the slowdown in China amid strict enforcement of its zero-COVID policy. Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile. In this context, it is important to evaluate both the pace of growth revival in India as well as the strength of macro-economic stability indicators. It is also essential to look at progress in vaccination as this is not just a health response but also a buffer against economic disruptions caused by repeated waves of the pandemic.

The growth will be supported through further realization of efficiency gains from various incentives/ measures / reforms which will be helpful for the development of Indian Economy.

The Union Budget for 2022-23 was announced in Parliament on 1<sup>st</sup> February, 2022. Some initiatives taken by the Government of India to boost Agriculture, Aquaculture, Irrigation and Rural development, which are beneficial to your Company (including others), whether directly / indirectly:

- PM GatiShakti Master Plan for Expressways will be formulated in 2022-23 to facilitate faster movement of people and goods. The National Highways network will be expanded by 25,000 km in 2022-23. ₹ 20,000 crore will be mobilized through innovative ways of financing to complement the public resources.
- Promoting chemical free natural farming starting with farmers’ lands close to river Ganga.
- Allocation of ₹ 48,000 crore has been made for both rural and urban development under PM Awas Yojana.
- A new scheme was introduced under Prime Minister’s Development Initiative for North-East (PM-DevINE) for infrastructure development for North East region, for this an initial allocation of ₹ 1500 crores will be made.

On account of success of Jal Shakti Abhiyan of 2021 in generating awareness amongst the citizens of the country of water conservation and rainwater harvesting, ‘Jal Shakti Abhiyan: Catch the Rain’ – 2022 campaign launched by Hon’ble President of India with the main theme “Catch the Rain, where it falls, when it falls” on 29<sup>th</sup> March, 2022 Abhiyan will focus on Rainwater harvesting, groundwater recharge, springshed development, protection of water catchment areas and gender mainstreaming in the water sector.

As the Government of India is now focusing towards water conservation, harvesting and ground water management including artificial recharge to ground water through various initiatives with a view to boost Agriculture, Aquaculture, Irrigation and Rural development, this could be a turning point for the Company as the Company's products i.e. Geomembranes and Geo Tanks are designed for water conservation, harvesting and also for aquaculture activities and it can be used in various such applications. This will create opportunities for Company's products in the field of water conservation, water harvesting and aquaculture business.

#### **D. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

- **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 India with favorable regulatory norms to improve domestic infrastructure is expected to catalyze the product demand in near future.

The Global Geosynthetic market is expected to reach USD 3,132 million by 2030, registering a CAGR of 5.02% during the forecast period (2022-2030). The factors driving the growth of the market are increasing shale gas production capacity in the U.S. and Canada, and an increase in mining activities in South America are expected to drive market growth in the forecast period.

- **Asia-Pacific Geomembrane Industry**

Rapid infrastructure development in emerging economies, such as India and Brazil, is anticipated to fuel the market growth over the forecast period. Infrastructure development in India, China, and the Middle East in light of regulatory inclination to increase expenditure on road transport is expected to drive the market.

Asia Pacific dominated the market for geomembranes and accounted for 32.9% of the global revenue in 2021 and is expected to continue the trend. Asia Pacific is expected to lead the geosynthetics market and account for more than 40% share by 2031. This can be attributed to the rising urbanization and expansion of manufacturing industries in China and India. Rapid infrastructural developments and increasing number of constructional projects.

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

#### **E. OPPORTUNITIES AND THREATS:**

Today, the business industry for Geo-synthetics is experiencing increased growth and the usage of the same in various segments in domestic market as well as in international market.

While geosynthetics provide overall benefits in terms of faster speed of construction, lower maintenance requirements and environment conservation, their adoption in India has been quite low. Some of the key reasons are low awareness of the benefits; lack of technical expertise and trained engineers, absence of technical standards and adequate research on the application of such products as per local conditions; unavailability of low-cost substitutes; and the highly volatile prices of geosynthetic products (being a derivative of crude oil).

The government allows 100 per cent foreign direct investment under the automatic route in technical textiles. In 2019, the Ministry of Textiles dedicated 207 HSN codes to technical textiles to help monitor the import and export data for providing financial support and other incentives to manufacturers with a view to position the country as a global leader in technical textiles.

Since the agriculture and allied sector estimated to have grown by 3.9% in 2021-2022 and 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.

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.

The industry in which your Company operates is highly competitive. The organized players in the industry compete with each other by providing high quality products. Further, the prices of the raw-materials, required for manufacturing Geomembranes & Tarpaulins and other products are always fluctuating because such raw-materials prices are linked to crude and feedstock prices.

Globally, geosynthetics have played a key role in infrastructure development. The need is for India to develop its own ability and capability to make the best use of its huge underlying potential. The technical textiles industry is at a nascent stage in India and hence holds immense potential for growth. With the government's plans to create world-class infrastructure in the country, and implement several policies and schemes, technical textiles are poised to grow.

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 Risk 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 assets to minimize losses if any during business operations.

## **F. PRODUCT-WISE PERFORMANCE:**

Your Company continues to be innovative and pioneering in its Geo-synthetic 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 mainly to the needs of Domestic Markets 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**

The use of Geomembranes as agricultural pond liners has been on the rise due to growing concern about the need to conserve valuable sources of water. Geomembranes are fully impervious to seepage and leakage and it also prevents any type of contamination from the ground. Geomembranes for lining aquaculture ponds offers disease free harvest of aquatic animals and it is highly beneficial when used with the Biofloc technology. Geomembranes are ideally suitable for the landscaping purposes such as decorative ponds, golf course, pools etc. and are chemical resistant, puncture resistant, tear resistant and have high hydrostatic resistance.

During FY 2021-22, due to the effect of pandemic and geopolitical crisis and excess rainfall there was decrease in demand of the product, the Company registered Annual Sales of ₹ 4682.27 Lakhs, which is reduced by 0.15% in the current year against ₹ 4689.45 Lakhs in the previous year, thereby contributing 51.49% to the total turnover of the Company.

- **Tarpaulins**

The other core product of your Company is Tarpaulin, highly versatile waterproof plastic sheets of various thickness which have multiple uses.

- Agro Sheets- They are used in daily requirements of agricultural sector viz. covering, storage, packaging etc.
- 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.

Globally, Tarpaulins are used in the fields of agriculture, building & construction, energy, transport camping & recreation, infrastructure and disaster relief including others.

During FY 2021-22, the Company registered Annual Sales of ₹ 1844.40 Lakhs, which is increased by 112.12% in the current year against ₹ 869.51 Lakhs in the previous year, thereby contributing 20.28% to the total turnover of the Company.

- **Other Products**

Your Company is also manufacturing following products, namely:

- Geo Tank – It is a portable structure that facilitates for aquaculture and water storage;
- Azolla Bed – used for azolla fern cultivation in animal husbandry, dairy industry and also used in aquaculture industry;
- Vermibed – used for organic farming;
- Grow Bags – used in terrace gardening or nursery and also for vegetable cultivation;
- Geo Tube or Lay Flat tube – used as counter weight over the Geomembranes installed in the artificial ponds, to protect Geomembranes flutter during stormy winds for water supply and other purposes connected with Geomembranes;
- Water Proof Membrane – used for preventing the ingress of water into roofs, walls and basements.

Your Company has introduced following new line of products which we are manufacturing in new manufacturing unit located at Kheda, Gujarat.

- Geotextile – used mainly in Rail and Road infrastructure to prevent erosion and displacement of soil and provide stability and also several other multiple application in construction and infrastructure.
- Polypropylene Woven Coated/ Laminated Fabric - Metal Wrap – used for protective packaging cover to wrap large size metal and steel rolls, it safeguards the material from the corrosion.
- Polypropylene Woven Coated/ Laminated Fabric - Lumber Wrap – used to keep lumber or logs clean during transportation from one place to another.

Your Company is focusing in expansion of these products also.

#### **G. 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.

Your Company aims to spearhead water conservation measures, which in turn enhance the quality of life of the vast agricultural community and to optimise the use of natural resources by offering solutions in the field of geosynthetics, thereby enhancing the lives of the general population.

We also aim to indulge world class manufacturing facilities that offer solutions in the field of geosynthetics and to create world class R and D facilities and create new products in the field of geosynthetics. We are focused to achieve healthy annual growth in the coming years. As the revenue grows, we expect our EBITDA margins also to improve in the coming years. On the whole, the outlook for the Company continues to remain positive.

#### **H. RISKS AND CONCERNS:**

Risk is an integral to any business activity. The Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. 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. As part of the risk assessment and management, the Audit Committee of Board of Directors of the Company reviews the risk management system of the Company.

#### **I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has aligned its current system of internal financial control with the requirements of Companies Act, 2013. This system intended to increase transparency and accountability in an organisation. 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.

#### **J. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Your Company has achieved satisfactory financial performance in the current financial year. The financial performance of the Company has been summarized in the Directors' Report under the heading 'Financial Performance'.

#### **K. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:**

The Company considers its people to be its biggest asset and credits its sustained improvements to their ethics, dedication and energy. It is its endeavor to offer a work environment and HR processes that promote creativity, teamwork, meritocracy, learning and leadership. The Human Resource Management continues to be focused on improving employee productivity, reducing employee cost and building necessary skill sets whilst building employee motivation through varied employee engagement initiatives.

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. There exists peaceful and amicable relations with staff and workers at office and plant. As on 31.03.2022, there are total 87 (Eighty seven) employees working on the pay roll of the Company and there are 156 (one hundred fifty six) workers working on contract basis.



**L. THE KEY FINANCIAL RATIOS ARE GIVEN BELOW:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations

Key Financial Ratios	FY 2021-22	FY 2020-21	% Change
Debtors Turnover Ratio	7.31	6.95	5.17
Inventory Turnover Ratio	3.83	4.24	-9.58
Interest Coverage Ratio	1.52	3.14	-51.59
Current Ratio	1.08	1.04	3.99
Debt Equity Ratio	0.66	0.26	156.11
Operating Profit Margin (%)	15.94	17.63	-9.58
Net Profit Margin (%)	1.42	2.68	-47.07

The change in Debt Equity Ratio is due to increase in term borrowings and due to Rights Issue of Equity Shares. The change in Interest Coverage Ratio is due to decrease in Net Profits and increase in interest expenses. The Net Profit Margin has affected due to reduced demand of products due to impact of pandemic on the economy and due to very high cost of raw materials.

**M. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

Particulars	FY 2021-22	FY 2020-21
Return on Net Worth (%)	15.44	42.32

The Return on Net Worth has decreased due to decrease in the Net Profits of the Company from ₹ 221.02 Lakhs in the previous Financial Year 2020-21 to ₹ 128.78 Lakhs in the Current Financial Year 2021-22.

**N. CONCLUSION:**

The Management Discussion and Analysis Report ("this Report") has been prepared on the basis of available data as well as certain assumptions as to the economic conditions, various factors affecting raw material prices, selling prices, consumer demands & preferences, governing laws, political factors and other incidental factors. The Company's actual results, performance may differ considerably from those presented herein. The Company's performance is dependent upon global and national economic conditions, the price of commodities, business risk, change of Government's rules and regulations and other incidental factors over which the Company do not have any direct/indirect control.

For and on behalf of the Board

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

Place : San Jose, California, USA

Date : 27<sup>th</sup> May, 2022

**“Annexure – B”**  
**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 and Remuneration of Managerial Personnel) 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 2021-22	Director's Name	Ratio of Remuneration of director to the Median remuneration
		Mr. Shailesh R Mehta	13.22
		Dr. Christy Leon Fernandez	0.97

**Note:**

- Median Remuneration for the financial year 2020-21 is ₹ 3,87,672/- and financial year 2021-22 is ₹ 4,17,532/-
- The aforesaid details are calculated on the basis of the gross remuneration received by the employees for the financial years 2020-21 & 2021-22.

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 2021-22	Director's/CFO/CS	% increase in remuneration
		1. Mr. Shailesh R Mehta - Managing Director	9.24
		2. Dr. Christy Leon Fernandez- Independent Director	Nil
		3. Mr. Vikram Patel – Chief Financial Officer	23.00
		4. Ms. Shweta Sultania – Company Secretary	11.00
3	Percentage increase in the median remuneration of employees in the Financial Year 2021-22	During the financial year 2021-22, the percentage increase in the median remuneration of employees as compared to previous year was approximately 7.70%.	
4	Number of permanent employees on the rolls of the Company	There are 87 employees on the pay roll of the Company as on 31 <sup>st</sup> March, 2022.	
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.	During the financial year 2021-22, the average percentile increase/decrease in salaries of employees other than managerial personnel is -11.27%. Increase in remuneration of Managerial Personnel 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 Nomination and Remuneration Policy of the Company.	

For and on behalf of the Board

Place : San Jose, California, USA  
Date : 27<sup>th</sup> May, 2022

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

**“Annexure – C”  
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 31<sup>st</sup> March, 2022

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 **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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, 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, 2022 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to an 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d), (e), (h) and (i) of para (v) mentioned hereinabove during the period under review. However, there were no instances of any Foreign Direct Investment or External Commercial Borrowings.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock Exchange i.e. BSE Limited and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

VI. We further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

**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. There were no changes in the composition of the Board of Directors and committees of the Board during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance (except in case of meetings convened on a shorter notice, if any), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at the Board Meetings as represented by the management were carried out unanimously whereas, as informed, there is a system of capturing the views of dissenting members' and recording the same as part of the minutes, wherever required.

**We further report that** based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the whole time company secretary of the company and taken on record by the board of directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, regulations and guidelines as referred hereinabove.

**We further report that** during the audit period of the Company there were following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- During the year under review, Board of Directors at their meeting held on 8<sup>th</sup> May, 2021, has passed a resolution approving Rights Issue of shares for the issue size of 31,22,398 partly paid-up Equity Shares of face value of ₹ 10/- each at an issue price of ₹ 40/- per Equity Share (including premium of ₹ 30/- per Equity Share) for an aggregate amount of ₹ 1248.96 lakh to existing shareholders on a right issue basis. As per the ratio decided by the Board, for every 92 Equity shares of ₹ 10/- each, a shareholder will get 55 Rights Equity Shares of ₹ 10/- each. At the time of application 50% amount of Face Value as well as Premium was called and remaining 50% amount was called at the time of First and Final Call.
- Further, Company has passed Special Resolution in Annual General Meeting of the members of the Company held on 29<sup>th</sup> September, 2021 for re-issue of forfeited shares.
- The Board of Directors of the Company has approved by passing a Circular Resolution on 11<sup>th</sup> March, 2022 for Forfeiture and Cancellation of 5630 partly paid-up Equity Shares on which First and Final Call remained unpaid.
- Through Rights issue process, the Company has issued and allotted 31,16,768 Equity Shares of ₹ 10/- each at a Premium of ₹ 30/- per share.
- The Company has received Listing and trading approval from BSE Limited for 19,58,286 fully paid-up equity shares vide its letter dated 03<sup>rd</sup> January, 2022 and 05<sup>th</sup> January, 2022, respectively. Further company has received Listing and Trading approval from BSE Limited for 11,58,482 fully paid-up equity shares on 10<sup>th</sup> February, 2022 and 14<sup>th</sup> February, 2022, respectively.

**Ashish C Doshi, Partner**

Spanj & Associates

Company Secretaries

FCS No.: F3544

COP No.: 2356

Date : 27<sup>th</sup> May, 2022

Place : Ahmedabad

P R Certificate No. : 702/2020

UDIN : F003544D000405682

**Note:** 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

Regd. Off: Block No 2106, Santej-Khatraj Road,

Nr. Shah Alloys Ltd., Vill-Santej Tal-Kalol (N G)

Dist-Gandhinagar – 382721, Gujarat, India

Sir,

**Sub: Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2022**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. 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 a 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Ashish C Doshi, Partner**

Spanj & Associates

Company Secretaries

FCS No.: F3544

COP No.: 2356

P R Certificate No. : 702/2020

UDIN : F003544D000405682

Date : 27<sup>th</sup> May, 2022

Place : Ahmedabad



**“Annexure – D”**

**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;	The Company has installed the following state of the Art Machinery (i) High output tape plant. (ii) High output wide width looms. (iii) Wide width extrusion coating plant. All the above machineries consume less energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Not Applicable
(iii)	the capital investment on energy conservation equipments’;	₹ 5.29 Crores
<b>(B) Technology absorption</b>		
(i)	the efforts made towards technology absorption;	During the year under review: (i) Beta guage and shrinkage control equipment installed on tape plant. (ii) Wide lamination machine. (iii) High speed wide width looms. (iv) Printing machine with corona treatment. (v) Ultrasonic cutter installed in looms.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	During the year under review: (i) Due to installation of Beta guage variance in the tape is reduced resulting in reduced material consumption and improved quality. (ii) The installation of extra goddets for shrinkage control resulting in low shrinkage thereby improving the quality of tapes. (iii) Wider width looms and lamination machines will result in lower wastage and higher quality and power savings.
(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;	(i) Flot die’s for extrusion lamination and tape plant. (ii) Irrigation Layflat tube manufacturing machine. (iii) Slitting machine.
	(b) the year of import;	2021-2022
	(c) whether the technology been fully absorbed;	Yes
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Fully absorbed
(iv)	the expenditure incurred on Research and Development	R & D activities have been under taken at the new Kheda Plant to develop new products as envisaged in the Company’s basket of products. Some of the products will be completely recyclable as against the current products used in that category which are non-recyclable
<b>(C) Foreign exchange earnings and outgo</b>		
(i)	Foreign Exchange earnings	₹ 78.40 Lakhs
(ii)	Foreign Exchange outgo	₹ 12.81 Lakhs

For and on behalf of the Board

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

Place : San Jose, California, USA  
Date : 27<sup>th</sup> May, 2022

**“Annexure – E”  
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 Rs)

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 = 0.6592 INR
4	Share Capital	65,920
5	Reserves & Surplus	(1,91,01,841)
6	Total Assets	8,73,618
7	Total Liabilities	1,99,09,539
8	Investments	0
9	Turnover	0
10	Profit before taxation	(12,98,769)
11	Provision for taxation	0
12	Profit after taxation	(12,98,769)
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

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

Place : San Jose, California, USA

Date : 27<sup>th</sup> May, 2022

**“Annexure – F”  
FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.**

Sr. No	Particular	Details
a.	Name (s) of the related party & nature of relationship	Ms. Anisha Mehta, relative of Managing Director of the Company.
b.	Nature of contracts/arrangements/transaction	Payment of Admission fees for the 'Post Graduate Programme in Management for Family Business' (PGPMFAB)
c.	Duration of the contracts/arrangements/transaction	One time arrangement
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	During the F.Y. 2021-22, the Company paid ₹ 3,54,000/- towards admission fees for PGPMFAB.
e.	Justification for entering into such contracts or arrangements or transactions'	The sponsorship for admission fees of PGPMFAB is as per the Company's policy and it is in the interest of the Company because such programmes are developed to educate and enable the top-management of the family businesses to understand and learn how to tackle the challenges they face in the business and will also expose them to the theory related to the functional aspects of the business developing strategies, the importance of professional management etc.  The admission fees are sponsored by the Company to encourage the deserving employees to take admission in such programmes.
f.	Date of approval by the Board	12 <sup>th</sup> February, 2022
g.	Amount paid as advances, if any	Nil
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not applicable

**2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.**

Sr. No	Particular	Details
a.	Name (s) of the related party & nature of relationship	NIL
b.	Nature of contracts/arrangements/transaction	
c.	Duration of the contracts/arrangements/transaction	
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	
e.	Date of approval by the Board	
f.	Amount paid as advances, if any	

For and on behalf of the Board

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

Place : San Jose, California, USA  
Date : 27<sup>th</sup> May, 2022

**“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 31<sup>st</sup> March, 2022.

For and on behalf of the Board

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2022

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

# Independent Auditor's Report

To the Members of Texel Industries Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Texel Industries Limited ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2022, the statement of profit and loss, including statement of other comprehensive income, cash flow statement and statement of changes in equity 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 Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, 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 of the financial statements 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.

### Emphasis of Matter

We draw attention to the Note No 3 and 4 of the standalone financial statement regarding Investment and unsecured loans granted to Texel Industries (Africa) Limited, a wholly owned subsidiary of the Company. As on balance sheet date, the net worth of the said wholly owned subsidiary has been fully eroded. The management of the company has tested said investment and unsecured loan for impairment, based on their assessment there was impairment loss of ₹ 69.01 Lacs and ₹ 5364.33 Lacs for investment and unsecured loans respectively.

Our opinion is not modified in respect of this matter.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	The Company has recognised right of use assets and lease liability of ₹ 145219.00 thousand and ₹ 145774.47 thousand respectively at year end. Application of Ind AS 116 requires significant judgement and estimate in determining the right of use assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.	As part of our audit procedures, our procedures included the following: <ul style="list-style-type: none"><li>- Read and assessed the Company's accounting policies in accordance with the requirements of Ind AS 116.</li><li>- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS116;</li><li>- Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed the calculations involved on a sample basis.</li><li>- Evaluated the underlying assumptions and estimates including the discount rates.</li><li>- Assessed the disclosures made in the financial statements by the Company in this regard.</li></ul>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2	This is a key audit matter as the amount of investments and loans to subsidiaries is material to the standalone financial statements of the company and the determination of recoverable value for impairment assessment involves significant management judgement.	<ul style="list-style-type: none"> <li>- We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.</li> <li>- We Evaluated The Disclosures Made In The Standalone Financial Statements.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 including other comprehensive income, the cash flow statement and statement of changes in equity 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

- (h) 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 ₹ 1131.46/- thousands 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 is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as 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.
    - i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement;
    - v. There is no dividend declared or paid during the year by the Company and hence provisions of section 123 of the companies Act, 2013 are not applicable.

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

Place: Ahmedabad  
Date: 27<sup>th</sup> May, 2022  
UDIN : 22192753ALONoz5220

**[CA Harshil Lohia]**  
Partner  
M. No. 192753

## **Annexure A to the Auditor's Report referred to in paragraph 1 our report of even date:**

The Annexure referred to in Independent Auditor's Report of even date to the members of **TEXEL INDUSTRIES LIMITED** on the financial statements of the company for the year ended 31<sup>st</sup> March, 2022, we report that:

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

- (i)
  - (a)
    - (A) The Company has maintained the proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - (B) The Company does not hold any intangible assets and accordingly, the requirements under paragraph 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company;
  - (b) The fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2022 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a)
    - (a) The stock of Inventories has been physically verified by the management at reasonable intervals commensurate with size and nature of the business. Inventories lying with outside parties have been confirmed by them as at year end.
    - (b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of business.
    - (c) The company has maintained reasonable records for Inventories of raw material and finished goods lying at factory premises. As regards to work in process, we were informed that though it is not possible to compare individual items with the available records, on an overall basis, no discrepancy was disclosed. The discrepancy noticed on physical verification of stores and spares on comparison to books of records were not material and as informed to us would be dealt with in the books of account after enquiry / reconciliation.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- (iii)
 

The company has made investments in firm and granted unsecured loans to other parties during the year, in respect of which:

  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, no schedule of repayment of principal and payment of interest has been stipulated, hence question of regularity of repayment or receipts does not arise.
  - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
  - (f) The Company has granted loan without specifying any terms or period of repayment. The aggregate amount is outstanding of ₹ 17039.06 thousand Percentage to total loan is 100%. However, Company has not granted any loans to Promoters or their related parties as defined in clause (76) of section 2 of the Companies act, 2013.
- (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)
 

During the year, company has accepted deposits from its members and such deposits does not exceed ten per cent of the aggregate of the Paid-up share capital, free Reserves and securities premium account of the company, thus company is exempted to comply the provision of section 73(2)(a) to (e).

Further as per information and explanations provided to us for our verification, there is no violation of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

Also, according to information furnished to us, no order has been passed on the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal for noncompliance with the provisions of Chapter V of the Companies Act, 2013.

- (vi) According to the explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured/ services rendered by the company. Hence reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) 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, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are statutory dues referred to in clause (a) above as at 31<sup>st</sup> March,, 2022 which have not been deposited with the appropriate authorities on account of any dispute.

Statue	Nature of dues	Amount (Rs in '000)	Forum where dispute is pending	Assessment Year
Income Tax Act, 1961	Penalty under Income Tax Act	1461.62	CIT (Appeals)	2018-19

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.
- (c) The term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate firm.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate firm.
- (x) (a) Being a Private Limited company, it cannot raise money by the way of initial public offer or further public offer (including debt instruments) hence the clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been notices or reported during the year.
- (b) According to the information and explanations given to us, no report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us no whistle-blower complaints, if any, received during the year by the Company.
- (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 financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company have an internal audit system commensurate with the size and nature of its business.
- (b) We have considered report of the internal auditors for the period under audit; issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures;

- (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) (a) In our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Since the provisions of section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable to the company hence the clause 3(xx) of the Order is not applicable.

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

Place: Ahmedabad  
Date: 27<sup>th</sup> May, 2022  
UDIN : 22192753ALONZO5220

**[CA Harshil Lohia]**  
Partner  
M. No. 192753

## **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, 2022 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 judgment, 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 with reference to these financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

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, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at 31<sup>st</sup> March, 2022, 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

Place: Ahmedabad  
Date: 27<sup>th</sup> May, 2022  
UDIN : 22192753ALONoz5220

**[CA Harshil Lohia]**  
Partner  
M. No. 192753

## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

[₹ in Thousand]

Particulars	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(I) ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	2	3,99,667.10	84,558.20
(b) Capital Work in Progress	2	8,633.66	62,505.97
(c) Right to use Assets	2	1,45,774.47	1,66,115.09
(d) Financial Assets			
- Investments	3	-	-
- Loans	4	17,039.06	15,331.60
- Other Financial Assets	5	23,085.72	20,102.27
(e) Other non-current assets	6	34,700.00	53,119.19
<b>Total Non Current Assets</b>		<b>6,28,900.01</b>	<b>4,01,732.32</b>
<b>2. Current Assets</b>			
(a) Inventories	7	2,15,148.15	1,44,556.55
(b) Financial Assets			
- Trade Receivables	8	74,586.23	1,74,163.98
- Cash and cash equivalents	9	838.17	1,521.20
- Bank balances other than Cash and Cash Equivalents	10	5,044.09	4,863.68
- Loans	11	1,391.45	983.87
- Other Financial Assets	12	7,070.20	506.58
(c) Current Tax Assets (Net)	13	542.69	-
(d) Other Current Assets	14	1,27,745.04	19,189.23
<b>Total Current Assets</b>		<b>4,32,366.03</b>	<b>3,45,785.09</b>
<b>Total Assets</b>		<b>10,61,266.04</b>	<b>7,47,517.41</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	83,396.89	52,229.21
(b) Other Equity	16	2,73,977.32	1,72,354.63
<b>Total Equity</b>		<b>3,57,374.21</b>	<b>2,24,583.84</b>
<b>2. Non Current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	17	1,45,010.69	33,817.81
- Lease Liability	18	1,45,219.00	1,48,675.77
- Other financial liabilities	19	1,700.10	200.00
(b) Provisions	20	6,169.00	5,859.13
(c) Deferred tax liabilities (Net)	21	8,101.66	3,626.14
<b>Total Non Current Liability</b>		<b>3,06,200.45</b>	<b>1,92,178.85</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	22	90,715.52	24,024.29
- Lease Liability	23	14,263.94	23,062.50
- Trade Payables	24		
(i) Total outstanding dues of micro and small enterprise		838.94	1,501.93
(ii) Total outstanding dues of creditors other than micro and small enterprise		2,29,480.05	2,20,915.93
- Other financial liabilities	25	1,287.83	-
(b) Other current liabilities	26	58,409.16	50,721.79
(c) Provisions	27	2,695.93	2,023.51
(d) Liability For current Tax (Net)	28	-	8,504.77
<b>Total Current Liability</b>		<b>3,97,691.38</b>	<b>3,30,754.72</b>
<b>Total Equity and Liability</b>		<b>10,61,266.04</b>	<b>7,47,517.41</b>
Significant Accounting Policies and Notes to standalone financial statements.	1		

**As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN: 22192753ALONoz5220

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

**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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place :** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

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

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[₹ in Thousand]

Particulars	Notes	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue</b>			
Revenue from Operations	29	9,09,398.77	8,26,200.01
Other Income	30	11,075.23	3,529.85
<b>Total Revenue (I)</b>		<b>9,20,474.00</b>	<b>8,29,729.86</b>
<b>Expenses</b>			
Cost of Materials Consumed	31	4,84,890.12	3,28,171.79
Purchases of Stock-In-Trade	32	2,25,042.37	2,77,178.34
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(20,944.10)	7,428.00
Employees Benefits Expense	34	42,105.12	39,268.56
Finance Costs	35	33,582.76	14,220.28
Depreciation and Amortisation expense	2	14,182.22	8,064.31
Other Expenses	36	1,24,111.38	1,25,023.56
		<b>9,02,969.87</b>	<b>7,99,354.84</b>
<b>Profit Before Tax (I)-(II)</b>		<b>17,504.13</b>	<b>30,375.02</b>
Tax Expense			
Current Tax		267.79	8,994.15
Deferred Tax (PL)		4,358.58	(721.13)
<b>Total Tax Expense</b>		<b>4,626.37</b>	<b>8,273.02</b>
<b>Profit for the period (III)</b>		<b>12,877.76</b>	<b>22,102.00</b>
<b>Other Comprehensive Income / (Expenses)</b>			
Items that will not be reclassified to profit or loss		464.65	989.19
Income tax relating to items that will not be reclassified to profit or loss		(116.94)	(248.96)
<b>Other Comprehensive Income for the year (IV)</b>		<b>347.71</b>	<b>740.23</b>
<b>Total Comprehensive Income for the year (III)+(IV)</b>		<b>13,225.47</b>	<b>22,842.23</b>
<b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>	37		
Basic (In ₹)		2.04	4.23
Diluted (In ₹)		2.04	4.23
Significant Accounting Policies Accompanying Notes are an integral part of the Financial Statements	1		

**As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN: 22192753ALONQZ5220

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

**33<sup>rd</sup> Annual Report 2021-22**

**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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place :** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

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

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[₹ in Thousand]

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A Cash flow form operating activities</b>		
Profit/(loss) before tax	17,504.13	30,375.02
<b>Adjustment for</b>		
Depreciation / Amortisation	14,182.22	8,064.31
(Gain) / Loss on discard of property, plant and equipment	(1.34)	(26.01)
Unrealized foreign exchange (gain) / loss	(661.95)	609.06
Interest expense	33,582.76	14,220.28
Interest income	(9,968.48)	(1,755.45)
<b>Operating cash flow before working capital changes</b>	<b>54,637.34</b>	<b>51,487.21</b>
(Increase) / Decrease in Trade Receivable	99,577.75	(1,10,658.40)
(Increase) / Decrease in Inventories	(70,591.60)	141.16
(Increase) / Decrease in Other Financial Assets	(2,660.31)	474.11
(Increase) / Decrease in Other Assets	(90,679.31)	(47,744.22)
Increase / (Decrease) in Trade Payable	7,936.70	1,15,553.51
Increase / (Decrease) in Other Financial Liabilities	13,595.11	1,89,638.28
Increase / (Decrease) in Other Liabilities	9,778.00	13,177.73
<b>Cash generated from operations</b>	<b>21,593.68</b>	<b>2,12,069.38</b>
Income taxes paid (net)	10,962.22	12,313.55
<b>Net cash generated by operating activities</b>	<b>10,631.46</b>	<b>1,99,755.83</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,55,076.86)	(2,18,757.31)
Investment in Subsidiaries	-	69.01
Investment in Non-Current Bank Fixed deposits	(2,050.27)	(4,787.22)
Interest received	3,802.82	1,600.28
<b>Net cash used in investing activities</b>	<b>(2,53,324.31)</b>	<b>(2,21,875.24)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity share	1,19,564.89	-
Proceeds from long-term borrowing	1,11,192.88	32,605.40
Proceeds from short-term borrowing	66,691.23	8,912.08
Payment of lease liabilities	(23,062.50)	(18,450.00)
Interest paid	(32,196.27)	(13,766.08)
<b>Net cash generated from / used in financing activities</b>	<b>2,42,190.23</b>	<b>9,301.40</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(502.62)</b>	<b>(12,818.01)</b>
<b>Cash and cash equivalents cash flow statement at beginning of period</b>		
Balances with banks in current accounts and deposit account	6,257.85	19,168.70
Cash on hand	127.03	34.19
<b>Cash and cash equivalents at end of period (Refer Note 9 &amp; 10)</b>	<b>5,882.26</b>	<b>6,384.88</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**

As per our Report of even date attached

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN: 22192753ALONQZ5220

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place :** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

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

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

(1) As at 31<sup>st</sup> March, 2022 [₹ in Thousand]

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
52,229.21	-	-	31,167.68	83,396.89

(2) As at 31<sup>st</sup> March, 2021 [₹ in Thousand]

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
52,229.21	-	-	-	52,229.21

### B. OTHER EQUITY

(1) As at 31<sup>st</sup> March, 2022 [₹ in Thousand]

	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income	Total
					Remeasurement gain/(loss) on defined benefit plans	
<b>Balance at the beginning of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>1,02,120.13</b>	<b>5,172.29</b>	<b>1,72,354.63</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	347.72	347.72
<b>Dividends</b>	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	12,877.76	-	12,877.76
Right Issue Premium (Net)	88,397.21	-	-	-	-	88,397.21
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>1,14,997.89</b>	<b>5,172.29</b>	<b>2,73,977.32</b>

## STATEMENT OF CHANGES IN EQUITY (CONTD.)

(2) As at 31<sup>st</sup> March, 2021

[₹ in Thousand]

	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income	Total
					Remeasurement gain/(loss) on defined benefit plans	
<b>Balance at the beginning of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>80,018.13</b>	<b>4,432.06</b>	<b>1,49,512.40</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	740.23	740.23
<b>Dividends</b>	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	22,102.00	-	22,102.00
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>1,02,120.13</b>	<b>5,172.29</b>	<b>1,72,354.63</b>

**As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN: 22192753ALONoz5220

**Place:** Ahmedabad  
**Date:** 27<sup>th</sup> May, 2022

**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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place:** San Jose, California, USA  
**Date:** 27<sup>th</sup> May, 2022

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



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 1. CORPORATE INFORMATION

Texel Industries Limited is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 1956, having its registered office at Block No 2106 Santej-Khatrej Road Nr Gayatri Farm House Vill-Santej, Tal-Kalol, Dist-Gandhinagar, Gujarat. Its shares are listed on BSE Limited. The Company is engaged in the business of manufacturing of Tarpaulins and Geomembrane.

#### Significant accounting policies followed by the company:

#### 1.1 Basis of preparation

##### (i) Statement of compliance

The 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 from time to time and other accounting principal generally accepted in India.

##### (ii) Basis of Measurement

These financial statements prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participant at the measurement date.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest rupees, unless otherwise indicated.

##### (iii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### (iv) Use of estimates and judgments

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.

### 1.2 The significant estimates and assumption are required in particulars for the following

#### (i) Property, plant and equipment.

This involves determination of the estimated useful life of the property, plant and equipment and intangible assets if any and the assessment as to which component of the cost may be capitalised. The useful life of the assets is based on the life as prescribed in schedule II to the Companies Act 2013 or based on the technical estimates, taking in to account the nature of the assets, estimated usages, expected residual value and operating conditions of the assets. The Management reviews its estimate of the useful lives of depreciable assets at each reporting dates, based on the expected utility of the assets.

#### (ii) Impairment of Non-Financial Assets.

Determining Whether property, plant and equipment and other intangible assets are impaired requires an estimation of the value in use of the relevant cash generating units.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The value in use calculation is based on a discounted cash flow model over the estimated useful life of the underlying assets or cash generating unit. Further, the cash flow projection is based on the estimates and assumption relating to expected revenue, operational performance of the assets, market price of the related product or services, inflation, terminal value etc. Which are considered by the management.

### (iii) Income Taxes.

The companies tax jurisdiction in India, the significant judgements are involved in estimating budgeted profit for the purpose of the paying advances taxes, determining the provision for income tax, including amount of income tax expected to be paid. The significant management judgement also required to determine the amount of deferred tax assets that can be recognised, based on timing and level of future taxable profit.

### (iv) Fair value measurement of the financial instruments.

In estimating the fair value of the financial assets and financial liability, the company uses market observable data to the extent available. Where such level -1 inputs are not available, the company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgement includes considerations inputs such as liquidity risk, credit risk and volatility. The changes in assumptions about these factors could affect the reported fair value of the financial instruments.

### (V) Defined benefits plans (Gratuity Benefits).

The cost of the defined benefit of gratuity plan and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in future. These includes the determination of the discount rate, future salary increase / decrease and mortality rates. Due to complexity involved in the valuation and its long-term nature, a defined benefit obligations is highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

### (vi) Classification of Assets, current and non-current.

The assets or liability is classified as current, if it satisfies the any of the following condition.

- (i) The assets / Liability expected to be realised or paid in the company's normal operating cycle.
- (ii) The assets are intended for sales or consumption.
- (iii) The assets / liability held for the purpose of trade or business

- (iv) The Assets / liability is expected to be realised/ settled within 12 months After reporting period.
- (v) The assets are cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.
- (vi) In case of liability, the company does not have an unconditional right to deter settlement of the liability for at least 12 months after the reporting date.

All other assets or liabilities are classified as non-current. Deferred assets and Deferred liability are classified as current assets or liability respectively.

For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on nature of the business and the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents.

## 1.3 Summary of significant accounting policies

### 1. Property, Plant and Equipment.

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 is provided using straight line method (SLM) as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

Class of assets	Useful Life
Building	30 Years
Plant & Machinery	15 Year
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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.

### Capital work in process

Expenditure related to and incurred during the implementation of capital project, to get the assets ready for intended use is shown under "capital work in process". The same is allocated to the respective items' property, plant and equipment on completion of construction / erection of the capital assets. The cost of assets not put to use before the year and capital inventory are disclosed under Capital work in process.

### Impairment of Tangible Assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

## 2. 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. 'Specific identification', as applicable.

Due allowance is estimated and made for defective and obsolete items, wherever necessary.

## 3. 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.

## 4. 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.

## 5. Borrowing costs

Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use, capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that a company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## 6. 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.

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.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 7. Revenue recognition

The revenue from contract with customer is recognised upon transfer of control of promised product or services to the customer in an amount that reflect the consideration, which the company expect to receive in exchange of product or service. The revenue is measured based on the transaction price, which is the consideration, adjusted for discount and other incentives if any. The Amount of consideration to which the company expect to be entitled in exchange for transferring promised goods or service to a customer excluding amounts collected on behalf of third parties (Duties & Taxes on behalf of Government).

The specific recognition criteria from various steam of revenue are described as under:

#### (i) Sales of Goods:

Revenue from sales of the goods is recognised when the control of the goods has been passed to the customers as per terms of agreement and there is no continuing effective control or managerial involvement with goods.

#### (ii) Interest Income:

Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

### 8. Trade Receivable

A receivable represents the company's right to an amount of consideration that is unconditional i.e., only passage of time required before payment of consideration is due.

The Expected credit loss is mainly based on the historical experience. The receivables are assessed on an individual basis for credit loss. The trade receivables are written of on cases-to-cases basis, if deemed not to be collectable on assessment and circumstances.

### 9. Employee benefits

Employee's benefit includes gratuity, compensated absences, contribution to provided fund, employees state insurance and superannuation fund.

#### (i) Short-term Benefits

Employee benefit payable wholly within 12 months of rendering services are classified as short-term employee benefit and recognised in the period which the employee renders services. These are recognised at the undiscounted amount of the benefit expected to be paid in exchange for those services.

#### (ii) Post-employment Benefit

##### (a) Defined contribution Plan

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The company has no obligation other than the contribution payable to the provident fund. The company recognises contribution payable to such funds as an expenditure, when an employee renders services.

##### (b) Defined Benefit Plans

The company operates a defined benefit gratuity plan. The cost of providing benefit under the defined benefit plan is determined based un actuarial valuation, carried out by an independent actuary.

Remeasurement gains or losses arising from changes in actuarial assumptions, the same are recognised immediately in balance sheet through other comprehensive income in the period in which they occurred.

##### (c) Other Long-term employee Benefits

Other long-term employee benefits include compensated absences / leaves. The actuarial valuation is done as per projected unit method. Remeasurement gains or losses arising from changes in actuarial assumptions, the same are recognised immediately in balance sheet through other comprehensive income in the period in which they occurred.

(d) For the purpose of the presentation of the defined benefit plans and other long-term benefits, the allocation between current and noncurrent provision has been made as determined by the actuary.

### 10. 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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

### 11. Earnings Per Share

Basic earnings per share (EPS) is computed by dividing the profit or loss attributable to the equity shareholders of the company by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of equity shares, for the effects of all diluted potential equity shares.

### 12. 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.

### 13. Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### 14. 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 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.

#### 1.4 Recent Pronouncement

The following standards / amendments to standards have been issued and will be effective from 1<sup>st</sup> April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.

Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts



STANDALONE NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

## 2 PROPERTY, PLANT AND EQUIPMENT

[₹ In Thousand]

	Gross Block			Depreciation / Amortisation			Net Block		
	As at 1 <sup>st</sup> April, 2021	Additions	Deductions	As at 31 <sup>st</sup> March, 2022	As at 1 <sup>st</sup> April, 2021	Additions	Deductions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022
Current Year ended 31 <sup>st</sup> March, 2021									
<b>TANGIBLE ASSETS</b>									
Freehold Land	2,403.62	-	-	2,403.62	-	-	-	-	2,403.62
Buildings	27,716.49	16,048.96	-	43,765.45	5,947.27	1,765.40	-	7,712.67	36,052.77
Plant and Equipments	64,562.09	3,07,057.14	-	3,71,619.23	12,673.05	7,157.29	-	19,830.34	3,51,788.89
Furniture and Fixtures	4,055.52	442.99	-	4,498.51	1,391.57	421.75	-	1,813.33	2,685.18
Vehicles	4,122.32	1,877.74	-	6,000.06	1,239.12	621.82	-	1,860.93	4,139.13
Office Equipments	5,695.42	731.76	33.00	6,394.19	3,649.50	884.26	26.71	4,507.06	1,887.13
Electric Installations	2,037.49	-	-	2,037.49	1,134.23	192.89	-	1,327.12	710.38
<b>Total Tangible Assets</b>	<b>1,10,592.94</b>	<b>3,26,158.59</b>	<b>33.00</b>	<b>4,36,718.54</b>	<b>26,034.74</b>	<b>11,043.41</b>	<b>26.71</b>	<b>37,051.44</b>	<b>3,99,667.10</b>
<b>CAPITAL WORK-IN-PROGRESS</b>	<b>62,505.97</b>	<b>6,629.83</b>	<b>60,502.13</b>	<b>8,633.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,633.66</b>
<b>RIGHT TO USE ASSETS*</b>	<b>1,83,065.61</b>	<b>-</b>	<b>-</b>	<b>1,83,065.61</b>	<b>16,950.52</b>	<b>20,340.62</b>	<b>-</b>	<b>37,291.14</b>	<b>1,45,774.47</b>
<b>TOTAL</b>	<b>3,56,164.53</b>	<b>3,32,788.42</b>	<b>60,535.13</b>	<b>6,28,417.82</b>	<b>42,985.26</b>	<b>31,384.04</b>	<b>26.71</b>	<b>74,342.58</b>	<b>5,54,075.23</b>

[₹ In Thousand]

	Gross Block			Depreciation / Amortisation			Net Block		
	As at 1 <sup>st</sup> April, 2020	Additions	Deductions	As at 31 <sup>st</sup> March, 2021	As at 1 <sup>st</sup> April, 2020	Additions	Deductions	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021
Previous Year ended 31 <sup>st</sup> March, 2020									
<b>TANGIBLE ASSETS</b>									
Freehold Land	2,403.62	-	-	2,403.62	-	-	-	-	2,403.62
Buildings	27,716.49	-	-	27,716.49	4,473.22	1,474.05	-	5,947.27	21,769.22
Plant and Equipments	61,394.59	3,167.49	-	64,562.09	8,327.89	4,345.16	-	12,673.05	51,889.04
Furniture and Fixtures	3,992.84	62.68	-	4,055.52	990.32	401.25	-	1,391.57	2,663.95
Vehicles	3,288.73	1,346.20	512.60	4,122.32	970.07	415.64	146.59	1,239.12	2,883.21
Office Equipments	5,333.31	362.11	-	5,695.42	2,642.55	1,006.95	-	3,649.50	2,045.92
Electric Installations	2,037.49	-	-	2,037.49	939.50	194.74	-	1,134.23	903.26
<b>Total Tangible Assets</b>	<b>1,06,167.06</b>	<b>4,938.48</b>	<b>512.60</b>	<b>1,10,592.94</b>	<b>18,343.55</b>	<b>7,837.78</b>	<b>146.59</b>	<b>26,034.74</b>	<b>84,558.20</b>
<b>TOTAL CAPITAL WORK-IN-PROGRESS</b>	<b>14,636.75</b>	<b>48,169.22</b>	<b>300.00</b>	<b>62,505.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,505.97</b>
<b>Right to use Assets#</b>	<b>-</b>	<b>1,83,065.61</b>	<b>-</b>	<b>1,83,065.61</b>	<b>18,343.55</b>	<b>24,788.30</b>	<b>-</b>	<b>16,950.52</b>	<b>1,66,115.09</b>
<b>TOTAL</b>	<b>1,20,803.81</b>	<b>2,36,173.31</b>	<b>812.60</b>	<b>3,56,164.53</b>	<b>18,343.55</b>	<b>24,788.30</b>	<b>146.59</b>	<b>42,985.26</b>	<b>3,13,179.27</b>

Note-1: Property, Plant and Equipments as recognized in financial statements as at the date of transition to Ind ASs measured as per the previous GAAP and use that as its deemed cost as at the date of transition and accordingly, Presentation has been made during the year (with corresponding restatement of comparative amounts).

Note-2: Borrowing cost amounting to ₹ NIL thousand (PY 9813.15) has been capitalised to the Capital-Work-in-Progress.

# Refer note no 37 for other disclosures.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### OTHER DISCLOSURE

#### (a) CWIP AGING SCHEDULE

As at 31<sup>st</sup> March, 2022

[₹ in Thousand]

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in progress	6,629.83	2,003.84	-	-	8,633.66

As at 31<sup>st</sup> March, 2021

[₹ in Thousand]

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in progress	48,169.22	14,336.75	-	-	62,505.97

#### 3. INVESTMENTS

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Investment in Wholly owned Subsidiaries:		
Equity Instruments: Unquoted (At Cost)		
Texel Industries (Africa) Limited.	69.01	69.01
10,000 Equity Shares of KES 10 each fully paid		
Less Impairment in Value of investment	(69.01)	(69.01)
<b>Total</b>	<b>-</b>	<b>-</b>

The Company has made Investment to Texel Industries (Africa) Limited, a wholly owned subsidiary of the Company. As on Balance Sheet date, the net worth of the said wholly owned subsidiary company has been fully eroded. The company has tested said investment for impairment, based on assessment there was impairment loss of ₹ 69.01 thousand and same has been recognized in the books.

#### 4. LOANS

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>UNSECURED, CONSIDERED GOOD.</b>		
Loans to Related Parties		
To wholly owned subsidiary	22,403.39	20,695.93
Less Allowance for credit impaired	(5,364.33)	(5,364.33)
<b>Total</b>	<b>17,039.06</b>	<b>15,331.60</b>

Note: Inter Corporate Loan has been given in accordance with Section 186(4) of the Companies Act, 2013 and the same has been given for general business purpose.

#### 5. OTHER NON-CURRENT FINANCIAL ASSETS

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits	14,039.31	13,106.13
Fixed Deposits with Bank (Maturity more than twelve Months)	9,046.41	6,996.14
<b>Total</b>	<b>23,085.72</b>	<b>20,102.27</b>

Note:- Total Bank deposits maturity Greater than twelve Months ₹ 9,046.41 thousand (PY 6,996.14 thousand) are given as margin against bank guarantee.

#### 6. OTHER NON-CURRENT ASSETS

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Advances for capital Goods	34,158.46	52,577.65
Balances with Government Revenue Authorities	541.54	541.54
<b>Total</b>	<b>34,700.00</b>	<b>53,119.19</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**7. INVENTORIES (Valued at lower of cost or net realisable value, unless otherwise stated)** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials	91,978.14	43,635.91
Work-in-Progress	62,521.48	74,171.46
Finished Goods	47,068.24	19,072.66
Stores and Spare parts	8,622.72	7,317.45
Waste / Scrap (valued at net realisable value)	4,957.57	359.07
<b>Total</b>	<b>2,15,148.15</b>	<b>1,44,556.55</b>

**8. TRADE RECEIVABLES** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Unsecured, Considered Good	74,586.23	1,74,163.98
Credit Impaired	-	-
	<b>74,586.23</b>	<b>1,74,163.98</b>
Less: Allownce for Credit Impaired	-	-
	<b>74,586.23</b>	<b>1,74,163.98</b>
<b>OTHERS</b>		
Unsecured, Considered Good	-	-
<b>Total</b>	<b>74,586.23</b>	<b>1,74,163.98</b>

Note: (i) Refer note (47) for other disclosure.

**9. CASH AND CASH EQUIVALENTS BALANCES WITH BANKS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with Banks		
- In Current Account	234.15	1,394.17
Cash on Hand	604.02	127.03
<b>Total</b>	<b>838.17</b>	<b>1,521.20</b>

**10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fixed Deposits with Banks (Maturity upto twelve months)	5,044.09	4,863.68
<b>Total</b>	<b>5,044.09</b>	<b>4,863.68</b>

**Note:** Total Bank deposits maturity less than twelve months ₹ 5,044.09 thousand (PY 4,863.68 thousand) are given as margin against bank guarantee.

**11. LOAN** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Loan to Employees	1,391.45	983.87
<b>Total</b>	<b>1,391.45</b>	<b>983.87</b>

**12. OTHER CURRENT FINANCIAL ASSETS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Income Accrued But Not due	7,070.20	506.58
<b>Total</b>	<b>7,070.20</b>	<b>506.58</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**13. CURRENT TAX ASSETS (NET)** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current Tax Assets (Net)	542.69	-
<b>Total</b>	<b>542.69</b>	<b>-</b>

**14. OTHER CURRENT ASSETS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Prepaid Expenses	4,170.55	2,268.12
Balances with Government Authorities	50,518.15	10,769.41
Other Short-Term Loans and Advances (including Advances to Suppliers etc.)	73,056.34	6,151.70
<b>Total</b>	<b>1,27,745.04</b>	<b>19,189.23</b>

**15. EQUITY SHARE CAPITAL**

**15.1 Authorised** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1,65,00,000 (PY 1,65,00,000) Equity Shares of ₹ 10 each	1,65,000.00	1,65,000.00
35,00,000 Unclassified Shares of ₹ 10 each (PY 35,00,000 Preference Shares of ₹ 10 each)	35,000.00	35,000.00
	<b>2,00,000.00</b>	<b>2,00,000.00</b>

**15.2 Issued, Subscribed and Fully Paid Equity Shares** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
83,39,689 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid	83,396.89	52,229.21
<b>Total</b>	<b>83,396.89</b>	<b>52,229.21</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, 2022
- 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.

**15.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year** [₹ In Thousand]

	Number of Shares	Number of Shares
<b>As at 1<sup>st</sup> April, 2020</b>	<b>52,22,921</b>	<b>52,22,921</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>52,22,921</b>	<b>52,22,921</b>
Changes in equity share capital*	31,16,768	31,16,768
<b>As at 31<sup>st</sup> March, 2022</b>	<b>83,39,689</b>	<b>83,39,689</b>

\* During the year under review, the Company has allotted 31,22,398 Equity Shares of face value of Rs. 10/- each pursuant to Rights Issue of Equity Shares of the Company and out of which 5,630 Equity Shares were forfeited due to non payment of First and Final Call Money.

**15.4 List of Shareholders holding more than 5 % shares in the Equity Share Capital of the Company:** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
Shailesh R Mehta	20,02,817	24.02%	74,725.00	1.43%
Krishnakant G Vakharia	4,43,227	5.31%	-	-
Avani S Mehta	1,20,341	1.44%	10,75,316	20.59%
Mihir Bhandari	-	-	3,00,000	5.74%
Ullhas Paymaster	-	-	3,03,000	5.80%
Skypoint Technical Textile LLP	-	-	2,50,000	4.79%

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**15.4 List of Shareholders holding more than 5 % shares in the Equity Share Capital of the Company:** [₹ In Thousand]

Shares held by Promoters Promoter name	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
	No. of Shares	% of Total Shares	% Change	No. of Shares	% of Total Shares	% Change
Avani Shaileshbhai Mehta	120341	1.44%	-19.15%	1075316	20.59%	-
Krishnakant Gulabchand Vakharia	443227	5.31%	0.48%	252360	4.83%	0.05%
Bhupendra Ramnik Mehta	170473	2.04%	0.00%	106691	2.04%	-
Shaileshbhai Ramniklal Mehta	2002817	24.02%	22.58%	74725	1.43%	-
Mukta Ramnik Mehta	0	0.00%	-1.25%	65276	1.25%	-
Ramaniklal Vrajlal Mehta	149153	1.79%	1.25%	28072	0.54%	-
Harsha Shailesh Shah	16393	0.20%	0.00%	10260	0.20%	-
Sonal Bhupendra Mehta	15115	0.18%	0.00%	9460	0.18%	-
Shailesh Dwarkadas Shah	6120	0.07%	0.00%	3831	0.07%	-
Riddhi Sahil Parikh	3355	0.04%	0.00%	2100	0.04%	-
Rishita Pravrit Parikh	7120	0.09%	0.05%	2100	0.04%	-
Avishi Anuj Sheredalal	3003	0.04%	0.00%	1880	0.04%	-
Asheshbhai Dilipbhai Bhakta	1700	0.02%	-0.01%	1700	0.03%	-
Lilaben Krishnakant Vakharia	2716	0.03%	0.00%	1700	0.03%	-
Sunil Dwarkadas Shah	878	0.01%	0.00%	550	0.01%	-
Vikram Rashmikant Mehta	1357	0.02%	0.02%	-	-	-
Kapila Rashmikant Mehta	10305	0.12%	0.12%	-	-	-
D D Shah Fragrances Pvt. Ltd.	129064	1.55%	1.55%	-	-	-
<b>Foreign</b>						
Rajendrakumar Bhikhabhai Bhakta	231683	2.78%	-1.70%	233648	4.47%	-
Naresh Ramniklal Mehta	99801	1.20%	-0.71%	99801	1.91%	-
Mahendrakumar B Bhakta	52084	0.62%	-0.37%	52084	1.00%	-
Sujata Naresh Mehta	19650	0.24%	-0.14%	19650	0.38%	-
Aman Mehta	200	0.00%	0.00%	200	0.00%	-

**16. OTHER EQUITY**

[₹ In Thousand]

	Securities Premium Account	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, 2020</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>80,018.13</b>	<b>4,432.06</b>	<b>1,49,512.40</b>
Profit For The Year	-	-	-	22,102.00	-	22,102.00
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	740.23	740.23
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>1,02,120.13</b>	<b>5,172.29</b>	<b>1,72,354.63</b>
Profit For The Year	-	-	-	12,877.76	-	12,877.76
Add:- Right Issue Premium	93,503.04	-	-	-	-	93,503.04
Less: Right Issue Exp	(5,105.83)	-	-	-	-	(5,105.83)
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	347.71	347.71
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1,07,896.88</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>1,14,997.89</b>	<b>5,520.00</b>	<b>2,73,977.32</b>

**Notes :**

- Securities premium is used to record the premium on issue of equity shares. The Securities premium amount is utilised in accordance with the provision of the companies Act 2013.
- The capital redemption account is created on account of redemption of preference shares and to be utilised in accordance of the provision of the companies Act 2013.
- Capital Reserve was created on account of reduction of shares capital as per the order passed Hon'ble High Court of Gujarat and can be utilised in accordance with the provision of companies act 2013.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**17. NON-CURRENT BORROWINGS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Term loans from Banks</b>		
ICICI Bank Ltd.	-	210.92
HDFC Bank Ltd.	777.72	1,021.30
Kotak Mahindra Bank Loan A/c	1,16,734.06	32,243.95
<b>Total</b>	<b>1,17,511.78</b>	<b>33,476.17</b>
<b>Term loans from NBFC</b>		
Siemens Financial Services Pvt Ltd	22,715.69	-
Sundaram Finance Ltd	1,569.69	-
<b>Total</b>	<b>24,285.38</b>	-
<b>Unsecured</b>		
Loans From Bank	337.01	-
Loans From NBFC	2,534.88	-
Loans From Related Parties	341.64	341.64
<b>Total</b>	<b>3,213.53</b>	<b>341.64</b>
<b>Total</b>	<b>1,45,010.69</b>	<b>33,817.81</b>

**Note:**

- ICICI Bank Loan interest rate 8.25% p.a. , repayable in 60 monthly EMI of ₹ 36.714 thousand ending on Septmber, 2022. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".
- Loans from related party includes loan payable to Non Executive Director of the Company. No interest is paid towards the said loan.
- Vehicle loans has been secured by way of hypothecation of the vehicle purchased from the loan.
- Term loan from Kotak Mahindra Bank Ltd. Has been primarily secured by way of creation of first exclusive charge on all existing and future current assets and fixed assets (movable and immovable) of the borrower and colloateraly secured by way of registered mortgage on land, factory building and plant & machinery located at registered office of the company.
- Personal Guarantee from Mr. Shaileshbhai Mehta has been given in respect of Term loan from Kotak Mahindra Bank Ltd.
- HDFC Bank Loan repayable in 60 monthly EMI of ₹ 26.297 thousand ending on January, 2026. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".
- Kotak Mahindra Bank Loan interest rate 15.90% p.a. , repayable in 60 monthly installments ending on April, 2026. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".

**18. NON CURRENT LEASE LIABILITY**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability	1,45,219.00	1,48,675.77
<b>Total</b>	<b>1,45,219.00</b>	<b>1,48,675.77</b>

**19. OTHER NON CURRENT FINANCIAL LIABILITIES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade - Deposit	1,700.10	200.00
<b>Total</b>	<b>1,700.10</b>	<b>200.00</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**20. NON CURRENT PROVISIONS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>For Employees Benefits</b>		
Provision for Gratuity	5,020.66	4,820.24
Provision for Sick Leave	278.52	190.90
Provision for Leave encashment	869.82	847.99
<b>Total</b>	<b>6,169.00</b>	<b>5,859.13</b>

**21. DEFERRED TAX LIABILITIES (NET)**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred tax liabilities (Net)	8,101.66	3,626.14
<b>Total</b>	<b>8,101.66</b>	<b>3,626.14</b>

**22. CURRENT BORROWINGS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
Loan Repayable On demand	7,433.38	-
<b>Total</b>	<b>7,433.38</b>	-
<b>Unsecured</b>		
Intercorporate Loan	35,235.33	15,394.31
<b>Total</b>	<b>35,235.33</b>	<b>15,394.31</b>
Current Maturity of Long Term Debts	48,046.81	8,629.98
<b>Total</b>	<b>90,715.52</b>	<b>24,024.29</b>

**Note:-**

Inter corporate Loan carries interest at various rates between 12% to 15% and payable on quarterly basis. Further the said loan is repayable on demand.

**23. CURRENT LEASE LIABILITIES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability	14,263.94	23,062.50
<b>Total</b>	<b>14,263.94</b>	<b>23,062.50</b>

**24. TRADE PAYABLES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Due to Micro and Small Enterprise	838.94	1,501.93
Due to Other than Micro and Small Enterprise.	2,29,480.05	22,09,15.94
<b>Total</b>	<b>2,30,318.99</b>	<b>2,22,417.87</b>

**Note:-**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
a.	Principal and interest amount remaining unpaid	838.94	1,501.93
b.	Interest due thereon remaining unpaid	65.85	2.02
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	-	-

**Note:** (i) Refer note (48) for other disclosure.

**25. OTHER CURRENT FINANCIAL LIABILITIES**

[₹ In Thousand]

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Expanses accrued but not due	1,287.83	-
	<b>Total</b>	<b>1,287.83</b>	<b>-</b>

**26. OTHER CURRENT LIABILITIES**

[₹ In Thousand]

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Statutory Liabilities	1,870.68	1,279.88
	Advances From Customer	42,962.01	36,685.76
	Payable on purchase of property, plant & equipment	5,582.50	3,163.40
	Salary and Wages payable	4,039.21	3,743.82
	Other payables	3,954.76	5,848.93
	<b>Total</b>	<b>58,409.16</b>	<b>50,721.79</b>

**27. CURRENT PROVISIONS**

[₹ In Thousand]

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Provision for Gratuity	128.77	130.37
	Provision for Sick Leave	29.12	20.59
	Provision for Leave encashment	151.49	140.45
	Provision of Warrenty	2,386.55	1,732.10
	<b>Total</b>	<b>2,695.93</b>	<b>2,023.51</b>

**28. LIABILITY FOR CURRENT TAX (NET)**

[₹ In Thousand]

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Liability for current tax (Net of Advance Tax and Tax Dedcuted at Sources.)	-	8,504.77
	<b>Total</b>	<b>-</b>	<b>8,504.77</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**29. REVENUE FROM OPERATIONS**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
i Sale of Products	8,90,924.71	8,15,063.27
ii Other Operating Revenues		
- Sale of Waste & Others	18,474.06	11,136.74
<b>Total</b>	<b>9,09,398.77</b>	<b>8,26,200.01</b>

**30. OTHER INCOME**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest Income on :		
Interest Income on others	9,325.13	1,087.62
Interest on Fixed Deposit with Bank	643.35	667.83
Export Incentives	373.74	8.36
Provision Written Back	-	1,766.04
Profit on Fixed Assets Discarded	1.34	-
Provision for foreign exchange markup gain	619.07	-
Other Misc. Income	112.60	-
<b>Total</b>	<b>11,075.23</b>	<b>3,529.85</b>

**31. COST OF MATERIALS CONSUMED**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Opening Stock	43,635.91	39,085.24
Add : Purchases, Including Incidental Expenses	5,33,232.35	3,32,722.46
<b>Total</b>	<b>5,76,868.26</b>	<b>3,71,807.70</b>
Less : Closing Stock	91,978.14	43,635.91
<b>Total</b>	<b>4,84,890.12</b>	<b>3,28,171.79</b>

**32. PURCHASES OF STOCK-IN-TRADE**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Traded Goods	2,25,042.37	2,77,178.34
<b>Total</b>	<b>2,25,042.37</b>	<b>2,77,178.34</b>

**33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Opening Inventories</b>		
Finished Goods	19,072.66	49,468.25
Process Stock	74,171.46	51,111.37
Waste/Scrap	359.07	451.57
	<b>93,603.19</b>	<b>1,01,031.19</b>
<b>Closing Inventories</b>		
Finished Goods	47,068.24	19,072.66
Process Stock	62,521.48	74,171.46
Waste/Scrap	4,957.57	359.07
	<b>1,14,547.29</b>	<b>93,603.19</b>
(Increase) / Decrease in Stocks	(20,944.10)	7,428.00
<b>Total</b>	<b>(20,944.10)</b>	<b>7,428.00</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**34. EMPLOYEES BENEFIT EXPENSES**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Salaries and Wages	38,499.77	36,801.90
Contribution to Provident and other Funds	1,123.56	1,099.86
Staff Welfare Expenses	2,481.79	1,366.80
<b>Total</b>	<b>42,105.12</b>	<b>39,268.56</b>

**35. FINANCE COSTS**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Interest on Borrowing	8486.93	1,994.23
Interest on Income tax	1,069.46	1,354.00
Bill Discount Charges	3004.46	546.79
Interest on Lease Liability	1,494.94	-
Loan Processing Charges	819.73	-
Interest on Trade payable	18,707.24	10,325.26
<b>Total</b>	<b>33,582.76</b>	<b>14,220.28</b>

**36. OTHER EXPENSES**

**Manufacturing Expenses**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Consumption of Stores, Spare Parts and Components and Incidental Expenses	12,672.49	6,494.63
Processing Charges	39,119.89	40,275.03
Power & Fuel	22,952.23	19,971.13
Repairs to Buildings	276.75	332.03
Repairs to Machinery	449.15	704.80
<b>Total</b>	<b>75,470.51</b>	<b>67,777.62</b>

**Administration, Selling and Distribution Expenses**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Advertisement and Sales Promotion	3,289.55	2,136.35
Insurance	2,022.19	1,418.17
Rates and Taxes	461.99	190.26
Directors' Sitting Fees	150.00	120.00
Bank Charges & Commission	183.64	114.32
Repairs & Maintenance- Computer & Other	685.07	720.86
Conveyance Exp.	1,663.20	2,055.65
Freight and forwarding	8,840.03	7,743.42
Legal and professional charges	4,923.15	4,178.34
Post & Telegram	233.58	103.41
Printing and stationery	390.35	309.84
Sales commission	2,422.90	1,259.26
Security Charges	1,502.60	1,149.87

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Administration, Selling and Distribution Expenses

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Telephone Expenses	10.42	35.01
Site Expense	9,789.07	14,777.84
Research & Development Exp.	3.19	72.97
Foreign Marketing Exp.	-	4,255.96
Travelling Expenses	1,509.30	479.76
Other General & Miscellaneous Expenses	9,343.69	6,690.15
Bad debts/advance written off	364.54	2,673.23
Provision for post-sales support & warranties	727.41	1,156.91
Provision on Financial Assets	-	5,433.34
Loss on Fixed Assets Discarded	-	26.01
<b>Total</b>	<b>48,515.87</b>	<b>57,100.94</b>

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

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Payments to Statutory Auditors:</b>		
Audit Fee	100.00	100.00
Tax Audit Fee	25.00	25.00
Certification Charges	-	20.00
<b>Total</b>	<b>125.00</b>	<b>145.00</b>
<b>Grand Total</b>	<b>1,24,111.38</b>	<b>1,25,023.56</b>

### 37. EARNINGS PER SHARE:

		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Net profit for the year attributable to equity shareholders	₹ In Thousand	12,877.76	22,102.00
Weighted-average-number of equity shares outstanding	Number of Shares	83,39,689	52,22,921
Basic Earnings Per Share (Face Value of ` 10 each)	In Rupees	<b>2.04</b>	<b>4.23</b>
Diluted Earnings Per Share (Face Value of ` 10 each)	In Rupees	<b>2.04</b>	<b>4.23</b>

### 38. INCOME TAX EXPENSES

#### Tax expense recognized in the statement of Profit and Loss

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Current Tax</b>		
Current Tax on taxable income for the year	267.79	8,994.15
<b>Total current tax expense</b>	<b>267.79</b>	<b>8,994.15</b>
<b>Deferred tax</b>		
Deferred tax charges/(credit)	4,358.58	(721.13)
<b>Total deferred income tax expense/(benefit)</b>	<b>4,358.58</b>	<b>(721.13)</b>
<b>Total income tax expense</b>	<b>4,626.37</b>	<b>8,273.02</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 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:

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Enacted income tax rate in India applicable to the company	25.168%	25.168%
Profit Before Tax	17,504.13	30,375.02
<b>Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India</b>	<b>4,405.44</b>	<b>7,644.79</b>
<b>Tax effect of the amount which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	459.23	368.18
Income not considered for tax purpose	(55.28)	(43.15)
Expenses not allowed for tax purpose	4,815.77	4,507.28
Additional Allowables for tax purpose	(9,357.37)	(3,482.95)
Deferred Tax for Current Year	4,358.58	(721.14)
Other	-	-
<b>Total Income tax expense/(Credit)</b>	<b>4,626.37</b>	<b>8,273.01</b>

Consequent to reconciliation items shown above, the effective tax rate is 25.168% (2020-21: 25.168%)

- B) **B) The Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2022**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2020 - Deferred Tax Liabilities/ (Asset)	Charge/ (Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2021 - Deferred Tax Liabilities/ (Asset)	Charge/ (Credit) in statement of Profit and Loss	Remeasurment of defined benefit Plan	As at 31 <sup>st</sup> March, 2022 - Deferred Tax Liabilities/ (Asset)
Depreciation	7,004.54	(25.62)	6,978.92	8,833.25	-	15,812.17
Provision for Gratuity	(1,313.86)	67.89	(1,245.97)	(50.04)	-	(1,296.01)
Lease Payment AS 116	-	-	-	(3,940.47)	-	(3,940.47)
Remeasurment of defined benefit Plan	-	248.96	248.96	(248.96)	116.94	116.94
Provision on Loan subsidiary (P&L)	-	(1,367.46)	(1,367.46)	-	-	(1,367.46)
Provision for Leave Encashment	(356.67)	54.67	(302.00)	(32.47)	-	(334.47)
Provision of Bonus	(985.22)	549.29	(435.93)	(164.72)	-	(600.65)
Provision of Warranty	(250.48)	0.10	(250.38)	(38.03)	-	(288.41)
<b>Total Deferred Tax Liabilities/(Asset)</b>	<b>4,098.31</b>	<b>(472.17)</b>	<b>3,626.14</b>	<b>4,358.58</b>	<b>116.94</b>	<b>8,101.66</b>

**Note :**

Note : The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities based on the rate prescribed in the said Section as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 39. COMMITMENTS AND CONTINGENT LIABILITIES:

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>36.1 Commitments</b>		
<b>(a) Capital Commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
- Property, Plant and Equipments	3,358.95	1,51,946.12
<b>36.2 Contingent Liabilities</b>		
<b>(a) EPF Interest and Damages</b>		
(The company has filed Special Civil Application on 18 <sup>th</sup> May, 2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 1,131.46 thousand on late payment of remittance for November, 1998 to January, 2014 vide notice dated 25 <sup>th</sup> April, 2016 and to stay on the notice of demand dated 25 <sup>th</sup> April, 2016 during pending admission and hearing of the present petition).*	1,131.46	1,131.46
<b>(b) Income Tax demand raised by Income tax Department for Assesemnt year 2018-2019 , Against that Appeal has been filed at Commissioner of Income Tax - Appeal. *</b>	1,461.62	1,461.62
<b>(c) Bank Guarantee (against 100% margin money in form of deposits)</b>	8,157.46	8,477.46

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

### 40 LEASES

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.

The Company has adopted the modified prospective transition method recognising the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognised the Right of Use Asset (ROU) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Company's leases comprises of leasing of factory land. The Company has adopted Ind AS 116, effective annual reporting period beginning 1<sup>st</sup> April, 2019 and applied the standard to its leases applying modified retrospective approach.

#### (i) As Lessee

##### Maturity Analysis of Lease Liabilities

[₹ In Thousand]

Contractual undiscounted Cash Flows	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Less than one year	24,215.62	23,062.50
One to five years	1,40,496.95	1,33,806.61
More than five years	37,903.06	68,809.02
<b>Total Undiscounted Lease Liabilities</b>	<b>2,02,615.63</b>	<b>2,25,678.13</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>		
Non Current	1,45,219.00	1,48,675.77
Current	14,263.95	23,062.50
<b>Total</b>	<b>1,59,482.95</b>	<b>1,71,738.27</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Following are the changes in Liability arising form financing activities for the year ended 31<sup>st</sup> March, 2022

[₹ In Thousand]

	Year ended on 31 <sup>st</sup> March, 2022
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1,80,619.07</b>
Cash flow	(18,450.00)
Interest Expenses	9,569.21
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,71,738.28</b>
During the year	
Cash flow	(23,062.50)
Interest Expenses	10,807.17
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1,59,482.95</b>

Amount Recognized in the Statement of Profit & Loss

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Depreciation on Lease Asset	20,340.62	16,950.52

Amount Recognized in Capital Work in Progress

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest Expenses capitilised during the year	10,807.17	9,569.21

### 41. Details of Related Party Disclosure

List of Related Parties with whom the Company has entered into transactions during the year.

<b>(A) Subsidiary company</b>	Texel Industries (Africa) Limited.
<b>(B) Key Managerial Person (KMP)</b>	Kirit Mehta (Chairman & Independent Director) Shailesh R Mehta (Managing Director) Naresh R Mehta (Non-Executive Director) Dr.Christy Fernandez (Independent Director) Mrs. Jasmin Nahidakhtar Vhora (Independent Director) Vikram Patel (Chief Financial Officer) Shweta Sultania (Company Secretary)
<b>(C) Relative of KMP</b>	Anisha Mehta Avishi Sharedalal
<b>(D) Entity in which KPM/Relative of KMP having significant influence</b>	Moneeto Plasti Fab Pvt Ltd Grow Materials LLC Risha Aquapruf Infrastructures LLP Risha Infrastructures Pima Controls Pvt Ltd Anjaneya Enterprise C R Sharedalal & Co Crossland Housing & Const. Limited Mehta & Dholabhai

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(A) Key Managerial Personnel Compensation:**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Short-term employee benefits	8,220.55	7,547.63
Other Benefits	150.00	120.00
<b>Total Compensation</b>	<b>8,370.55</b>	<b>7,667.63</b>

**(B) The following transactions were carried out with the related parties in ordinary course of business during the year:**

[₹ In Thousand]

	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
<b>A) Transaction During the year</b>				
<b>Remuneration to Managing Director</b>				
Shailesh R Mehta	5,520.32	-	-	-
	(5,053.33)	-	-	-
<b>Remuneration to other Directors</b>				
Dr. Christy Leon Fernandez	359.32	-	-	-
	(477.19)	-	-	-
<b>Remuneration of KMP</b>				
Shweta Sultania	1,200.59	-	-	-
	(1,066.55)	-	-	-
Vikram Patel	1,140.33	-	-	-
	(950.56)	-	-	-
<b>Remuneration Relative of KMP</b>				
Avishi Sharedalal	-	534.12	-	-
	-	(499.59)	-	-
Anisha Mehta	-	844.75	-	-
	-	(357.76)	-	-
<b>Director Sitting Fees</b>				
Kirit Mehta	60.00	-	-	-
	(50.00)	-	-	-
Dr. Christy Leon Fernandez	70.00	-	-	-
	(50.00)	-	-	-
Mrs. Jasmin Nahidakhtar Vhora	20.00	-	-	-
	(20.00)	-	-	-
<b>Legal and professional fees</b>				
G.P. Kapadia & Co	-	-	555.56	-
	-	-	-	-
C R Sharedalal & Co	-	-	700.00	-
	-	-	(300.00)	-
<b>Shailesh R Mehta</b>				
Loan Taken by Texel	9100.00	-	-	-
	-	-	-	-
Loan Interest Paid	38.64	-	-	-
	-	-	-	-
Rent Expenses	136.00	-	-	-
	-	-	-	-

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
<b>Sponsorship</b>				
Anisha Mehta*		354.00		
		-		
<b>Risha Aquapruv Infrastructure LLP</b>				
Site Expense (Labour Charges)	-	-	9,215.40	-
	-	-	(12,408.89)	-
Sales Commission			360.61	
			-	
<b>Pima Controls Pvt Ltd</b>				
Purchase of Capital Goods	-	-	1,709.77	-
	-	-	(7,274.30)	-
Purchase of Store Items	-	-	15.38	-
	-	-	(6.00)	-
<b>Grow Materials LLC</b>				
Purchase of Raw Material	-	-	3,731.49	-
	-	-	-	-
Advance Agianst Sale of Finish Goods	-	-	4,971.74	-
	-	-	-	-
Sales	-	-	3,027.27	-
	-	-	-	-
<b>Moneeto Plasti-Feb Pvt. Ltd.</b>				
Sales	-	-	5,912.39	-
	-	-	(3,726.21)	-
Site Expense (Labour Charges)	-	-	-	-
	-	-	(2,206.10)	-
Purchase of Raw Material	-	-	-	-
	-	-	(944.69)	-
<b>Anjaneya Enterprise</b>				
Purchase of Raw Material	-	-	9,040.42	-
	-	-	(12,897.79)	-
Sales	-	-	24,950.44	-
	-	-	(11,336.34)	-
<b>Risha Infrastructure</b>				
Marketing Exp.	-	-	-	-
	-	-	(3,200.00)	-
<b>Texel Industries (Africa) Limited.</b>				
Sales	-	-	-	-
	-	-	-	-
Loan Given	-	-	-	-
	-	-	-	(5,319.93)
Interest On Loan	-	-	-	1,707.46
	-	-	-	(759.28)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
<b>B) Closing balances</b>				
<b>Receivable from</b>				
Moneeto Plasti-Feb Pvt. Ltd.	-	-	20.74	-
	-	-	(3,637.81)	-
Pima Controls Pvt Ltd	-	-	-	-
	-	-	-	-
Anjaneya Enterprise	-	-	-	-
	-	-	-	-
Texel Industries (Africa) Limited.	-	-	-	-
	-	-	-	-
<b>Payable to</b>				
Anjaneya Enterprise	-	-	1,692.15	-
	-	-	(15,505.07)	-
Pima Controls Pvt Ltd	-	-	259.78	-
	-	-	(1,136.68)	-
Moneeto Plasti-Feb Pvt. Ltd.	-	-	-	-
	-	-	-	-
Risha Infrastructure	-	-	2,210.00	-
	-	-	(2,210.00)	-
Risha Aquapruv Infrastructure LLP	-	-	7,907.25	-
	-	-	(11,740.87)	-
Naresh R Mehta	440.15	-	-	-
	(440.15)	-	-	-
Shailesh R Mehta	-	-	-	-
	(286.87)	-	-	-
Shweta Sultania	53.18	-	-	-
	(80.63)	-	-	-
Vikram Patel	115.87	-	-	-
	(108.42)	-	-	-
Anisha Mehta	-	33.06	-	-
	-	(37.57)	-	-
Avishi Sharedalal	-	41.91	-	-
	-	(41.91)	-	-
Grow Materials LLC	-	-	8,703.23	-
	-	-	-	-
G P Kapadia & Co	-	-	100	-
	-	-	-	-
C R Sharedalal & Co	-	-	756.00	-
	-	-	(231.50)	-
<b>Loans &amp; Advances - Receivable</b>				
Crossland Housing & Const. Limited	-	-	1,000.00	-
	-	-	(1,000.00)	-
Mehta & Dholabhai	-	-	615.21	-
	-	-	(615.21)	-
Texel Industries (Africa) Limited.	-	-	-	22,403.39
	-	-	-	(20,695.93)

Figures in brackets relates to previous year ended on 31<sup>st</sup> March, 2021

\* The Company Sponsored the admission fees for the Post Graduate Programme in Management for Family Business (PGPMFAB). The admission fees were paid by the Company directly to the Indian School of Business.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 42. EMPLOYEE BENEFITS

#### [A] Defined contribution plans:

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The Company recognised ₹ 1123.56 thousand (P.Y ₹ 1099.87 thousand) for contributions to various funds in the Statement of Profit and Loss.

#### [B] Defined benefit plans:

The Company has adopted Accounting Standard 19 (Ind AS-19) "Employee Benefits" which is mandatory from accounting periods starting from 1<sup>st</sup> April, 2017. Accordingly, the Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2022.

#### I. Reconciliation of opening and closing balance of Defined Benefit Obligation (Unfunded) [₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Present value of obligation as at the beginning	4,950.63	5,220.38
Current service cost	618.30	625.43
Past Service Cost	-	-
Interest cost	341.59	358.12
Benefits paid	(294.62)	(264.11)
Actuarial (Gain) / Loss	(464.65)	(989.19)
<b>Present value of obligation as at the end (Unfunded)</b>	<b>5,151.25</b>	<b>4,950.63</b>

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

Not applicable as Gratuity is unfunded.

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

Not applicable as Gratuity is unfunded.

#### IV. Reconciliation of Defined benefit obligation and fair value of plan assets: [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present value of benefit obligation at the end of the period	5,151.25	4,950.63
Fair value of planned assets at the end of year	-	-
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>5,151.25</b>	<b>4,950.63</b>

#### V. Expense recognised during the year [₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Service cost	618.30	625.43
Interest cost	341.59	358.12
Actuarial (Gain) / Loss	(464.65)	(989.19)
<b>Net cost included in 'Employee Benefit Expense'</b>	<b>495.24</b>	<b>(5.64)</b>

#### VI. Investment Details

Not applicable as Gratuity is unfunded.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### VII. Actuarial Assumptions for Gratuity

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Discount rate (per annum)	6.90%	6.86%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	7.00%	7.00%

### VIII. Other disclosures

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Present value of obligation as at the end - Gratuity	5,151.25	4,950.63
Surplus/(deficit) - Gratuity	(5,151.25)	(4,950.63)
Experience adjustment on plan liability - Gratuity	(307.33)	(973.36)
Actuarial Loss / ( Gain ) due to change in assumptions - Gratuity	(157.32)	(15.84)

### 43. DISCLOSURE PURSUANT TO IND AS 115 -REVENUE FROM CONTRACTS WITH CUSTOMERS:

The company derives revenue from sale of products and scrap from its contract with customers. The revenue have been disclosed in Note No. 29.

#### (a) Disaggregation of revenue from contracts with customers

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue from contracts with customers</b>		
Revenue from Operations		
Domestic	9,03,391.98	8,25,491.74
Exports	6,006.79	708.27
<b>Total</b>	<b>9,09,398.77</b>	<b>8,26,200.01</b>

### 44. FINANCIALS INSTRUMENTS:

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

#### (i) Categories of Financial Instruments

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Financial Assets (Measured at Amortized Cost)</b>		
- Trade & Other Receivable	74,586.22	1,74,163.98
- Cash & Cash Equivalents	838.17	1,521.20
- Other Bank Balance	5,044.09	4,863.68
- Loans	1,391.45	16,315.47
- Other Financial Assets	30,155.92	20,608.85
- Investments	-	-
<b>Total</b>	<b>1,12,015.85</b>	<b>2,17,473.17</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Financial Liabilities (Measured at Amortized Cost)</b>		
- Borrowings	2,35,726.21	57,842.10
- Trade Payable	2,30,318.99	2,22,417.87
- Other Financial Liabilities	1,62,470.88	1,71,938.27
<b>Total</b>	<b>6,28,516.08</b>	<b>4,52,198.24</b>

The carrying amount of current financial assets and liabilities as at the end of each year presented approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

**(ii) Fair value measurements**

This note provide information about how the company determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximates their fair values.

**(iii) Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

### 45. FINANCIAL RISK MANAGEMENT:

The company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, receivables from government authorities, security deposits and cash and cash equivalents that derive directly from its operations. The company also holds investments. The corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Board of Directors of the company for monitoring risks and reviewing policies implemented to mitigate risk exposures.

**(i) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### (a) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings.

### (b) Price Risk

The Company's investments in listed securities, mutual funds, other funds and debentures are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total equity instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis.

### (c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The loans advanced as at 31<sup>st</sup> March, 2022 is ₹ 17,036.06 thousand (previous year ₹ 15,331.60 thousand) which are interest bearing and interest rates are variable.

## (ii) Liquidity Risk

### (a) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows.

[₹ In Thousand]

Particulars	Less than 1 Year	More than 1 Year	Total
<b>As on 31.03.2022</b>			
<b>Non-interest bearing</b>			
-Borrowings	90,715.52	145010.69	2,35,726.21
- Trade payable	2,30,318.99	-	2,30,318.99
- Lease Liability	14,263.94	1,45,219.00	1,59,482.95
- Other financial liabilities	1,287.83	1,700.10	2,987.93
<b>Total</b>	<b>3,36,586.29</b>	<b>2,91,929.79</b>	<b>6,28,516.08</b>
<b>As on 31.03.2021</b>			
<b>Non-interest bearing</b>			
-Borrowings	24,024.30	33,817.81	57,842.11
- Trade payable	2,22,417.86	-	2,22,417.86
- Lease Liability	23,062.50	1,48,675.77	1,71,738.27
- Other financial liabilities	-	200.00	200.00
<b>Total</b>	<b>2,69,504.66</b>	<b>1,82,693.58</b>	<b>4,52,198.24</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### (a) Liquidity risk management

The company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Chief Financial Officer of the company is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Chief Financial Officer reports the same to the Board of Directors on quarterly basis.

### 46. CAPITAL MANAGEMENT:

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the company is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

#### Disclosure

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

### 47. TRADE RECEIVABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2022

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	58,114.67	2,083.00	2,362.95	12,025.61	-	74,586.23
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>58,114.67</b>	<b>2,083.00</b>	<b>2,362.95</b>	<b>12,025.61</b>	<b>-</b>	<b>74,586.23</b>
	Less: Expected Credit Loss (ECL)	-	-	-	-	-	-
	<b>Total Trade Receivable</b>	<b>58,114.67</b>	<b>2,083.00</b>	<b>2,362.95</b>	<b>12,025.61</b>	<b>-</b>	<b>74,586.23</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**TRADE RECEIVABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2021**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	1,54,515.56	1,792.19	6,992.85	10,863.37	-	1,74,163.98
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>1,54,515.56</b>	<b>1,792.19</b>	<b>6,992.85</b>	<b>10,863.37</b>	<b>-</b>	<b>1,74,163.98</b>
	Less: Expected Credit Loss (ECL)	-	-	-	-	-	-
	<b>Total Trade Receivable</b>	<b>1,54,515.56</b>	<b>1,792.19</b>	<b>6,992.85</b>	<b>10,863.37</b>	<b>-</b>	<b>1,74,163.98</b>

**48. TRADE PAYABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	838.94	-	-	-	838.94
(ii)	Others	2,27,641.33	928.28	212.18	698.26	2,29,480.05
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

**TRADE PAYABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2021**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	1,501.93	-	-	-	1,501.93
(ii)	Others	2,19,506.35	504.29	464.60	440.69	2,20,915.93
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 49. ACCOUNTING RATIOS

SN	Particulars	Numerator	Denominator	FY 2021-22		FY 2020-21		% Variance	Reasons for variance (if +/- 25%)
1	Current Ratio	Current Asset	Current Liabilities	432366.03	1.09	345785.09	1.05	3.99%	
				397691.38		330754.72			
2	Debt-Equity Ratio	Short+Long Term Debt	Net worth	235726.21	0.66	57842.10	0.26	156.11%	
				357374.21		224583.84			
3	Debt Service Coverage Ratio	Earnings available for Debt service	Debt service	47262.70	1.41	44048.51	3.10	-54.57%	*
				33582.76		14220.28			
4	Return on Equity Ratio	Net profit After Tax	Average Net worth	12877.76	0.04	22102.00	0.10	-57.32%	*
				290979.03		213162.73			
5	Inventory Turnover Ratio	Cost of goods sold	Average Value of Inventory	688988.39	3.83	612778.13	4.24	-9.58%	
				179852.35		144627.13			
6	Trade Receivables turnover ratio (in times)	Net sales	Average Trade Receivable	909398.77	7.31	826200.01	6.95	5.17%	
				124375.11		118834.78			
7	Trade Payable turnover ratio (in times)	Net Purchase / Services	Average Trade Payable	225042.37	0.99	277178.34	1.68	-40.95%	*
				226368.43		164641.11			
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	909398.77	26.23	826200.01	54.97	-52.29%	*
				34674.65		15030.37			
9	Net profit ratio (in %)	Net profit After Tax	Total Sales	12877.76	0.01	22102.00	0.03	-47.07%	*
				909398.77		826200.01			
10	Return on Capital employed (in %)	Earning Before Interest and Tax	Capital Employed	47262.70	0.07	44048.51	0.11	-32.61%	*
				663574.66		416762.69			

\*The change in Debt Equity Ratio is due to increase in term borrowings and due to Rights Issue of Equity Shares. The change in Interest Coverage Ratio is due to decrease in Net Profits and increase in interest expenses. The Net Profit Margin has affected due to reduced demand of products due to impact of pandemic on the economy and due to very high cost of raw materials.

### 50. OTHER STATUTORY DISCLOSURES

- The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The company has not carried out any revaluation of it's Property, Plant and Equipment.
- The company holds all properties in it's own name.
- The company do not have any transactions with struck off companies.
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company have not traded or invested in Crypto currency or Virtual Currency during the year.
- The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- h) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- i) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 51.** Previous year figures have been regrouped, whenever necessary to confirm to current year classification.
- 52.** The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27<sup>th</sup> May, 2022. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

**As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN: 22192753ALONQZ5220

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

**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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place :** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

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

# Independent Auditor's Report

To the Members of Texel Industries Limited

## REPORT ON THE AUDIT OF 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"), its wholly owned subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated balance sheet as at 31<sup>st</sup> March, 2022 the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2022 their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	The Company has recognised right of use assets and lease liability of ₹ 145219.00 thousand and ₹ 145774.47 thousand respectively at year end. Application of Ind AS 116 requires significant judgement and estimate in determining the right of use assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.	As part of our audit procedures, our procedures included the following: <ul style="list-style-type: none"><li>- Read and assessed the Company's accounting policies in accordance with the requirements of Ind AS 116.</li><li>- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116;</li><li>- Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed the calculations involved on a sample basis.</li><li>- Evaluated the underlying assumptions and estimates including the discount rates.</li><li>- Assessed the disclosures made in the financial statements by the Company in this regard.</li></ul>



Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2.	This is a key audit matter as the amount of investments and loans to subsidiaries is material to the standalone financial statements of the company and the determination of recoverable value for impairment assessment involves significant management judgement.	<ul style="list-style-type: none"> <li>- We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.</li> <li>- We Evaluated The Disclosures Made In The Standalone Financial Statements.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 Holding company 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 Ind AS 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 Holding company or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated Ind AS financial statement of which we are independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The Consolidated Financial Statements include the Group's share of total assets amounting ₹ 408303.73 thousand for the year ended 31<sup>st</sup> March, 2022, 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

1. As required by Section 143 (3) of the Act, based on our audit and on the considerations of report of management on separate financial statements as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the 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 cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.
  - (e) on the basis of the written representations received from the directors of Holding company as on 31 March 2022 taken on record by the Board of Directors of holding company, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and
  - (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) 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, as amended, 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 consolidated 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 ₹ 1131.46/- thousand 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 Group is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as the Group 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 Group.
    - iv.
      - i. The Holding Company Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
  - iv. The no dividend declared or paid during the year by the Holding Company and subsidiary company hence provisions of section 123 of the companies Act, 2013 are not applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Place: Ahmedabad  
Date: 27<sup>th</sup> May, 2022  
UDIN : 22192753ALONWR5312

**[CA Harshil Lohia]**  
Partner  
M. No. 192753

## **Annexure - A to Independent Auditors' Report of even date on the Consolidated 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")**

In conjunction with our audit of the consolidated Ind AS financial statements of Texel Industries Limited as of and for the year ended 31<sup>st</sup> March, 2022, we have audited the internal financial controls over financial reporting of Texel Industries Limited (hereinafter referred to as the "Holding Company") and its wholly owned subsidiary company, as of that date.

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

The respective Board of Directors of the Holding Company, and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with

reference to these consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### **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 consolidated 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 holding company and its wholly owned subsidiary, in all material respects, have maintained an adequate internal financial controls system over financial reporting and were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the holding 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 ICAI.

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

Place: Ahmedabad  
Date: 27<sup>th</sup> May, 2022  
UDIN : 22192753ALONWR5312

**[CA Harshil Lohia]**  
Partner  
M. No. 192753

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

[₹ In Thousand]

Particulars	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(I) ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	2	3,99,670.07	84,561.73
(b) Capital Work in Progress	2	8,633.66	62,505.97
(c) Right to use Assets	2	1,45,774.47	1,66,115.09
(d) Financial Assets			
- Other Financial Assets	3	23,085.72	20,317.81
(e) Other non-current assets	4	34,700.00	53,119.19
<b>Total Non Current Assets</b>		<b>6,11,863.92</b>	<b>3,86,619.79</b>
<b>2. Current Assets</b>			
(a) Inventories	5	2,15,626.21	1,45,043.46
(b) Financial Assets			
- Trade Receivables	6	74,586.23	1,74,163.98
- Cash and cash equivalents	7	891.48	1,580.33
- Bank balances other than Cash and Cash Equivalents	8	5,044.09	4,863.68
- Loans	9	1,391.45	983.87
- Other Financial Assets	10	7,070.20	506.58
(c) Current Tax Assets (Net)	11	542.69	-
(d) Other Current Assets	12	1,28,084.31	19,861.56
<b>Total Current Assets</b>		<b>4,33,236.67</b>	<b>3,47,003.46</b>
<b>Total Assets</b>		<b>10,45,100.59</b>	<b>7,33,623.25</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	13	83,396.89	52,229.21
(b) Other Equity	14	2,57,724.67	1,58,174.21
<b>Total Equity</b>		<b>3,41,121.56</b>	<b>2,10,403.42</b>
<b>2. Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	15	1,45,010.69	33,817.81
- Lease Liability	16	1,45,219.00	1,48,675.77
- Other financial liabilities	17	1,700.10	200.00
(b) Provisions	18	6,169.00	5,859.13
(c) Deferred tax liabilities (Net)	19	8,101.66	3,626.14
<b>Total Non Current Liability</b>		<b>3,06,200.45</b>	<b>1,92,178.85</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	20	90,715.52	24,024.29
- Lease Liability	21	14,263.94	23,062.50
- Trade Payables	22		
(i) Total outstanding dues of micro and small enterprise		838.94	1,501.93
(ii) Total outstanding dues of creditors other than micro and small enterprise		2,29,567.25	2,21,202.19
- Other financial liabilities	23	1,287.83	-
(b) Other current liabilities	24	58,409.16	50,721.79
(c) Provisions	25	2,695.93	2,023.51
(d) Liability For current Tax (Net)	26	-	8,504.77
<b>Total Current Liability</b>		<b>3,97,778.58</b>	<b>3,31,040.98</b>
<b>Total Equity and Liability</b>		<b>10,45,100.59</b>	<b>7,33,623.25</b>
Significant Accounting Policies and Notes to Consolidated Financial Statements.	1		

**As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN:

**Place:** Ahmedabad  
**Date:** 27<sup>th</sup> May, 2022

**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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place:** San Jose, California, USA  
**Date:** 27<sup>th</sup> May, 2022

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



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[₹ In Thousand]

Particulars	Notes	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue</b>			
Revenue from Operations	27	9,09,398.77	8,27,928.14
Other Income	28	10,153.64	2,770.56
<b>Total Revenue (I)</b>		<b>9,19,552.41</b>	<b>8,30,698.70</b>
<b>Expenses</b>			
Cost of Materials Consumed	29	4,84,890.12	3,28,171.79
Purchases of Stock-In-Trade	30	2,25,042.37	2,77,178.34
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	(20,935.25)	8,929.66
Employees Benefits Expense	32	42,105.12	43,833.62
Finance Costs	33	33,582.76	14,220.28
Depreciation and Amortisation expense	2	14,182.72	8,121.53
Other Expenses	34	1,24,462.08	1,20,639.47
<b>Total Expenses (II)</b>		<b>9,03,329.92</b>	<b>8,01,094.69</b>
<b>Profit Before Tax (I)-(II)</b>		<b>16,222.49</b>	<b>29,604.01</b>
Tax Expense			
Current Tax		267.79	8,994.15
Deferred Tax (PL)		4,358.58	(721.13)
<b>Total Tax Expense</b>		<b>4,626.37</b>	<b>8,273.02</b>
<b>Profit for the period (III)</b>		<b>11,596.12</b>	<b>21,330.99</b>
<b>Other Comprehensive Income / (Expenses)</b>			
A Items that will not be reclassified to profit or loss		464.65	989.19
Income tax relating to items that will not be reclassified to profit or loss		(116.94)	(248.96)
B Items that will be reclassified to profit or loss		(790.58)	142.41
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (IV)</b>		<b>(442.87)</b>	<b>882.64</b>
<b>Total Comprehensive Income for the year (III)+(IV)</b>		<b>11,153.25</b>	<b>22,213.63</b>
<b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>	35		
Basic (In Rupees)		<b>1.84</b>	<b>4.08</b>
Diluted (In Rupees)		<b>1.84</b>	<b>4.08</b>
Significant Accounting Policies	1		
Accompanying Notes are an integral part of the Financial Statements			

### As per our Report of even date attached

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN:

**Place:** Ahmedabad  
**Date:** 27<sup>th</sup> May, 2022

33<sup>rd</sup> Annual Report 2021-22

### 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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place:** San Jose, California, USA  
**Date:** 27<sup>th</sup> May, 2022

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[₹ In Thousand]

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A Cash flow form operating activities</b>		
Profit/(loss) before tax	16,222.49	29,604.01
<b>Adjustment for</b>		
Depreciation / Amortisation	14,182.72	8,121.53
(Gain) / Loss on discard of property, plant and equipment	(1.34)	(379.89)
Unrealized foreign exchange (gain) / loss	(661.95)	609.06
Interest expense	33,582.76	14,220.28
Interest income	(9,046.89)	(996.17)
<b>Operating cash flow before working capital changes</b>	<b>54,277.79</b>	<b>51,178.83</b>
(Increase) / Decrease in Trade Receivable	99,577.75	(1,12,690.32)
(Increase) / Decrease in Inventories	(70,582.75)	1,642.82
(Increase) / Decrease in Other Financial Assets	(737.32)	1,190.37
(Increase) / Decrease in Other Assets	(90,346.25)	(47,808.97)
Increase / (Decrease) in Trade Payable	7,737.64	1,15,618.62
Increase / (Decrease) in Other Financial Liabilities	13,595.11	1,89,638.27
Increase / (Decrease) in Other Liabilities	8,987.42	13,089.44
<b>Cash generated from operations</b>	<b>22,509.39</b>	<b>2,11,859.06</b>
Income taxes paid (net)	10,962.22	12,313.55
<b>Net cash generated by operating activities</b>	<b>11,547.17</b>	<b>1,99,545.51</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,55,076.80)	(2,17,979.88)
Investment in Non-Current Bank Fixed deposits	(2,050.27)	(4,787.22)
Interest received	2,881.23	841.00
<b>Net cash used in investing activities</b>	<b>(2,54,245.84)</b>	<b>(2,21,926.10)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equityshare	1,19,564.89	-
Proceeds from long-term borrowing	1,11,192.88	32,605.40
Proceeds from short-term borrowing	66,691.23	8,912.08
Payment of lease liabilities	(23,062.50)	(18,450.00)
Interest paid	(32,196.27)	(13,766.08)
<b>Net cash generated from / used in financing activities</b>	<b>2,42,190.23</b>	<b>9,301.40</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(508.44)</b>	<b>(13,079.20)</b>
<b>Cash and cash equivalents cash flow statement at beginning of period</b>		
Balances with banks in current accounts and deposit account	6,316.94	19,478.50
Cash on hand	127.07	44.71
<b>Cash and cash equivalents at end of period (Refer Note 7 &amp; 8)</b>	<b>5,935.57</b>	<b>6,444.01</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

### As per our Report of even date attached

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN:

**Place:** Ahmedabad  
**Date:** 27<sup>th</sup> May, 2022

### 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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place:** San Jose, California, USA  
**Date:** 27<sup>th</sup> May, 2022

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

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

(1) As at 31<sup>st</sup> March, 2022 [₹ in Thousand]

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
52,229.21	-	-	31,167.68	83,396.89

(2) As at 31<sup>st</sup> March, 2021 [₹ in Thousand]

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
52,229.21	-	-	-	52,229.21

### B. OTHER EQUITY

(1) As at 31<sup>st</sup> March, 2022 [₹ in Thousand]

	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income		Total
					Remeasurement gain/(loss) on defined benefit plans	Foreign Currency Translation Reserve	
<b>Balance at the beginning of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>87,959.54</b>	<b>5,172.29</b>	<b>(-19.84)</b>	<b>1,58,174.21</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-
<b>Dividends</b>	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	11,596.12	-	-	11,596.12
Right Issue Premium (Net)	88,397.21	-	-	-	-	-	88,397.21
Remeasurement of the Net Defined benefit liability/ asset, net of tax effect	-	-	-	-	347.71	-	347.71
Foreign Currency Translation Reserve	-	-	-	-	-	(790.58)	(790.58)
<b>Balance at the end of the current reporting period</b>	<b>1,07,896.88</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>99,555.66</b>	<b>5,520.00</b>	<b>(810.42)</b>	<b>2,57,724.67</b>

## STATEMENT OF CHANGES IN EQUITY (CONTD.)

(2) As at 31<sup>st</sup> March, 2021

[₹ in Thousand]

	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income	Total
					Remeasurement gain/(loss) on defined benefit plans	
<b>Balance at the beginning of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>66,628.55</b>	<b>4,432.06</b>	<b>1,36,122.82</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	740.23	740.23
<b>Dividends</b>	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	21,330.99	-	21,330.99
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>87,959.54</b>	<b>5,172.29</b>	<b>1,58,194.04</b>

### As per our Report of even date attached

#### For Sunil Poddar & Co.

Chartered Accountants  
Firm. Reg. No. 110603W

#### CA. Harshil Lohia

Partner  
Membership No. 192753  
UDIN:

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

### 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

#### Kirit N. Mehta

Chairman & Independent Director  
DIN: 00444837

**Place:** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

#### Shweta Sultania

Company Secretary  
Membership No.: ACS 22290

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 1. CORPORATE INFORMATION

Texel Industries Limited is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 1956, having its registered office at Block No 2106 Santej-Khatrej Road Nr Gayatri Farm House Vill-Santej, Tal-Kalol, Dist-Gandhinagar, Gujarat. Its shares are listed on BSE Limited. The Company is engaged in the business of manufacturing of Tarpaulins and Geomembrane.

#### Significant accounting policies followed by the company:

#### 1.1 Basis of preparation

##### (i) Statement of compliance

The consolidated financial statements of the group 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 from time to time and other accounting principal generally accepted in India.

##### (ii) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the company and its wholly owned subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

##### (iii) Basis of Measurement

These consolidated financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. The fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest rupees, unless otherwise indicated.

##### (iv) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3 : inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or group's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### (v) Use of estimates and judgments

The estimates and judgments 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 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 1.2 The significant estimates and assumption are required in particulars for the following

#### (i) Property, plant and equipment.

This involves determination of the estimated useful life of the property, plant and equipment and intangible assets if any and the assessment as to which component of the cost may be capitalised. The useful life of the assets are based on the life as prescribed in schedule II to the Companies Act 2013 or based on the technical estimates, taking in to account the nature of the assets, estimated usages, expected residual value and operating conditions of the assets. The Management reviews its estimate of the useful lives of depreciable assets at each reporting dates, based on the expected utility of the assets.

#### (ii) Impairment of Non Financial Assets.

Determining Whether property, plant and equipment and other intangible assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a discounted cash flow model over the estimated useful life of the underlying assets or cash generating unit. Further, the cash flow projection are based on the estimates and assumption relating to expected revenue, operational performance of the assets, market price of the related product or services, inflation, terminal value etc. Which are considered by the management.

#### (iii) Income Taxes

The group's tax jurisdiction in India, the significant judgements are involved in estimating budgeted profit for the purpose of the paying advances taxes, determining the provision for income tax, including amount of income tax excepted to be paid. The significant management judgement also required to determine the amount of deferred tax assets that can be recognised, based on timing and level of future taxable profit.

#### (iv) Fair value measurement of the financial instruments.

In estimating the fair value of the financial assets and financial liability, the group uses market observable data to the extent available. Where such level -1 inputs are not available, the group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgement includes considerations inputs such as liquidity risk, credit risk and volatility. The changes in assumptions about these factors could affect the reported fair value of the financial instruments.

#### (V) Defined benefits plans (Gratuity Benefits).

The cost of the defined benefit of gratuity plan and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in future. These includes the determination of the discount rate , future salary increase / decrease and mortality rates. Due to complexity involved in the valuation and its long term nature, a defined benefit obligations is highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

#### (vi) Classification of Assets, current and non-current.

The assets or liability is classified as current, if it satisfies the any of the following condition.

- (i) The assets / Liability expected to be realised or paid in the group's normal operating cycle.
- (ii) The assets is intended for sales or consumption.
- (iii) The assets / liability held for the purpose of trade or business
- (iv) The Assets / liability is expected to be realised/ settled within 12 month After reporting period.
- (v) The assets is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 month after reporting date.
- (vi) In case of liability , the company does not have an unconditional right to deter settlement of the liability for at least 12 month after the reporting date.

All other assets or liabilities are classified as non current. Deferred assets and Deferred liability are classified as on current assets or liability respectively.

For the purpose of current / non current classification of assets and liabilities , the group has ascertained its normal operating cycle as 12 month. This is based on nature of the business and the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents.

### 1.3 Summary of significant accounting policies

#### 1. Property, Plant and Equipment.

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 group and the cost of the item can be measured reliably. The carrying

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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 is provided using straight line method (SLM) as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

Class of assets	Useful Life
Building	30 Years
Plant & Machinery	15 Year
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years

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.

### Capital work in process

Expenditure related to and incurred during the implementation of capital project, to get the assets ready for intended use is shown under "capital work in process". The same is allocated to the respective items property, plant and equipment on completion of construction / erection of the capital assets . The cost of assets not put to use before the year and capital inventory are disclosed under Capital work in process.

### Impairment of Tangible Assets

The group reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

### 2. 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. 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### 3. Segment Reporting

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

### 4. 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.

### 5. Borrowing costs

Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use , capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that group company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 6. 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.

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.

### 7. Revenue recognition

The revenue from contract with customer is recognised upon transfer of control of promised product or services to the customer in an amount that reflect the consideration, which the company expect to receive in exchange of product or service. The revenue is measured based on the transaction price, which is the consideration, adjusted for discount and other incentives if any. The Amount of consideration to which the group expect to be entitled in exchange for transferring promised goods or service to a customer excluding amounts collected on behalf of third parties ( Duties & Taxes on behalf of Government).

The specific recognition criteria from various steam of revenue is described as under:

#### (i) Sales of Goods:

Revenue from sales of the goods is recognised when the control of the goods has been passed to the customers as per terms of agreement and there is no continuing effective control or managerial involvement with goods.

#### (ii) Interest Income:

Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

### 8. Trade Receivable

A receivable represents the company's right to an amount of consideration that is unconditional i.e. only passage of time required before payment of consideration is due.

The Expected credit loss is mainly based on the historical experience. The receivables are assessed on an individual basis for credit loss. The trade receivables are written of on cases to cases basis, if deemed not to be collectable on assessment and circumstances.

### 9. Employee benefits

Employees benefit includes gratuity , compensated absences , contribution to provided fund employees state insurance and superannuation fund.

#### (i) Short-term Benefits

Employee benefit payable wholly within 12 months of rendering services are classified as short term employee benefit and recognised in the period which the employee renders services. These are recognised at the undiscounted amount of the benefit expected to be paid in exchange for that services.

#### (ii) Post-employment Benefit

##### (a) Defined contribution Plan

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The company has no obligation other than the contribution payable to the provident fund. The company recognises contribution payable to such funds as an expenditure , when an employee renders services.

##### (b) Defined Benefit Plans

The company operates a defined benefit gratuity plan. The cost of providing benefit under the defined benefit plan is determined based un actuarial valuation , carried out by an independent actuary.

Remeasurement gains or losses arising from changes in actuarial assumptions , the same are recognised immediately in balance sheet through other comprehensive income in the period in which they occurred.

##### (c) Other Long-term employee Benefits

Other long-term employee benefits include compensated absences / leaves. The actuarial valuation is done as per projected unit method. Remeasurement gains or losses arising from changes in actuarial assumptions , the same are recognised immediately in balance sheet

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

through other comprehensive income in the period in which they occurred.

- (d) *For the purpose of the presentation of the defined benefit plans and other long-term benefits, the allocation between current and noncurrent provision has been made as determined by the actuary.*

### 10. Foreign currency translation

#### a) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is group'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.

### 11. 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 off set 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.

### 12. 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.

### 13. Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### 14. Earnings Per Share

Basic earnings per share (EPS) is computed by dividing the profit or loss attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of equity shares, for the effects of all diluted potential equity shares.

Other disclosures forming part of the consolidated Ind AS Financial Statements

### 1. Financial Instruments – Disclosure

Financial assets and financial liabilities are recognized when group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### (i) Capital management

The group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the group is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The group's board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

#### Disclosures

This section give an overview of the significance of financial instruments for the group and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

### (i) Categories of Financial Instruments

Particulars	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
Financial Assets (Measured at Amortized Cost)		
- Trade & Other Receivable	74586.23	174163.98
- Cash & Cash Equivalents	891.48	1580.33
- Other Bank Balances	5044.09	4863.67
- Loans	1391.85	983.87
- Other Financial Assets	30155.92	20824.39
<b>Total</b>	<b>112069.18</b>	<b>202416.25</b>
Particulars	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
Financial Liabilities (Measured at Amortized Cost)		
- Borrowings	235726.21	57842.10
- Trade Payable	230406.19	222704.12
- Other Financial Liabilities	162570.9	171938.27
<b>Total</b>	<b>628603.28</b>	<b>452484.50</b>

The carrying amount of current financial assets and liabilities as at the end of each year presented

approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

### (ii) Fair value measurements

This note provide information about how the group determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximates their fair values.

### (iii) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

2. The group did not have any long-term contracts, including derivatives contract for which there were any material foreseeable losses.

### 3. Financial Risk Management Framework

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, receivables from government authorities, security deposits and cash and cash equivalents that derive directly from its operations. The company also holds investments. The corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the group's exposure to market risk or the methods in which they are managed or measured.

### **Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group undertakes transactions denominated in foreign currencies;

### **Liquidity risk**

#### **i. Maturities of financial liabilities**

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows.

<b>Particulars</b>	<b>Less Than 1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>5 years and above</b>	<b>Total</b>
<b>As on 31.03.2022</b>					
<b>Non-interest bearing</b>					
- Trade Payable	22,76,41,327	11,40,459	15,37,207	-	23,03,18,993
- Interest accrued but not due on borrowings	12,87,830	-	-	-	12,87,830
- Payables to employees	4039213	-	-	-	40,39,213
- Payables on purchase of Property, plant & equipment	7745208	5,26,309	2,77,900	-	85,49,417
- Lease Liability	15,94,82,945	-	-	-	15,94,82,945
- Other liabilities	5,84,09,160	-	-	-	5,84,09,160
<b>Fixed-interest bearing</b>					
- Security deposits	15,00,100	-	-	2,00,000	17,00,100
- Variable interest rate instruments	23,44,38,380	-	-	-	23,44,38,380
<b>Total</b>	<b>69,45,44,163</b>	<b>18,66,768</b>	<b>18,15,107</b>	<b>-</b>	<b>69,82,26,038</b>

consequently, exposures to exchange rate fluctuations arise. The group's exposure to currency risk relates primarily to the group's operating activities and borrowings when transactions are denominated in a different currency from the group's functional currency. The group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings.

### **Price Risk**

The group's investments in listed securities, mutual funds, other funds and debentures are susceptible to market price risk arising from uncertainties about future values of the investment securities. The group manages the price risk through diversification and by placing limits on individual and total equity instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Less Than 1 Year	1-3 Years	3-5 Years	5 years and above	Total
<b>As on 31.03.2021</b>					
<b>Non-interest bearing</b>					
- Trade Payable	22,12,94,517	9,68,886	2,95,797	1,44,925	22,27,04,125
- Interest accrued but not due on borrowings	6,38,255	-	-	-	6,38,255
- Payables to employees	37,43,815	-	-	-	37,43,815
- Payables on purchase of Property, plant & equipment	23,59,196	8,04,209	-	-	31,63,405
- Lease Liability	17,17,38,273	-	-	-	17,17,38,273
- Other liabilities	5,23,19,344	-	-	-	5,23,19,344
<b>Fixed-interest bearing</b>					
- Security deposits	-	-	-	2,00,000	2,00,000
- Variable interest rate instruments	5,62,46,432	-	6,15,771	3,41,641	5,72,03,844
<b>Total</b>	<b>50,83,39,832</b>	<b>17,73,095</b>	<b>9,11,568</b>	<b>6,86,566</b>	<b>51,17,11,061</b>

### ii. Liquidity risk management

The group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Chief Financial Officer of the group is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Chief Financial Officer reports the same to the Board of Directors on quarterly basis.

### 4. Additional information, as required under schedule III to the companies act, 2013, of entities consolidated as subsidiaries

[₹ In Thousand]

	Net Assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ In'000)	As % of consolidated profit	Amount (₹ In'000)	As % of consolidated other comprehensive income	Amount (₹ In'000)	As % of consolidated total comprehensive income	Amount (₹ In'000)
<b>PARENT</b>								
Texel Industries Ltd.								
As at 31 <sup>st</sup> March, 2022	104.76%	357374.210	111.05%	12877.76	227.37%	347.710	118.58%	13225.47
As at 31 <sup>st</sup> March, 2021	106.74%	224583.844	103.61%	22101.99	83.87%	740.232	102.83%	22842.22
<b>SUBSIDIARY (FOREIGN)</b>								
Texel Industries (Africa)Ltd.								
As at 31 <sup>st</sup> March, 2022	-4.76%	-16252.650	-11.05%	-1281.64	127.37%	-790.580	-18.58%	-2072.22
As at 31 <sup>st</sup> March, 2021	-6.74%	-14180.428	-3.61%	-771.008	16.13%	142.412	-2.83%	-628.596
<b>As at 31<sup>st</sup> March, 2022</b>	<b>100.00%</b>	<b>341121.560</b>	<b>100.00%</b>	<b>11596.12</b>	<b>100.00%</b>	<b>-442.87</b>	<b>100.00%</b>	<b>11153.25</b>
<b>As at 31<sup>st</sup> March, 2021</b>	<b>100.00%</b>	<b>210403.416</b>	<b>100.00%</b>	<b>21330.98</b>	<b>100.00%</b>	<b>882.644</b>	<b>100.00%</b>	<b>22213.63</b>

- The company has made Investment and granted unsecured loan to Texel Industries (Africa) Limited, a wholly owned subsidiary of the Company. As on balance sheet date, the net worth of the said wholly owned subsidiary company fully eroded. The company has tested said investment and unsecured loan for impairment, based on their assessment there was impairment loss of ₹ 69.01 Lacs and ₹ 5364.33 Lacs for investment and unsecured loans respectively and the same has been recognized in the books.
- Pursuant to the approval of the Board of Directors on 8<sup>th</sup> May, 2021, to issue further equity shares of face value of ₹ 10/- each for an aggregate amount of up to ₹ 20,00,00,000/- (Rupees Twenty Crores only) on Rights basis to the eligible equity shareholders of the Company, the Company has filed the Draft Letter of Offer dated 21<sup>st</sup> June, 2021 with BSE Ltd., containing an offer of partly paid-up equity shares of face value of ₹ 10/- each for an amount aggregating up to ₹ 12,50,00,000/- (Rupees Twelve Crores Fifty Lakhs only).
- Previous year figures have been regrouped, whenever necessary to confirm to current year classification.



## CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### PROPERTY, PLANT AND EQUIPMENT

[₹ In Thousand]

	Gross Block		Depreciation / Amortisation		Net Block As at 31 <sup>st</sup> March, 2022
	As at 1 <sup>st</sup> April, 2021	Additions	Deductions	As at 31 <sup>st</sup> March, 2022	
<b>Current Year ended 31<sup>st</sup> March, 2022</b>					
<b>TANGIBLE ASSETS</b>					
Freehold Land	2,403.62	-	-	-	2,403.62
Buildings	27,716.49	16,048.96	-	1,765.40	36,052.77
Plant and Equipments	64,562.09	3,07,057.14	-	12,673.05	3,51,788.89
Furniture and Fixtures	4,055.52	442.99	-	4,498.51	2,685.18
Vehicles	4,122.32	1,877.74	-	1,239.12	4,139.13
Office Equipments	5,705.49	731.76	33.00	6,404.26	1,890.10
Electric Installations	2,037.49	-	-	1,134.23	710.38
<b>Total Tangible Assets</b>	<b>1,10,603.01</b>	<b>3,26,158.59</b>	<b>33.00</b>	<b>11,043.97</b>	<b>3,99,670.07</b>
<b>CAPITAL WORK-IN-PROGRESS</b>	<b>62,505.97</b>	<b>6,629.83</b>	<b>60,502.13</b>	<b>-</b>	<b>8,633.66</b>
<b>RIGHT TO USE ASSETS#</b>	<b>1,83,065.61</b>	<b>-</b>	<b>-</b>	<b>20,340.62</b>	<b>1,45,774.47</b>
<b>TOTAL</b>	<b>3,56,174.60</b>	<b>3,32,788.42</b>	<b>60,535.13</b>	<b>42,991.80</b>	<b>74,349.69</b>

Note-1: Property, Plant and Equipments as recognized in financial statements as at the date of transition to Ind ASs measured as per the previous GAAP and use that as its deemed cost as at the date of transition and accordingly, Presentation has been made during the year (with corresponding restatement of comparative amounts).

Note-2: Borrowing cost amounting to ₹ NIL thousand (P.Y 9,813.15) has been capitalised to the Capital-Work-in-Progress.

# Refer note no 38 for other disclosures

[₹ In Thousand]

	Gross Block		Depreciation / Amortisation		Net Block As at 31 <sup>st</sup> March, 2021
	As at 1 <sup>st</sup> April, 2020	Additions	Deductions	As at 31 <sup>st</sup> March, 2021	
<b>Previous Year ended 31<sup>st</sup> March, 2021</b>					
<b>TANGIBLE ASSETS</b>					
Freehold Land	2,403.62	-	-	-	2,403.62
Buildings	27,716.49	-	-	1,474.05	21,769.22
Plant and Equipments	61,394.59	3,167.49	-	8,327.89	51,889.04
Furniture and Fixtures	4,415.52	62.68	422.68	1,032.17	2,663.95
Vehicles	3,288.73	1,346.20	512.60	970.07	2,883.21
Office Equipments	5,462.20	362.11	118.82	2,667.98	2,049.44
Electric Installations	2,037.49	-	-	939.50	903.26
<b>Total Tangible Assets</b>	<b>1,06,718.63</b>	<b>4,938.48</b>	<b>1,054.09</b>	<b>18,410.83</b>	<b>84,561.73</b>
<b>CAPITAL WORK-IN-PROGRESS</b>	<b>14,636.75</b>	<b>48,169.22</b>	<b>300.00</b>	<b>-</b>	<b>62,505.97</b>
<b>INTANGIBLE ASSETS</b>	<b>-</b>	<b>1,83,065.61</b>	<b>-</b>	<b>16,950.52</b>	<b>1,66,115.09</b>
Trade Mark	1,21,355.38	2,36,173.31	1,354.09	18,410.83	3,13,182.79
<b>Total Intangible Assets</b>	<b>21.00</b>	<b>-</b>	<b>21.00</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>97,337.72</b>	<b>24,110.46</b>	<b>92.80</b>	<b>12,379.64</b>	<b>1,02,944.55</b>

Note-1: Property, Plant and Equipments as recognized in financial statements as at the date of transition to Ind ASs measured as per the previous GAAP and use that as its deemed cost as at the date of transition and accordingly, Presentation has been made during the year (with corresponding restatement of comparative amounts).

Note-2: Borrowing cost amounting to ₹ NIL thousand (P.Y 9,813.15) has been capitalised to the Capital-Work-in-Progress.

# Refer note no 38 for other disclosures

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Other Disclosure**

**(a) CWIP aging schedule**

As at 31<sup>st</sup> March, 2022

[₹ In Thousand]

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in progress	6,629.83	2,003.84	-	-	8,633.66

As at 31<sup>st</sup> March, 2021

[₹ In Thousand]

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in progress	48,169.22	14,336.75	-	-	62,505.97

**3. OTHER NON-CURRENT FINANCIAL ASSETS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits	14,039.31	13,321.67
Fixed Deposits with Bank (Maturity more than twelve Months)	9,046.41	6,996.14
<b>Total</b>	<b>23,085.72</b>	<b>20,317.81</b>

**Note:-** Total Bank deposits maturity Greater than twelve Months ₹ 9,046.41 thousand (PY 6,996.14 thousand) are given as margin against bank guarantee.

**4. OTHER NON-CURRENT ASSETS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Advances for capital Goods	34,158.46	52,577.65
Balances with Government Revenue Authorities	541.54	541.54
<b>Total</b>	<b>34,700.00</b>	<b>53,119.19</b>

**5. INVENTORIES (Valued at lower of cost or net realisable value, unless otherwise stated)**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials	91,978.14	43,635.91
Work-in-Progress	62,521.48	74,171.46
Finished Goods	47,546.30	19,559.57
Stores and Spare parts	8,622.72	7,317.45
Waste / Scrap (valued at net realisable value)	4,957.57	359.07
<b>Total</b>	<b>2,15,626.21</b>	<b>1,45,043.46</b>

**6. TRADE RECEIVABLES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Unsecured, Considered Good	74,586.23	1,74,163.98
Credit Impaired	-	-
	<b>74,586.23</b>	<b>1,74,163.98</b>
Less: Allownce for Credit Impaired	-	-
	<b>74,586.23</b>	<b>1,74,163.98</b>
<b>OTHERS</b>		
Unsecured, Considered Good	-	-
<b>Total</b>	<b>74,586.23</b>	<b>1,74,163.98</b>

Note: (i) Refer note (45) for other disclosure.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**7. CASH AND CASH EQUIVALENTS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with Banks		
- In Current Account	287.42	1,453.26
Cash on Hand	604.06	127.07
<b>Total</b>	<b>891.48</b>	<b>1,580.33</b>

**8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fixed Deposits with Banks (Maturity upto twelve months)	5,044.09	4,863.68
<b>Total</b>	<b>5,044.09</b>	<b>4,863.68</b>

**Note:** Total Bank deposits maturity less than twelve months ₹ 5,044.09 thousand (PY 4,863.68 thousand) are given as margin against bank guarantee.

**9. LOAN** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Loan to Employees	1,391.45	983.87
<b>Total</b>	<b>1,391.45</b>	<b>983.87</b>

**10. OTHER CURRENT FINANCIAL ASSETS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Income Accrued But Not due	7,070.20	506.58
<b>Total</b>	<b>7,070.20</b>	<b>506.58</b>

**11. OTHER CURRENT FINANCIAL ASSETS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current Tax Assets (Net)	542.69	-
<b>Total</b>	<b>542.69</b>	<b>-</b>

**12. OTHER CURRENT ASSETS** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Prepaid Expenses	4,170.55	2,268.12
Balances with Government Authorities	50,857.42	11,137.59
Other Short-Term Loans and Advances (including Advances to Suppliers etc.)	73,056.34	6,455.86
<b>Total</b>	<b>1,28,084.31</b>	<b>19,861.56</b>

**13. EQUITY SHARE CAPITAL**

**13.1 Authorised** [₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1,65,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each	1,65,000.00	1,65,000.00
35,00,000 Unclassified Shares of ₹ 10 each (PY 35,00,000 Preference Shares of ₹ 10 each)	35,000.00	35,000.00
<b>Total</b>	<b>2,00,000.00</b>	<b>2,00,000.00</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
83,39,689 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid	83,396.89	52,229.21
<b>Total</b>	<b>83,396.89</b>	<b>52,229.21</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, 2022
- 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.

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

	Number of Shares	₹ In Thousand
<b>As at 1<sup>st</sup> April, 2020</b>	<b>52,22,921</b>	<b>52,22,921</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>52,22,921</b>	<b>52,22,921</b>
Changes in equity share capital*	31,16,768	31,16,768
<b>As at 31<sup>st</sup> March, 2022</b>	<b>83,39,689</b>	<b>83,39,689</b>

\* During the year under review, the Company has allotted 31,22,398 Equity Shares of face value of Rs. 10/- each pursuant to Rights Issue of Equity Shares of the Company and out of which 5,630 Equity Shares were forfeited due to non payment of First and Final Call Money.

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

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
Shailesh R Mehta	20,02,817	24.02%	74,725	1.43%
Krishnakant G Vakharia	4,43,227	5.31%	-	-
Avani S Mehta	1,20,341	1.44%	10,75,316	20.59%
Mihir Bhandari	-	-	3,00,000	5.74%
Ullhas Paymaster	-	-	3,03,000	5.80%
Skypoint Technical Textile LLP	-	-	2,50,000	4.79%

### 13.5 Shareholding of Promoters

	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
	No. of Shares	% of Total Shares	% Change	No. of Shares	% of Total Shares	% Change
Avani Shaileshbhai Mehta	120341	1.44%	-19.15%	1075316	20.59%	-
Krishnakant Gulabchand Vakharia	443227	5.31%	0.48%	252360	4.83%	0.05%
Bhupendra Ramnik Mehta	170473	2.04%	0.00%	106691	2.04%	-
Shaileshbhai Ramniklal Mehta	2002817	24.02%	22.58%	74725	1.43%	-
Mukta Ramnik Mehta	0	0.00%	-1.25%	65276	1.25%	-
Ramaniklal Vrajlal Mehta	149153	1.79%	1.25%	28072	0.54%	-
Harsha Shailesh Shah	16393	0.20%	0.00%	10260	0.20%	-
Sonal Bhupendra Mehta	15115	0.18%	0.00%	9460	0.18%	-
Shailesh Dwarkadas Shah	6120	0.07%	0.00%	3831	0.07%	-
Riddhi Sahil Parikh	3355	0.04%	0.00%	2100	0.04%	-
Rishita Pravrit Parikh	7120	0.09%	0.05%	2100	0.04%	-
Avishi Anuj Sharedalal	3003	0.04%	0.00%	1880	0.04%	-
Asheshbhai Dilipbhai Bhakta	1700	0.02%	-0.01%	1700	0.03%	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
	No. of Shares	% of Total Shares	% Change	No. of Shares	% of Total Shares	% Change
Lilaben Krishnakant Vakharia	2716	0.03%	0.00%	1700	0.03%	-
Sunil Dwarkadas Shah	878	0.01%	0.00%	550	0.01%	-
Vikram Rashmikant Mehta	1357	0.02%	0.02%	-	-	-
Kapila Rashmikant Mehta	10305	0.12%	0.12%	-	-	-
D D Shah Fragrances Pvt. Ltd.	129064	1.55%	1.55%	-	-	-
<b>Foreign</b>						
Rajendrakumar Bhikhabhai Bhakta	231683	2.78%	-1.70%	233648	4.47%	-
Naresh Ramniklal Mehta	99801	1.20%	-0.71%	99801	1.91%	-
Mahendrakumar B Bhakta	52084	0.62%	-0.37%	52084	1.00%	-
Sujata Naresh Mehta	19650	0.24%	-0.14%	19650	0.38%	-
Aman Mehta	200	0.00%	0.00%	200	0.00%	-

**14. OTHER EQUITY**

[₹ In Thousand]

	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income		Total
					Remeasurement gain/(loss) on defined benefit plans	Foreign Currency Translation Reserve	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>66,628.55</b>	<b>4,432.06</b>	<b>(162.25)</b>	<b>1,35,960.58</b>
Profit For The Year	-	-	-	21,330.99	-	-	21,330.99
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	<b>740.23</b>	-	740.23
Add:- Foreign Currency Translation Reserve	-	-	-	-	-	142.41	142.41
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>19,499.67</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>87,959.54</b>	<b>5,172.29</b>	<b>(19.84)</b>	<b>1,58,174.21</b>
Profit For The Year	-	-	-	11,596.12	-	-	<b>11,596.12</b>
Add:- Right Issue Premium	93,503.04	-	-	-	-	-	<b>93,503.04</b>
Less: Right Issue Exp	(5,105.83)	-	-	-	-	-	<b>(5,105.83)</b>
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	<b>347.71</b>	-	<b>347.71</b>
Add:- Foreign Currency Translation Reserve	-	-	-	-	-	(790.58)	(790.58)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1,07,896.88</b>	<b>16,333.33</b>	<b>29,229.21</b>	<b>99,555.66</b>	<b>5,520.00</b>	<b>(810.42)</b>	<b>2,57,724.67</b>

**Notes :**

- Securities premium is used to record the premium on issue of equity shares. The Securities premium amount is utilised in accordance with the provision of the companies Act 2013.
- The capital redemption account is created on account of redemption of preference shares and to be utilised in accordance of the provision of the companies Act 2013.
- Capital Reserve was created on account of reduction of shares capital as per the order passed Hon'ble High Court of Gujarat and can be utilised in accordance with the provision of companies act 2013.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**15. NON-CURRENT BORROWINGS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Term loans from Banks</b>		
ICICI Bank Ltd.	-	210.92
HDFC Bank Ltd.	777.72	1,021.30
Kotak Mahindra Bank	1,16,734.06	32,243.95
<b>Total</b>	<b>1,17,511.78</b>	<b>33,476.17</b>
<b>Term loans from NBFC</b>		
Siemens Financial Services Pvt Ltd	22,715.69	-
Sundaram Finance Ltd	1,569.69	-
<b>Total</b>	<b>24,285.38</b>	<b>-</b>
<b>Unsecured</b>		
Loans From Bank	337.01	-
Loans From NBFC	2,534.88	-
Loans From Related Parties	341.64	341.64
<b>Total</b>	<b>3,213.53</b>	<b>341.64</b>
	<b>1,45,010.69</b>	<b>33,817.81</b>

**Note:**

- ICICI Bank Loan interest rate 8.25% p.a. , repayable in 60 monthly EMI of ₹ 36.714 thousand ending on Septmber, 2022. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".
- Loans from related party includes loan payable to Non Executive Director of the Company. No interest is paid towards the said loan.
- Vehicle loans has been secured by way of hypothecation of the vehicle purchased from the loan.
- Term loan from Kotak Mahindra Bank Ltd. Has been primarily secured by way of creation of first exclusive charge on all existing and future current assets and fixed assets (movable and immovable) of the borrower and colloateraly secured by way of registered mortgage on land, factory building and plant & machinery located at registered office of the company.
- Personal Guarantee from Mr. Shaileshbhai Mehta has been given in respect of Term loan from Kotak Mahindra Bank Ltd.
- HDFC Bank Loan repayable in 60 monthly EMI of ₹ 26.297 thousand ending on January, 2026. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".
- Kotak Mahindra Bank Loan interest rate 15.90% p.a. , repayable in 60 monthly installments ending on April, 2026. , Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts".

**16. NON CURRENT LEASE LIABILITY**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability	1,45,219.00	1,48,675.77
<b>Total</b>	<b>1,45,219.00</b>	<b>1,48,675.77</b>

**17. OTHER NON CURRENT FINANCIAL LIABILITIES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade - Deposit	1,700.10	200.00
<b>Total</b>	<b>1,700.10</b>	<b>200.00</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**18. NON CURRENT PROVISIONS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>For Employees Benefits</b>		
Provision for Gratuity	5,020.66	4,820.24
Provision for Sick Leave	278.52	190.90
Provision for Leave encashment	869.82	847.99
<b>Total</b>	<b>6,169.00</b>	<b>5,859.13</b>

**19. DEFERRED TAX LIABILITIES (NET)**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred tax liabilities (Net)	8,101.66	3,626.14
<b>Total</b>	<b>8,101.66</b>	<b>3,626.14</b>

**20. CURRENT BORROWINGS**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
Loan Repayable On demand	7,433.38	-
<b>Total</b>	<b>7,433.38</b>	<b>-</b>
<b>Unsecured</b>		
Intercompany Loan	35,235.33	15,394.31
<b>Total</b>	<b>35,235.33</b>	<b>15,394.31</b>
Current Maturity of Long Term Debts	48,046.82	8,629.98
<b>Total</b>	<b>90,715.52</b>	<b>24,024.29</b>

**Note:-**

Inter corporate Loan carries interest at various rates between 12% to 15% and payable on quarterly basis. Further the said loan is repayable on demand.

**21. CURRENT LEASE LIABILITY**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability	14,263.94	23,062.50
<b>Total</b>	<b>14,263.94</b>	<b>23,062.50</b>

**22. TRADE PAYABLES**

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Due to Micro and Small Enterprise	838.94	1,501.93
Due to Other than Micro and Small Enterprise.	2,29,567.25	2,21,202.20
<b>Total</b>	<b>2,30,406.19</b>	<b>2,22,704.13</b>

**Note:-**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
a. Principal and interest amount remaining unpaid	838.94	1,501.93
b. Interest due thereon remaining unpaid	65.85	2.02
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	-	-

Note: (i) Refer note (46) for other disclosure.

**23. OTHER CURRENT FINANCIAL LIABILITIES**

[₹ In Thousand]

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Expanses accrued but not due	1,287.83	-
<b>Total</b>	<b>1,287.83</b>	<b>-</b>

**24. OTHER CURRENT LIABILITIES**

[₹ In Thousand]

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Statutory Liabilities	1,870.68	1,279.88
Advances From Customer	42,962.01	36,685.76
Payable on purchase of property, plant & equipment	5,582.50	3,163.40
Salary and Wages payable	4,039.21	3,743.82
Other payables	3,954.76	5,848.93
<b>Total</b>	<b>58,409.16</b>	<b>50,721.79</b>

**25. CURRENT PROVISIONS**

[₹ In Thousand]

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Provision for Gratuity	128.77	130.37
Provision for Sick Leave	29.12	20.59
Provision for Leave encashment	151.49	140.45
Provision of Warrenty	2,386.55	1,732.10
<b>Total</b>	<b>2,695.93</b>	<b>2,023.51</b>

**26. LIABILITY FOR CURRENT TAX (NET)**

[₹ In Thousand]

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Liability for current tax (Net of Advance Tax and Tax Dedcuted at Sources.)	-	8,504.77
<b>Total</b>	<b>-</b>	<b>8,504.77</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**27. REVENUE FROM OPERATIONS**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
i Sale of Products	8,90,924.71	8,16,791.40
ii Other Operating Revenues		
- Sale of Waste and Others	18,474.06	11,136.74
<b>Total</b>	<b>9,09,398.77</b>	<b>8,27,928.14</b>

**28. OTHER INCOME**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Interest Income on :		
Interest Income on others	8,403.54	328.34
Interest on Fixed Deposit with Bank	643.35	667.83
Export Incentives	373.74	8.36
Provision Written Back	-	1,766.03
Profit on Fixed Assets Discarded	1.34	-
Provision for foreign exchange markup gain	619.07	-
Other Misc. Income	112.60	-
<b>Total</b>	<b>10,153.64</b>	<b>2,770.56</b>

**29. COST OF MATERIALS CONSUMED**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Opening Stock	43,635.91	39,085.24
Add : Purchases, Including Incidental Expenses	5,33,232.35	3,32,722.46
<b>Total</b>	<b>5,76,868.26</b>	<b>3,71,807.70</b>
Less : Closing Stock	91,978.14	43,635.91
<b>Total</b>	<b>4,84,890.12</b>	<b>3,28,171.79</b>

**30. PURCHASES OF STOCK-IN-TRADE**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Traded Goods	2,25,042.37	2,77,178.34
<b>Total</b>	<b>2,25,042.37</b>	<b>2,77,178.34</b>

**31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>Opening Inventories</b>		
Finished Goods	19,559.57	51,456.83
Process Stock	74,171.46	51,111.37
Waste/Scrap	359.07	451.57
	<b>94,090.11</b>	<b>1,03,019.77</b>



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Closing Inventories</b>		
Finished Goods	47,546.30	19,559.57
Process Stock	62,521.48	74,171.46
Waste/Scrap	4,957.57	359.07
	<b>1,15,025.36</b>	<b>94,090.11</b>
(Increase) / Decrease in Stocks	(20,935)	8,929.66
<b>Total</b>	<b>(20,935.25)</b>	<b>8,929.66</b>

**32. EMPLOYEES BENEFIT EXPENSES**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Salaries and Wages	38,499.77	41,320.64
Contribution to Provident and other Funds	1,123.56	1,118.33
Staff Welfare Expenses	2,481.79	1,394.65
<b>Total</b>	<b>42,105.12</b>	<b>43,833.62</b>

**33. FINANCE COSTS**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest on Borrowing	8,486.94	1,994.23
Interest on Income tax	1,069.46	1,354.00
Bill Discount Charges	3,004.47	546.79
Interest on Lease Liability	1,494.94	-
Loan Processing Charges	819.73	-
Interest on Trade payable	18,707.24	10,325.26
<b>Total</b>	<b>33,582.76</b>	<b>14,220.28</b>

**34. OTHER EXPENSES**

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Manufacturing Expenses</b>		
Consumption of Stores, Spare Parts and Components and Incidental Expenses	12,672.49	6,494.63
Processing Charges	39,119.89	40,275.02
Power & Fuel	22,952.23	19,971.13
Repairs to Buildings	276.75	332.03
Repairs to Machinery	449.15	704.80
<b>Total</b>	<b>75,470.51</b>	<b>67,777.62</b>
<b>Administration, Selling and Distribution Expenses</b>		
Advertisement and Sales Promotion	3,289.55	2,136.35
Insurance	2,022.19	1,418.17
Rates and Taxes	499.23	190.26
Directors' Sitting Fees	150.00	120.00
Bank Charges & Commission	188.49	138.12
Repairs & Maintenance- Computer & Other	685.07	720.86
Conveyance Exp.	1,663.20	2,055.65

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Freight and forwarding	8,840.03	7,746.75
Legal and professional charges	5,014.05	4,372.60
Post & Telegram	233.58	103.70
Printing and stationery	390.35	309.84
Sales commission	2,422.90	1,259.26
Security Charges	1,502.60	1,149.87
Telephone Expenses	10.42	35.01
Site Expense	9,789.07	14,777.84
Research & Development Exp.	3.19	72.97
Foreign Marketing Exp.	-	4,255.96
Travelling Expenses	1,509.30	498.31
Other General & Miscellaneous Expenses	9,561.41	7,145.30
Bad debts/advance written off	364.54	2,673.23
Provision for post-sales support & warranties	727.41	1,156.90
Loss on Fixed Assets Discarded	-	379.89
<b>Total</b>	<b>48,866.58</b>	<b>52,716.85</b>

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

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>Payments to Statutory Auditors:</b>		
Audit Fee	100.00	100.00
Tax Audit Fee	25.00	25.00
Certification Charges	-	20.00
<b>Total</b>	<b>125.00</b>	<b>145.00</b>
<b>Grand Total</b>	<b>1,24,462.08</b>	<b>1,20,639.47</b>

**35 Earnings Per Share:**

[₹ In Thousand]

		<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Net profit for the year attributable to equity shareholders	₹ In Thousand	11,596.12	21,330.99
Weighted-average-number of equity shares outstanding	Number of Shares	83,39,689	52,22,921
Basic Earnings Per Share (Face Value of ` 10 each)	In Rupees	<b>1.84</b>	<b>4.08</b>
Diluted Earnings Per Share (Face Value of ` 10 each)	In Rupees	<b>1.84</b>	<b>4.08</b>

**36. INCOME TAX EXPENSES**

**Tax expense recognized in the statement of Profit and Loss**

[₹ In Thousand]

	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>Current Tax</b>		
Current Tax on taxable income for the year	267.79	8,994.15
<b>Total current tax expense</b>	<b>267.79</b>	<b>8,994.15</b>
<b>Deferred tax</b>		
Deferred tax charges/(credit)	4,358.58	(721.13)
<b>Total deferred income tax expense/(benefit)</b>	<b>4,358.58</b>	<b>(721.13)</b>
<b>Total income tax expense</b>	<b>4,626.37</b>	<b>8,273.02</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 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:

[₹ In Thousand]

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Enacted income tax rate in India applicable to the company	25.168%	25.168%
Profit Before Tax	16,222.49	29,604.01
<b>Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India</b>	<b>4,082.88</b>	<b>7,450.74</b>
<b>Tax effect of the amount which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	459.23	368.18
Income not considered for tax purpose	(55.28)	(43.15)
Expenses not allowed for tax purpose	4,815.77	4,507.28
Additional Allowables for tax purpose	(9,357.37)	(3,482.95)
Deferred Tax for Current Year	4,358.58	(721.13)
Other	322.56	194.05
<b>Total Income tax expense/(Credit)</b>	<b>4,626.37</b>	<b>8,273.02</b>

Consequent to reconciliation items shown above, the effective tax rate is 25.168% (2020-21: 25.168%)

- B) The Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2022

[₹ In Thousand]

	As at 1 <sup>st</sup> April, 2020 - Deferred Tax Liabilities/ (Asset)	Charge/ (Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2021 - Deferred Tax Liabilities/ (Asset)	Charge/ (Credit) in statement of Profit and Loss	Remeasurment of defined benefit Plan	As at 31 <sup>st</sup> March, 2022 - Deferred Tax Liabilities/ (Asset)
Depreciation	7,004.54	(25.62)	6,978.92	8,833.25	-	15,812.19
Provision for Gratuity	(1,313.86)	67.89	(1,245.97)	(50.04)	-	(1,296.01)
Lease Payment AS 116	-	-	-	(3,940.47)	-	(3,940.47)
Remeasurment of defined benefit Plan	-	248.96	248.96	(248.96)	116.94	116.94
Provision on Loan subsidiary (P&L)	-	(1,367.46)	(1,367.46)	-	-	(1,367.46)
Provision for Leave Encashment	(356.67)	54.67	(302.00)	(32.47)	-	(334.47)
Provision of Bonus	(985.22)	549.29	(435.93)	(164.72)	-	(600.65)
Provision of Warranty	(250.48)	0.10	(250.38)	(38.03)	-	(288.41)
<b>Total Deferred Tax Liabilities/(Asset)</b>	<b>4,098.31</b>	<b>(472.17)</b>	<b>3,626.14</b>	<b>4,358.58</b>	<b>116.94</b>	<b>8,101.66</b>

**Note :**

Note : The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities based on the rate prescribed in the said Section as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**37. COMMITMENTS AND CONTINGENT LIABILITIES:**

₹ In Thousand

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>37.1 Commitments</b>		
<b>(a) Capital Commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
- Property, Plant and Equipments	3,358.95	1,51,946.12
<b>37.2 Contingent Liabilities</b>		
(a) EPF Interest and Damages	1,131.46	1,131.46
(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 ₹ 1,131.46 thousand 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).*		
(b) Income Tax demand raised by Income tax Department for Assessemnt year 2018-2019 , Against that Appeal has been filed at Commissioner of Income Tax - Appeal. *	1,461.62	1,461.62
(c) Bank Guarantee (against 100% margin money in form of deposits)	8,157.46	8,477.46

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

**38. LEASES**

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1<sup>st</sup> April, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.

The Company has adopted the modified prospective transition method recognising the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognised the Right of Use Asset (ROU) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Company's leases comprises of leasing of factory land. The Company has adopted Ind AS 116, effective annual reporting period beginning 1<sup>st</sup> April, 2019 and applied the standard to its leases applying modified retrospective approach.

**(i) As Lessee**
**Maturity Analysis of Lease Liabilities**

[₹ In Thousand]

<b>Contractual undiscounted Cash Flows</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Less than one year	24,215.62	(23,062.50)
One to five years	1,40,496.95	1,33,806.61
More than five years	37,903.06	68,809.02
<b>Total Undiscounted Lease Liabilities</b>	<b>2,02,615.63</b>	<b>1,79,553.13</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>		
Non Current	1,45,219.00	1,48,675.77
Current	14,263.95	23,062.50
<b>Total</b>	<b>1,59,482.95</b>	<b>1,71,738.27</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Following are the changes in Liability arising form financing activities for the year ended 31<sup>st</sup> March, 2022

[₹ In Thousand]

	Year ended on 31 <sup>st</sup> March, 2022
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1,80,619.07</b>
Cash flow	(18,450.00)
Interest Expenses	9,569.21
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,71,738.27</b>
During the year	-
Cash flow	(23,062.50)
Interest Expenses	10,807.17
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1,59,482.95</b>

**Amount Recognized in the Statement of Profit & Loss**

[₹ In Thousand]

	Year ended on 31 <sup>st</sup> March, 2022	Year ended on 31 <sup>st</sup> March, 2021
Depreciation on Lease Asset	20,340.62	16,950.52

**Amount Recognized in Capital Work in Progress**

[₹ In Thousand]

	Year ended on 31 <sup>st</sup> March, 2022	Year ended on 31 <sup>st</sup> March, 2021
Interest Expenses capitilised during the year	10,807.17	9,569.21

### 39. Details of Related Party Disclosure

List of Related Parties with whom the Company has entered into transactions during the year.

<b>(A) Subsidiary company</b>	Texel Industries (Africa) Limited.
<b>(B) Key Managerial Person (KMP)</b>	Kirit Mehta (Chairman & Independent Director)
	Shailesh R Mehta (Managing Director)
	Naresh R Mehta (Non-Executive Director)
	Dr.Christy Fernandez (Independent Director)
	Mrs. Jasmin Nahidakhtar Vhora (Independent Director)
	Vikram Patel (Chief Financial Officer)
	Shweta Sultania (Company Secretary)
<b>(C) Relative of KMP</b>	Anisha Mehta
	Avishi Sharedalal
<b>(D) Entity in which KPM/Relative of KMP having significant influence</b>	Moneeto Plasti Fab Pvt Ltd
	Grow Materials LLC
	Risha Aquapruf Infrastructures LLP
	Risha Infrastructures
	Pima Controls Pvt Ltd
	Anjaneya Enterprise
	C R Sharedalal & Co
	Crossland Housing & Const. Limited
	Mehta & Dholabhai

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(A) Key Managerial Personnel Compensation:**

[₹ In Thousand]

	Year ended on 31 <sup>st</sup> March, 2022	Year ended on 31 <sup>st</sup> March, 2021
Short-term employee benefits	8,220.55	7,547.63
Other Benefits	150.00	120.00
<b>Total Compensation</b>	<b>8,370.55</b>	<b>7,667.63</b>

**(B) The following transactions were carried out with the related parties in ordinary course of business during the year:**

[₹ In Thousand]

	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
<b>A) Transaction During the year</b>				
<b>Remuneration to Managing Director</b>				
Shailesh R Mehta	5,520.32	-	-	-
	(5,053.33)	-	-	-
<b>Remuneration to other Directors</b>				
Dr. Christy Leon Fernandez	359.32	-	-	-
	(477.19)	-	-	-
<b>Remuneration of KMP</b>				
Shweta Sultania	1,200.59	-	-	-
	(1,066.55)	-	-	-
Vikram Patel	1,140.33	-	-	-
	(950.56)	-	-	-
<b>Remuneration Relative of KMP</b>				
Avishi Sharedalal	-	534.12	-	-
	-	(499.59)	-	-
Anisha Mehta	-	844.75	-	-
	-	(357.76)	-	-
<b>Director Sitting Fees</b>				
Kirit Mehta	60.00	-	-	-
	(50.00)	-	-	-
Dr. Christy Leon Fernandez	70.00	-	-	-
	(50.00)	-	-	-
Mrs. Jasmin Nahidakhtar Vhora	20.00	-	-	-
	(20.00)	-	-	-
<b>Legal and professional fees</b>				
G.P. Kapadia & Co	-	-	555.56	-
	-	-	-	-
C R Sharedalal & Co	-	-	700.00	-
	-	-	(300.00)	-
<b>Shailesh R Mehta</b>				
Loan Taken by Texel	9100.00	-	-	-
	-	-	-	-
Loan Interest Paid	38.64	-	-	-
	-	-	-	-
Rent Expenses	136.00	-	-	-
	-	-	-	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	KMP	Relative of KMP	Entity in which KPM/Relative of KMP having significant influence	Subsidiary
<b>Sponsorship</b>				
Anisha Mehta*		354.00		
		-		
<b>Risha Aquapruv Infrastructure LLP</b>				
Site Expense (Labour Charges)	-	-	9,215.40	-
	-	-	(12,408.89)	-
Sales Commission			360.61	
			-	
<b>Pima Controls Pvt Ltd</b>				
Purchase of Capital Goods	-	-	1,709.77	-
	-	-	(7,274.30)	-
Purchase of Store Items	-	-	15.38	-
	-	-	(6.00)	-
<b>Grow Materials LLC</b>				
Purchase of Raw Material	-	-	3,731.49	-
	-	-	-	-
Advance Agianst Sale of Finish Goods			4,971.74	
Sales	-	-	3,027.27	-
	-	-	-	-
<b>Moneeto Plasti-Feb Pvt. Ltd.</b>				
Sales	-	-	5,912.39	-
	-	-	(3,726.21)	-
Site Expense (Labour Charges)	-	-	-	-
	-	-	(2,206.10)	-
Purchase of Raw Material	-	-	-	-
	-	-	(944.69)	-
<b>Anjaneya Enterprise</b>				
Job works charges	-	-	-	-
	-	-	-	-
Purchase of Raw Material	-	-	9,040.42	-
	-	-	(12,897.79)	-
Sales	-	-	24,950.44	-
	-	-	(11,336.34)	-
<b>Risha Infrastructure</b>				
Marketing Exp.	-	-	-	-
	-	-	(3,200.00)	-
<b>B) Closing balances</b>				
Receivable from				
Moneeto Plasti-Feb Pvt. Ltd.	-	-	20.74	-
	-	-	(3,637.81)	-
<b>Payable to</b>				
Anjaneya Enterprise	-	-	1,692.15	-
	-	-	(15,505.07)	-
Pima Controls Pvt Ltd	-	-	259.78	-
	-	-	(1,136.68)	-
Risha Infrastructure	-	-	2,210.00	-
	-	-	(2,210.00)	-



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
Risha Aquapruf Infrastructure LLP	-	-	7,907.25	-
	-	-	(11,740.87)	-
Naresh R Mehta	440.15	-	-	-
	(440.15)	-	-	-
Shailesh R Mehta	-	-	-	-
	(286.87)	-	-	-
Shweta Sultania	53.18	-	-	-
	(80.63)	-	-	-
Vikram Patel	115.87	-	-	-
	(108.42)	-	-	-
Anisha Mehta	-	33.06	-	-
	-	(37.57)	-	-
Avishi Sharedalal	-	41.91	-	-
	-	(41.91)	-	-
Grow Materials LLC	-	-	8,703.23	-
	-	-	-	-
G P Kapadia & Co.	-	-	100	-
	-	-	-	-
C R Sharedalal & Co	-	-	756.00	-
	-	-	(231.50)	-
<b>Loans &amp; Advances - Receivable</b>				
Crossland Housing & Const. Limited	-	-	1,000.00	-
	-	-	(1,000.00)	-
Mehta & Dholabhai	-	-	615.21	-
	-	-	(615.21)	-
Texel Industries (Africa) Limited.	-	-	-	22,403.39
	-	-	-	(20,695.93)

Figures in brackets relates to previous year ended on 31<sup>st</sup> March, 2021

*\*\* The Company Sponsored the admission fees for the Post Graduate Programme in Managemant for Family Business (PGPMFAB). The admission fees were paid by the Company directly to the Indian School of Business.*

**40. EMPLOYEE BENEFITS**
**[A] Defined contribution plans:**

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The Company recognised ₹ 1123.56 thousand (P.Y ₹ 1099.87 thousand) for contributions to various funds in the Statement of Profit and Loss.

**[B] Defined benefit plans:**

The Company has adopted Accounting Standard 19 (Ind AS-19) "Employee Benefits" which is mandatory from accounting periods starting from 1<sup>st</sup> April, 2017. Accordingly, the Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2022.

### I. Reconciliation of opening and closing balance of Defined Benefit Obligation (Unfunded) ₹ In Thousand

	Year ended on 31 <sup>st</sup> March, 2022	Year ended on 31 <sup>st</sup> March, 2021
Present value of obligation as at the beginning	4,950.63	5,220.38
Current service cost	618.30	625.43
Past Service Cost	-	-
Interest cost	341.59	358.12
Benefits paid	(294.62)	(264.11)
Actuarial (Gain) / Loss	(464.65)	(989.19)
<b>Present value of obligation as at the end (Unfunded)</b>	<b>5,151.25</b>	<b>4,950.63</b>

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

Not applicable as Gratuity is unfunded.

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

Not applicable as Gratuity is unfunded.

### IV. Reconciliation of Defined benefit obligation and fair value of plan assets: ₹ In Thousand

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present value of benefit obligation at the end of the period	5,151.25	4,950.63
Fair value of planned assets at the end of year	-	-
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>5,151.25</b>	<b>4,950.63</b>

### V. Expense recognised during the year ₹ In Thousand

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Service cost	618.30	625.43
Interest cost	341.59	358.12
Actuarial (Gain) / Loss	(464.65)	(989.19)
<b>Net cost included in 'Employee Benefit Expense'</b>	<b>495.24</b>	<b>(5.64)</b>

### VI. Investment Details

Not applicable as Gratuity is unfunded.

### VII. Actuarial Assumptions for Gratuity ₹ In Thousand

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Discount rate (per annum)	6.90%	6.86%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	7.00%	7.00%

### VIII. Other disclosures ₹ In Thousand

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Present value of obligation as at the end - Gratuity	5,151.25	4,950.63
Surplus/(deficit) - Gratuity	(5,151.25)	(4,950.63)
Experience adjustment on plan liability - Gratuity	(307.33)	(973.36)
Actuarial Loss / ( Gain ) due to change in assumptions - Gratuity	(157.32)	(15.84)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 41. DISCLOSURE PURSUANT TO IND AS 115 -REVENUE FROM CONTRACTS WITH CUSTOMERS:

The Group derives revenue from sale of products and scrap from its contract with customers. The revenue have been disclosed in Note No. 27.

#### (a) Disaggregation of revenue from contracts with customers

₹ In Thousand

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue from contracts with customers</b>		
Revenue from Operations		
Domestic	9,03,391.98	8,27,219.87
Exports	6,006.79	708.27
<b>Total</b>	<b>9,09,398.77</b>	<b>8,27,928.14</b>

### 42. FINANCIALS INSTRUMENTS:

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

#### (i) Categories of Financial Instruments

[₹ In Thousand]

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets (Measured at Amortized Cost)</b>		
- Trade & Other Receivable	74,586.23	1,74,163.98
- Cash & Cash Equivalents	891.48	1,580.33
- Other Bank Balance	5,044.09	4,863.68
- Loans	1,391.45	983.87
- Other Financial Assets	30,155.92	20,824.39
- Investments	-	-
<b>Total</b>	<b>1,12,069.17</b>	<b>2,02,416.25</b>
<b>Financial Liabilities (Measured at Amortized Cost)</b>		
- Borrowings	2,35,726.21	57,842.10
- Trade Payable	2,30,406.19	2,22,704.13
- Lease liability	1,59,482.95	1,71,738.27
- Other Financial Liabilities	2,987.93	200.00
<b>Total</b>	<b>6,28,603.28</b>	<b>4,52,484.50</b>

The carrying amount of current financial assets and liabilities as at the end of each year presented approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

#### (ii) Fair value measurements

This note provide information about how the company determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximates their fair values.

## **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

### **(iii) Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

### **43. FINANCIAL RISK MANAGEMENT:**

The company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, receivables from government authorities, security deposits and cash and cash equivalents that derive directly from its operations. The company also holds investments. The corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Board of Directors of the company for monitoring risks and reviewing policies implemented to mitigate risk exposures.

#### **(i) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

#### **(a) Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings.

#### **(b) Price Risk**

The Company's investments in listed securities, mutual funds, other funds and debentures are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total equity instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis.

#### **(c) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The loans advanced as at March 31, 2022 is Rs. 1391.453 thousand (previous year Rs. 983.87 thousand) which are interest bearing and interest rates are variable.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### (ii) Liquidity Risk

#### (a) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows.

[₹ In Thousand]

Particulars	Less than 1 Year	More than 1 Year	Total
<b>As on 31.03.2022</b>			
<b>Non-interest bearing</b>			
-Borrowings	90,715.52	1,45,010.69	2,35,726.21
- Trade payable	2,30,406.19	-	2,30,406.19
- Lease Liability	14,263.94	1,45,219.00	1,59,482.95
- Other financial liabilities	1,287.83	1,700.10	2,987.93
<b>Total</b>	<b>3,36,673.49</b>	<b>2,91,929.79</b>	<b>6,28,603.28</b>
<b>As on 31.03.2021</b>			
<b>Non-interest bearing</b>			
-Borrowings	24,024.30	33,817.81	57,842.11
- Trade payable	2,22,704.12	-	2,22,704.12
- Lease Liability	23,062.50	1,48,675.77	1,71,738.27
- Other financial liabilities	-	200.00	200.00
<b>Total</b>	<b>2,69,790.92</b>	<b>1,82,693.58</b>	<b>4,52,484.50</b>

#### (a) Liquidity risk management

The company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Chief Financial Officer of the company is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Chief Financial Officer reports the same to the Board of Directors on quarterly basis.

## 44. CAPITAL MANAGEMENT:

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the company is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

### Disclosure

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**45. TRADE RECEIVABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	58,114.67	2,083.00	2,362.95	12,025.61	-	74,586.23
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>58,114.67</b>	<b>2,083.00</b>	<b>2,362.95</b>	<b>12,025.61</b>	<b>-</b>	<b>74,586.23</b>
	Less: Expected Credit Loss (ECL)	-	-	-	-	-	-
	<b>Total Trade Receivable</b>	<b>58,114.67</b>	<b>2,083.00</b>	<b>2,362.95</b>	<b>12,025.61</b>	<b>-</b>	<b>74,586.23</b>

**TRADE RECEIVABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2021**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	1,54,515.56	1,792.19	6,992.85	10,863.37	-	1,74,163.98
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables -considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>1,54,515.56</b>	<b>1,792.19</b>	<b>6,992.85</b>	<b>10,863.37</b>	<b>-</b>	<b>1,74,163.98</b>
	Less: Expected Credit Loss (ECL)	-	-	-	-	-	-
	<b>Total Trade Receivable</b>	<b>1,54,515.56</b>	<b>1,792.19</b>	<b>6,992.85</b>	<b>10,863.37</b>	<b>-</b>	<b>1,74,163.98</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**46. TRADE PAYABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2022**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	838.94	-	-	-	838.94
(ii)	Others	2,26,342.17	3,225.08	-	-	2,29,567.25
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

**TRADE PAYABLE AGEING SCHEDULE AS AT 31<sup>ST</sup> MARCH, 2021**

[₹ In Thousand]

SN	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	1,501.93	-	-	-	1,501.93
(ii)	Others	2,19,506.36	1,695.84	-	-	2,21,202.20
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

**47. OTHER STATUTORY DISCLOSURES**

- a) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b) The company has not carried out any revaluation of it's Property, Plant and Equipment.
- c) The company holds all properties in it's own name.
- d) The company do not have any transactions with struck off companies.
- e) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- f) The company have not traded or invested in Crypto currency or Virtual Currency during the year.
- g) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



## **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- h) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- i) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 48.** Previous year figures have been regrouped, whenever necessary to confirm to current year classification.
- 49.** The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27<sup>th</sup> May, 2022. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

### **As per our Report of even date attached**

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

**CA. Harshil Lohia**  
Partner  
Membership No. 192753  
UDIN:  
**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2022

### **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

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837  
**Place:** San Jose, California, USA  
**Date :** 27<sup>th</sup> May, 2022

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



**GEOMEMBRANES FOR  
WATER CONSERVATION**