



**Texel
Industries
Limited**

Enriching Lives of Farmers, Since 1989

**29th Annual Report
2017-2018**

TEXEL INDUSTRIES LIMITED

CIN - L29100GJ1989PLC012576

CORPORATE INFORMATION

BOARD OF DIRECTORS:

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

COMPANY SECRETARY & COMPLIANCE OFFICER:

CS Reshma Thomas (till 23rd January, 2018)
CS Priyanka Kuntamal (w.e.f. 14th May, 2018)

CHIEF FINANCIAL OFFICER :

Mr. Dhruvit Sanghvi (till 23rd January, 2018)
Mr. Vikram Patel (w.e.f. 23rd May, 2018)

STATUTORY AUDITOR:

M/s. Sunil Poddar & Company
Chartered Accountants,
Ahmedabad

INTERNAL AUDITORS:

M/s. Pabari & Company
Chartered Accountants,
Ahmedabad

SECRETARIAL AUDITOR

M/s. G.R. Shah & Associates
Practising Company Secretaries,
Ahmedabad

BANKERS:

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

REGISTERED & CORPORATE OFFICE:

Block No. 2106, Santej-Khatraj Road,
Nr. Shah Alloys Ltd., Village: Santej,
Tal: Kalol, Dist: Gandhinagar -382721, Gujarat
Phone – (02764) 286329/34
Email – finance@geotexelin.com
Website - www.geotexelin.com

REGISTRAR & SHARE TRANSFER AGENT:

M/s Link Intime India Private Limited
5th 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
Website - www.linkintime.co.in

GST NUMBER: 24AAACT7085R1ZN

SECURITY CODE: BSE - 526638

DEMAT ISIN NUMBER: INE594V01010

INDEX		
CONTENTS		PAGE NO.
1.	Notice of Annual General Meeting	03
2.	Directors' Report	08
3.	Annexure to Director's Reports	
	• Annexure A - Management Discussion & Analysis Report	20
	• Annexure B - Extract of Annual Return (Form MGT-9)	24
	• Annexure C -Details of Remuneration of Directors, KMPs & Employee	30
	• Annexure D -Secretarial Auditor Report (Form MR-3)	32
	• Annexure E – Conservation of Energy, Technology, Absorption and Foreign Exchange Earning & outgo	34
	• Annexure F - Declaration of Compliance with the Code of Conduct	36
	• Annexure G - MD & CFO Certification	36
7.	Independent Auditor's Report on Financial Statements	37
8.	Balance Sheet	42
9.	Profit & Loss Accounts	43
10	Cash Flow statement	44
11.	Notes to the Financial Statements	45
12	Attendance Slip & Proxy Form	67
13.	Route Map of AGM Venue	68

NOTICE OF 29th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **TEXEL INDUSTRIES LIMITED** will be held on **Monday, the 10th day of September, 2018 at 10.00 a.m.** at the Registered Office of the Company at Block No. 2106, Santej – Khatraj Road, Nr. Shah Alloys Limited, Village Santej, Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat, to transact the following business:

ORDINARY BUSINESS:

Item No. 01: Adoption of Audited Financial Statements -

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 02: Re-Appointment of Director-

To appoint a Director in the place of **Mr. Naresh Ramniklal Mehta (DIN: 02888018)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

For and on behalf of the Board

Sd/-

(Mr. Shailesh Ramniklal Mehta)
Managing Director
DIN - 01457666

Place : Mumbai

Date : 31st July, 2018

Registered Office:

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

Tel: +91 8980026110, 8980026220

CIN: L29100GJ1989PLC012576

Website: www.geotexelin.com

Email: finance@geotexelin.com

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- Details as required, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General in respect of the Directors seeking re-appointment at the AGM are provided Annexure-A of this Notice. Requisite declarations have been received from the Directors seeking re-appointment. The Independent Directors of the Company have been appointed for a term of 5 years in accordance with the relevant provisions of the Companies Act, 2013 and are not eligible to retire by rotation.
- In accordance with the amendments to Regulation 40 of Listing Regulations, the Securities and Exchange Board of India (SEBI) has revised the provisions relating to transfer of listed securities and has decided that requests for effecting transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and ensure safety of transactions for investors.**

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

- Members of the Company had approved the appointment of **M/s. Sunil Poddar & Company, Chartered Accountants, Ahmedabad** as the Statutory Auditors at the 28th AGM of the Company which is valid till the Conclusion of 33rd AGM of the Company. In accordance with

the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

7. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid writings, authorising them to attend and vote on their behalf at the Meeting.
8. In case of joint holders attending the meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
9. Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
10. The Register of Members and Share Transfer Books of the Company will be closed from **Tuesday, 4th September, 2018 to Monday, 10th September, 2018** (both days inclusive) for the purpose of the Annual General Meeting (AGM) for the Financial Year 2017-18.
 - Members holding shares in electronic form are requested to intimate immediately any change in their address or any other changes with regard to their Identity proof to their Depository Participants with whom they are maintaining their demat accounts.
 - Members holding shares in physical form are requested to advise any change in their address or any other changes with regard to their Identity proof mandates immediately to the Company / M/s. Link Intime India Private Limited (RTA of the Company) at the Following address quoting reference of the Registered Folio Number;

M/s Link Intime India Private Limited
5th 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
11. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Annual General Meeting.
12. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write their queries and send atleast 7 days before the Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
13. As per the provisions of the Companies Act, 2013, facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms SH-13 can be obtained from the Company’s Registrar and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant(s).
14. To support the ‘Green Initiative’ the Members who have not registered their e-mail addresses are requested to register the same with M/s. Link Intime India Private Limited /Depository Participant(s).
15. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/ Proxies are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on the Attendance Slip and hand it over at the counters at the venue.
16. Members are requested to incorporate their Folio Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
17. Members are requested to bring their copy of Annual Report at the Meeting as an austerity measure.
18. The Company has designated an exclusive **Email ID:-“invrelations@geotexelin.com”** for redressal of shareholders’/Investors complaints/grievances. In case of any queries, complaints/grievances, kindly write to the above mentioned email address.
19. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the Registrar and Share Transfer Agent for consolidation of their shareholding into a single folio.
20. A Route map showing directions to reach the venue of the 29th Annual General Meeting is drawn on last page of this annual report as per the requirement of the Secretarial Standards -2 on “General Meeting”.

Updation of Members’ details:

The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all the securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to M/s Link Intime India Private Limited, RTA of the Company, by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

Process and manner for voting through electronic means:

1. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to cast their votes electronically, through e-voting services provided by Central Depository Services Limited (“CDSL”), on resolutions set forth in this Notice. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting (“remote e-voting”). Instructions for remote e-voting are given herein below. The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting.
2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
4. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners are maintained by the Depositories as on the Cut-off date of **Monday, 3rd September, 2018**, shall be entitled to avail the facility of remote e-voting as well as voting at the ensuing Annual General Meeting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
5. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, 3rd September, 2018, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Ballot Paper at the ensuing Annual General Meeting by following the procedure mentioned in this part.
6. The voting period begins on **Thursday, 6th September, 2018 (9:00 a.m.) to Sunday, 9th September, 2018 (5.00 p.m.)**. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 3rd September, 2018, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
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 of their shares to the paid up equity share capital of the Company as on the Cut-off date of Monday, 3rd September, 2018.
9. **M/s D. A. Rupawala & Associates, Chartered Accountants, Ahmedabad**, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process as well as the voting through Ballot paper at the ensuing Annual General Meeting, in a fair and transparent manner.
10. The Scrutinizer shall immediately, after the conclusion of voting at ensuing Annual General Meeting, will first count the votes cast at the ensuing Annual General Meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, submit a Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith, within 48 hours of conclusion of the Annual General Meeting.
11. The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL “www.cdslindia.com” and on the website of the Company “www.geotexelin.com”, within 48 hours after the conclusion of the 29th AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

The process and manner for remote e-voting is as under:

- a) The shareholders should log on to the e-voting website “www.evotingindia.com”
- b) Click on “Shareholders”.
- c) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to “www.evotingindia.com” and voted on an earlier voting of any Company, then your existing password is to be used.

f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical 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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.
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"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).

g) After entering these details appropriately, click on "SUBMIT" tab.

h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j) Click on the EVSN for the relevant Company on which you choose to vote.

k) 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.

l) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

m) 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.

n) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

o) You can also print the vote done by you by clicking on "Click here to print" option on the Voting page.

p) 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.

q) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts linked in the login should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

For and on behalf of the Board

Sd/-

(Mr. Shailesh Ramniklal Mehta)

Managing Director

DIN - 01457666

Place : Mumbai

Date : 31st July, 2018

ANNEXURE- A TO THE NOTICE

**Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and Secretarial Standard on General Meetings]**

PROFILE OF MR. NARESH RAMNIKLAL MEHTA:

Mr. Naresh Mehta (55) was appointed as a Member of the Board with effect from 2nd August, 1989. He holds a Masters of Science from U.S.A in Plastic Engineering and has rich and varied experience of 21 years in the Plastic Engineering Industry.

Particulars of experience, attributes or skills that qualify the candidate for Board membership:

Mr. Naresh Mehta has demonstrated executive leadership and he has provided valuable insights and perspectives to the Boards deliberations on complex financial and operational issues. His unique insights with respect to regulatory and policy matters, compliance and internal controls has strengthened the Board's collective knowledge, capabilities and experience.

Board Meeting Attendance:

During the year, Mr. Naresh Mehta attended one out of the Four Board Meetings held.

Bodies Corporate (other than Texel Industries Limited) in which Mr. Naresh Mehta holds Directorships and Committee memberships:

Nil

Chairperson of Board Committees:

Nil

Member of Board Committees:

Nomination and Remuneration Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel:

There is a inter-se relationship between Mr. Naresh Mehta and Mr. Shailesh Mehta, Managing Director of the Company.

Shareholding in the Company

Mr. Naresh Mehta holds 99801 equity shares of the Company as on date of this Notice and belongs to the promoter group of the Company.

For and on behalf of the Board

Sd/-

(Mr. Shailesh Ramniklal Mehta)

Managing Director

DIN - 01457666

Place : Mumbai

Date : 31st July, 2018

Registered Office:

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

Tel: +91 8980026110, 8980026220

CIN: L29100GJ1989PLC012576

Website: www.geotexelin.com

Email: finance@geotexelin.com

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2017-18

To,
The Members,

The Directors take pleasure in presenting the 29th Annual Report of the Company along with Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL PERFORMANCE:

The performance of your Company for the Financial Year ended 31st March, 2018 is summarized below:

(₹ in Lakhs)

Particulars	Financial Year ending	
	2017-18	2016-17
Total Revenue	9165.34	5346.13
Profit before Interest, Depreciation & tax (EBIDTA)	562.01	371.85
Less: Finance Cost	87.47	135.02
Less: Depreciation	51.110	92.66
Profit Before Tax and Extraordinary Items	423.43	144.17
Extraordinary Items	0.02	0.57
Profit Before Tax (PBT)	423.41	143.60
Less: Provisions for Taxation Including Deferred Tax	116.85	29.70
Profit for the Year	306.56	113.90
Other Comprehensive Income	-1.68	-2.61
Total Comprehensive Income for the Year	304.88	111.29

The Company has adopted Indian Accounting Standard ('Ind AS') with effect from 1st April, 2017 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2. PERFORMANCE AT A GLANCE:

Your Company reported a marginal top-line growth of 173.95% over the Previous Year.

During the Financial Year 2017-18, there has been significant improvement in the performance of the Company as compared to the previous year. The Company registered total operating revenue of ₹ 9108.62 lakhs for the year ended 31st March, 2018 as compared to ₹ 5329.06 lakhs for the year ended 31st March, 2017 which is an increase of 70.92%. The Company registered a net profit of ₹ 304.88 lakhs in the year ended 31st March, 2018 as compared to ₹ 111.29 lakhs in the year ended 31st March, 2017, thereby registering an increase of 173.95%.

No material changes or commitments have occurred between the end of the Financial Year and the date of this Report which affect the financial statements of the Company in respect of the Financial Year.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements along with the

Directors' Report and Auditors' Report therein form part of this Annual Report. The Financial Statement of the Company are also available on the website of the Company and can be accessed at the **website** : www.geotexelin.com.

3. DIVIDEND:

Considering the current cash flow position of the Company, the Board of Directors has not recommended any dividend on Share Capital of the Company for the year ended on 31st March, 2018.

4. DEPOSITS:

Your 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.

5. AMOUNTS TRANSFERRED TO GENERAL RESERVES:

Pursuant to provisions 134(3)(i) of the Companies Act, 2013, the Companies has not proposed to transfer any amount to general reserves account of the Company during the year under review.

6. SHARE CAPITAL:

As detailed in the financial statements and fully explained in the Annual Report 2016-17, the Company had received an order of the Honorable Gujarat High Court on 12th August, 2016,

confirming 50% reduction in paid up value of 58,45,842 equity shares as a sacrifice on behalf of the shareholders of the company to reduce accumulated losses and simultaneously consolidated two equity Shares of ₹ 5/- each fully paid with one equity share of ₹ 10/- each fully paid up.

Hence, the Share capital of the Company was reduced from ₹ 5,84,58,420/- to ₹ 2,92,29,210/- and financial entries of the same had been taken by the Company into its Books on 30th September, 2016.

Further, pursuant to Para. 11 '**Sanctioned Scheme by the BIFR**', further allotment of Shares was made to the Promoter as a part of Capital Infusion and to Secured Creditors as part of one time settlement against their dues, to revive the sick industry which were not under the purview of Capital Reduction and they are detailed as below:

- a. 10,00,000 fully paid up equity shares of ₹ 10/- each issued by the Company to Mrs. Avni Mehta, Promoter of the Company in more than one tranches.
- b. 5,00,000 Lakhs fully paid up equity shares of ₹ 10/- each issued by the Company to one of its Secured Creditor, M/s Sky Point Technical Textile Private Limited.
- c. 8,00,000 fully paid up equity shares of ₹ 10/- each issued by the Company to one of its Secured Creditor, M/s Standard Chartered Bank in the year 2009.

Therefore, after taking the effects of Capital Reduction and further Share Allotment into the consideration, total Equity Share Capital of the Company stands as on date at ₹5,22,29,210/-.

Further, the Company has already made an application dated 12/04/2017 and 17/03/2018 to BSE for getting the trading approval for the further allotted shares as mentioned above.

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 31st March, 2018 and none of the Directors of the company hold instruments convertible into equity shares of the Company.

7. EARLY REDEMPTION OF 19,50,000 PREFERENCE SHARE CAPITAL:

During the year under review, out of 30,00,000 Preference Shares, your Company had redeemed the 19,50,000 fully paid up, 4% Cumulative, 7 years Redeemable preference shares of ₹ 10/- each before attaining its maturity period for which the Company has already taken the Shareholder Approval at the 28th Annual General Meeting of the Company held on 19th August, 2017.

8. EXPANSION & MODERNISATION:

During the year, under review; as a part of the Company's expansion plans outside the Home Country and further to take advantage of transfer of technology and skill, access to wider

global market and promotion of brand image in other countries, the Company has incorporated the Wholly Owned Subsidiary Company "**Texel Industries (Africa) Limited**" in Kenya by subscribing its Memorandum by 100% capital.

The Company has intimated the same to the Bombay Stock Exchange (BSE) pursuant to Regulation 30(2) of SEBI (LODR) Regulations, 2015 on 18th June, 2018.

9. SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Company or Associate Company as at 31st March, 2018, hence, the statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 pursuant to Section 129(3) of the Companies Act, 2013 is not applicable to your Company.

10. POLICY ON MATERIAL SUBSIDIARY:

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiary is available on the website of the Company under the weblink: http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_of_Material_Subsubsidiary_93.pdf.

11. UPDATE ON TRADE SUSPENSION AND LISTING:

As detailed before, the Company was declared as sick Industrial Company in terms of Section 3(1)(o) of Sick Industrial Companies Act, 1985 and rehabilitation scheme has been submitted to BIFR, which has been sanctioned by BIFR for implementation by all concerned vide order dated 31.08.2015 of BIFR, New Delhi.

The Trading in the securities of your company was suspended by the Bombay Stock Exchange with effect from 10th September, 2001 due to a surveillance measure. Subsequently, with the Management's decision to file revocation of suspension of trading of shares with BSE, the Company filed an application for the same on 19th September, 2016.

All necessary dues to BSE have been paid. The Company is expecting to revoke its Suspension in a short period of time.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) and Schedule V of SEBI (LODR) Regulation 2015 is set out in the **Annexure – A** to this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., analysis and review of global and Indian Geomembranes industry, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the Financial Year 2017-18.

13. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS) :

The Securities Exchange Board of India vide its circular dated 5th July, 2016 has implemented the applicability of Indian Accounting Standards (Ind-AS) in accordance with the Companies (Indian Accounting Standard) Rules, 2015 which was notified on 16th February, 2015 by Ministry of Corporate Affairs.

Pursuant to the applicability criteria of the said circulars and notifications, the Company has implemented and complied up with the Indian Accounting Standards (Ind-AS) for the accounting periods with effect from 1st April, 2017.

14. APPLICABILITY OF GST :

Pursuant to implementation of GST w.e.f 1st July, 2017, the Company has duly registered itself with the statutory authority within the prescribed time frame and has been allotted the **GST no. 24AAACT7085R1ZN** which replaces Excise Duty and other input taxes. As per Ind-AS 18, the revenue for the year ended 31st March, 2018 is reported net of GST.

According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31st March, 2017 was reported inclusive of excise duty.

15. NON APPLICABILITY OF CORPORATE GOVERNANCE:

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

However, the report on Corporate Governance pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 is not provided as pursuant to Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, report on Corporate Governance is not applicable to the Company whose paid up equity share capital and net worth does not exceed to ₹ 10/- Crores and ₹ 25/- Crores accordingly for the financial year 2017-18.

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

16. EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is set out in the **Annexure – B** to this report.

17. RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulation,

2015, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/TEXEL-RPT-POLICY_64.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by our Internal Auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company.

The details of the related party transactions as per Indian Accounting Standard (Ind-AS) are set out in Notes **[No. 4]** to the Financial Statements forming part of this report.

18. LOANS AND INVESTMENT:

The Company has not granted any loans, or provided any guarantees and 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, hence no disclosure with respect to such loans, guarantee and investments made are required to be given.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Composition of the Board:**

You Company believes that our Board needs to have an appropriate mix of executive, non-executive and Independent Directors to maintain its independence and separate its functions of governance and management. As on 31st March, 2018, our Board comprised of 5 members, consisting of 1 Non-Executive-Non- Independent Director, 3 Independent Directors including the Chairman of the Company and 1 Executive Director.

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

The following is the Composition of the Board as at 31st March, 2018:

Name of the Director	Category	Date of appointment	Subject to Retirement by Rotation
Mr. Kirit Narotamdas Mehta	Chairman – Independent Director	20/02/1995	-
Mr. Shailesh Ramniklal Mehta	Managing Director	02/08/1989	-
Mr. Naresh Ramniklal Mehta	Non-Executive Director	02/08/1989	Yes
Dr. Christy Fernandez Leon	Independent Director	29/09/2014	-
Mrs. Jasmin Nahidakhtar Vhora	Independent Director	13/02/2015	-

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, 2016, 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, Non-Independent Director) is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, the Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

Number of meeting of the Board:

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

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

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

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

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

The minutes of proceeding of each Board meetings are maintained in terms of statutory provisions. Meetings of various committees are duly held. The minutes of committee meetings and Board meetings of subsidiaries companies are placed regularly before the Board for its review.

During the Financial Year ended 31st March, 2018, Board of Directors of the Company met Four (4) times. The maximum gap between two meetings was not more than 120 days:

"27th May, 2017; 10th August, 2017; 6th November, 2017; 31st January, 2018".

Name of Director	No. of Board Meetings Attended/ Held	Attendance at Last Annual General Meeting
Mr. Kirit Narotamdas Mehta	4/4	Yes
Mr. Shailesh Ramniklal Mehta	4/4	Yes
Mr. Naresh Ramniklal Mehta	1/4	No
Dr. Christy Fernandez Leon	3/4	No
Mrs. Jasmin Nahidakhtar Vhora	1/4	Yes

Key Managerial Personnel:

Pursuant to Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel of the Company as at 31st March, 2018:

1.	Mr. Shailesh Ramniklal Mehta	Managing Director
2.	CS Reshma Thomas*	Whole Time Company Secretary & Compliance Officer
3.	Mr. Dhruvit Sanghvi*	Chief Financial Officer

***Notes:**

- CS Reshma Thomas resigned from the post of Whole Time Company Secretary & Compliance Officer of the Company w.e.f 23rd January, 2018 and CS Priyanka Kuntamal was appointed as the Whole Time Company Secretary and Compliance Officer of the Company w.e.f. 14th May, 2018.
- Mr. Dhruvit Sanghvi appointed as the Chief Financial Officer of the Company w.e.f 27th May, 2017 and resigned from the post of Chief Financial Officer w.e.f 23rd January, 2018 and in place of him, the Company has appointed Mr. Vikram Patel as the Chief Financial Officer of the Company w.e.f 23rd May, 2018.

Independent Directors with materially significant, pecuniary or business relationship with the Company:

There is no pecuniary or business relationship between the Independent Directors and the Company, except for the sitting fees payable to them in accordance with the applicable laws.

Declaration of Independence from independent Directors:

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

Familiarisation Programme for Independent Directors:

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

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

The details of the familiarization programme for Directors are available on the Company's website at "<http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Independent-Director's-Familiarization-policy-84.pdf>."

Independent Director's Meeting:

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of Non-Independent Directors. At such meetings, the Independent Directors review the performance of (i) Chairman, Non-Independent Directors and the Board as a whole, (ii) Chairman of the Company taking into account views of Executives/Non-Executive Directors and (iii) assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors met on 31st January, 2018 for the Financial Year ended as at 31st March, 2018.

Performance Evaluation:

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 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the process for evaluation of the performance of the Director(s) / Board / Committees of the Board was initiated by the Nomination and Remuneration Committee. The Directors carried out the annual performance evaluation of the Board, committees of Board and individual Directors along with the quality, quantity and the timeliness of flow of information between the Management and the Board of Directors.

The Independent Director(s) also evaluated the performance of Non – Executive Directors and the Chairman of the Board at the meeting of Independent Director(s) held on 31st January, 2018. The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board, Committees of Board and meetings of Independent Directors.

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

20. COMMITTEES OF THE BOARD:

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

The Board currently has the following Committees:

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Stakeholders Relationship Committee

Meeting and Attendance:

During the Financial Year ended 31st March, 2018, the Audit Committee met Four (4) times. The maximum gap between two meetings was not more than 120 days. The requisite quorum was present at all the Meetings:

“27th May, 2017; 10th August, 2017; 6th November, 2017; 31st January, 2018”.

The Table below provides the 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 Fernandez Leon	Member	Independent Director	3/4
Mrs. Jasmin Nahidakhtar Vhora	Member	Independent Director	1/4

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

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

- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Reviewing the Management letters/ letters of Internal Control weaknesses issued by Statutory Auditor.
- 21) Review of Management discussion and analysis of financial condition and results of operations;
- 22) Review of Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- 23) Review of Internal audit reports relating to internal control weaknesses; and
- 24) Review of appointment, removal and terms of remuneration of the Chief internal auditor
- 25) Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (LODR) Regulations, 2015 or any other applicable law.

B. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted the "Nomination and Remuneration Committee" (NRC).

As on 31st March, 2018 the NRC Committee comprised of 4 Directors/Members out of which 3 are the Independent Directors, one is a Non-Executive Director.

Meeting and Attendance:

During the Financial Year ended 31st March, 2018, the Nomination and Remuneration Committee met Twice (2) on "27th May, 2017; 6th November, 2017 and the requisite quorum was present at the Meeting.

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

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

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

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

- 1) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

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

- 13) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration of Directors, Key Managerial Personnel and Particulars of employees:

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/employees of the Company is set out in the **Annexure – C** to this report.

The detailed terms of reference of the Nomination and Remuneration Committee is available on the website of the Company at "http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/NOMINATION-AND-REMUNERATION-POLICY_50.pdf".

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance of provisions of Section 178 of Companies Act, 2013 & Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc. There was no Stockholders and Relationship Committee meeting held during the year.

The Composition of the Stakeholders' Relationship Committee is as follow:

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

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

- 1) To allot the Equity Shares of the Company, and to supervise and ensure;
- 2) To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto;
- 3) To attend to matters relating dematerialization / rematerialisation of shares / other securities and all matters incidental or related thereto;
- 4) To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc;
- 5) To consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- 6) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;

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

Redressal of Investor Grievances:

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

21. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts, the applicable accounting standards and Schedule III of the Companies Act, 2013 had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2018 and of the profit and loss of the company for financial year ended 31st March, 2018;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

22. AUDIT REPORTS AND AUDITORS:

A. STATUTORY AUDITORS:

The term of M/s. A.L. Thakkar & Co., Chartered Accountants, Ahmedabad, ended with the conclusion of audit for the

financial year 2016-17. After conducting a detailed evaluation and based on the recommendation of the Audit Committee, the Board approved the proposal for appointment of **M/s. Sunil Poddar & Co., Chartered Accountants (Registration No. 110603W), Ahmedabad** as the statutory auditors of the Company for a term of 5 years from the financial year 2017-18 onwards on such terms and conditions and remuneration as may be decided by the Audit Committee. The said appointment was approved by the members of the Company at the 28th AGM held on 19th August, 2017 at 11.00 a.m.

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

Vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 29th AGM.

AUDITOR'S REPORT:

- The Auditors' Report for the Financial Year ended 31st March, 2018 does not contain any qualification, reservations or adverse remark. The Auditors' Report is enclosed with the Financial Statements in this report.
- Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.
- As regards the comments made in the Auditors' Report, the Board is of the opinion that they are self-explanatory and does not want 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 G.R. Shah & Associates, Practicing Company Secretaries (Certificate of Practice No. 14446), Ahmedabad**, to conduct Secretarial Audit of the Company.

The Company has received a consent from M/s G.R. Shah & Associates to act as the Auditor for conducting an audit of the Secretarial records for the Financial Year ended 31st March, 2018.

The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2018 is set out in the **Annexure – D** to this report. There are certain observations made by the Secretarial Auditor in his report for which the explanation has been given as below;

- I. The Company is in the process of updating its share capital alongwith the distinctive numbers on BSE by

taking the trading approval of further allotted shares to the promoters & secured creditors and doing the corporate action of 50% reduction of share capital by virtue of BIFR Order and the same will be updated and processed within due course of time. The efforts are also made with Company's Registrar and Share Transfer Agent for the said compliance.

- II. As discussed in point no. 11, the company has already made an application for the revocation of the suspension of the trading to the BSE and continuous communication with BSE is there for such compliance.
- III. The Company had taken the unsecured loans from the parties during its Rehabilitation / revival period and gradually the Company has repaid its major part and the company is in the process to repay the remaining amount which will be done in a short period of time. The Company confirms that no such loans have been taken during the reporting period.

C. INTERNAL AUDITORS:

The Board of Directors has appointed **M/s Pabari & Co, Chartered Accountants (FRN:144036W), Ahmedabad** as the Internal Auditors of the Company for the Financial Year 2017-18.

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

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

24. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 and Rules made there under are not applicable to the Company for the Financial Year ended 31st March, 2018.

25. PARTICULARS REGARDING CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

The Particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are set out in the **Annexure – E** to this report.

26. MATERIAL CHANGES:

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

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

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

28. NON APPLICABILITY OF BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as per Regulation 34(2) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 100 listed Companies on the basis of market capitalization.

29. NON APPLICABILITY OF DIVIDEND DISTRIBUTION POLICY :

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

30. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

During the year, no complaints with allegations of sexual harassment were received by the Company. To build awareness in this area, the Company has been conducting induction/ refresher programmes in the organisation on a continuous basis.

31. VIGIL MECHANISM:

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in compliance with the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR), 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the link: "http://geotexlin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Vigile_Machanism_89.pdf"

32. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal and operational audit is entrusted to M/s. Pabari & Company, Chartered Accountants, Ahmedabad. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. In discharging their role and responsibilities, the department is supported by an external audit firm.

The Audit Committee, the Statutory Auditors and the top management are regularly apprised of the internal audit findings and regular updates are provided at the Audit Committee meetings of the Action taken on the internal audit reports. The Audit Committee reviews the Quarterly, Half-Yearly and the Annual Financial Statements of your Company.

34. COST RECORDS:

The Company has duly prepared and maintained the cost records for the business activities carried out by the Company for the financial year 2017-18 as mentioned under Section 148(1) of the Companies Act, 2013.

33. RISK MANAGEMENT POLICY :

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

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

For a detailed risk management policy please refer the website link: "http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Risk_Management_87.pdf".

34. AFFIRMATION AND DISCLOSURE:

All the Members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2018 and a declaration to that effect, signed by the Managing Director, is set out in the **Annexure – F** to this report.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46 of the Listing Regulations.

35. DISCLOSURE ON WEBSITE:

Following information has been disseminated on the website of the Company at "www.geotexelin.com";

1. Details of business of the Company
2. Composition of various Committees of Board of Directors
3. Code of Conduct for Board of Directors and Senior Management Personnel
4. Details of establishment of vigil mechanism/Whistle Blower policy
5. Policy on dealing with Related Party Transactions
6. Policy for determining material subsidiaries

7. Details of familiarisation programmes imparted to Independent Directors

8. Policy for determination of materiality of events

9. Policy for duplicate Share Certificate

10. Policy on Prevention of Sexual Harassment at work place

11. Archival Policy

12. Policy of preservation of Documents

13. Code of conduct for prohibition of Insider Trading

14. Nomination and Remuneration Policy

15. Risk Management Policy

And all other information required to be disseminated on the website of the Company under the Listing Regulation.

36. ENVIRONMENT AND SAFETY:

A. Health & Safety: The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

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

37. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your Company has taken several initiatives for enhancing employee engagement and satisfaction.

Your Company's human resource management systems and processes are designed to enhance employee capability, engagement, vitality and well-being so as to ensure that our employees add superior value which will help our businesses stay ahead of competition and simultaneously work towards enabling the Company to achieve its ambitious growth plans.

The industrial relations continued to be generally peaceful and cordial.

38. CERTIFICATION FROM MANAGING DIRECTOR AND CFO:

Certificate of the CEO and CFO of the Company pursuant to Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, inter alia, confirming the

correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is set out in the **Annexure - G** of this report.

39. 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) The Company does not have any scheme or provision of money for the purchase of its own shares by employees/Directors for the benefits of employees/ Directors.

40. APPRECIATION:

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

The Board conveys its appreciation to 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

Sd/-

(Mr. Shailesh Ramniklal Mehta)

Managing Director

DIN - 01457666

Place : Mumbai

Date : 31st July, 2018

"Annexure – A"**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Pursuant to Regulation 34(2)(e) and Schedule V of SEBI (LODR) Regulations 2015**

Your Directors have pleasure in presenting the "Management Discussion and Analysis Report" for the Financial Year ended on 31st March, 2018.

A. OVERALL REVIEW OF THE COMPANY "TEXEL INDUSTRIES LIMITED":

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

It is pioneer of tarpaulins and Geomembranes in India with a comprehensive experience of almost three decades. Texel is among the largest Geomembranes and PE Protection Covers manufacturers and suppliers in India. Texel Industries has a capacity of manufacturing 4522 tons of Geomembranes and PE Protection Covers on an annual basis.

It also manufactures a range of Pond Liners, Pile Liners and Tunnel Liners, as well as Innovative covers, for specialized application in the transportation space. The Company's vast experience coupled with a deep understanding of the Indian conditions enables it to customize international designs to our country's specific needs.

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

During the Financial Year 2017-18 under review; the performance of your Company has enhanced in comparison to the previous year. Our **revenue from operations** has increased from ₹ 5329.06 lakhs to ₹ 9108.62 lakhs, at a tremendous growth rate of approximately 70.92 % as compared to previous year.

Consequent to this, the **net profit after tax** has drastically increased from ₹ 113.90 lakhs to ₹ 306.55 lakhs in comparison to the previous year; at a growth rate of approximately 169 % in comparison to previous year. This has become possible due to continuous hard work and effective planning of the management with major support of all the employees of the Company.

Further, the Company has added the assets by incorporating therein machineries and equipments of new technology to maintain the quality standards and other essential factors effecting the operations of the Company.

Your Company has always tried its best to maintain the trust of its stakeholders and after coming out of the BIFR, our Company is continuously making its best efforts to increase its turnover and profit so that it can reward its shareholders for never losing their trust in the Company by declaring the dividends in the

upcoming years; and the management of the Company assures a reasonable amount of return and Company's progress to the satisfaction of the stakeholders in near future.

Efforts to further improve the performance of the Company across the various segments are continuing.

B. OVERVIEW OF THE GLOBAL ECONOMY:

The Financial Year 2017-18 has been favorable for the global economy with broad-based and synchronized growth across most countries. According to the International Monetary Fund (IMF), the year reported the broadest synchronized global growth surge since 2010. The advanced economies witnessed expansion owing to increased investments and manufacturing output. Similarly, key emerging markets and developing economies, including Brazil, China and India, posted strong upward momentum. While the developed economies of the USA and Europe witnessed further consolidation, pushing the global GDP growth rate to 3.7%, the emerging economies exhibited resilience, benefitting from the global trade and the rebound in commodity prices. China remained buoyant despite tightening of liquidity and slowdown in the booming property as well as financial markets. Global Inflation stayed within control and at relatively modest levels, though some key central banks, including the US Fed, tightened policy rates to sustain robustness in investments and induce industrial activity and international trade.

Given stronger than expected economic activity in 2017, the IMF has revised its growth forecast for the United States from 2.3% to 2.7% in 2018 and from 1.9% to 2.5% in 2019. Stronger domestic demand in the United States is projected to increase imports. In Europe too, economic activity in 2018 and 2019 is projected to remain stronger than anticipated. Moreover, the advanced economies in Asia are expected to deliver stronger growth, while the emerging and developing ones are expected to grow at around 6.5% over 2018-19, broadly the same pace as in 2017.

C. OVERVIEW OF THE INDIAN ECONOMY:

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF), with a growth rate of 7.4 per cent that rises to 7.8 per cent in 2019 with medium-term prospects remaining positive.

FY 2017-18 has been a watershed year in the domestic economy with the Government of India effecting a unified tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace, enabling supply chain efficiencies over the long-term. However, the first year of its

implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises.

The manufacturing sector's performance, suffering from the GST induced de-stocking, was volatile. Capital investment remained weak owing to modest capacity utilization hindering the confidence to sanction fresh outlays. An increase in the stressed assets of the banking sector further impacted the industrial sector with cost of credit going up significantly. Rise in crude oil prices and shortfall in Government revenues led to widening fiscal deficit with the central government missing the deficit target for FY 2017-18. Although all these pressures worsened the macro-economic conditions, there were some noteworthy positives which offer hope for revival in economic growth. The Government firmly pushed ahead its reform agenda with substantial movement on GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations Act (RERA), among others.

GST – ONE NATION ONE TAX AND ITS IMPACT ON YOUR COMPANY:

Major reform in Indian Economy took place for implementation of GST w.e.f 1st July, 2017 which replaced multiple cascading taxes levied by the Central and State Governments.

The passing of the Goods & Services Tax (GST) bill is a significant achievement and its implementation will have a positive impact on the economy. Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribute to the Prime Minister's mission of 'Make in India'. Your Company has migrated itself to GST and is ready for this transformative reform.

INDIAN ECONOMIC OUTLOOK 2018-19:

As global economic activity continues to strengthen, global growth is forecast to grow by 3.9% during 2018 as per the International Monetary Fund's (IMF) January 2018 World Economic Outlook. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017. The global economy is stabilising with favourable global trade and financial conditions. Domestically, GST promises to deliver positive outcomes as India becomes a single, more competitive market. We can look forward to an upward growth path for India in FY 2018-19.

D. INDUSTRY INSIGHT

• **Global Geomembrane Market -**

Global Geomembrane Market was valued at \$2,048 million in 2015 and is expected to garner \$3,537 million by 2022, registering a CAGR of 7.8% during the forecast period 2018 - 2023. Geomembranes, the most significant group within geosynthetics, are made up of flexible polymeric materials that are impermeable in nature, thus creating a barrier to the movement of water, fluids, and other soluble materials.

The market is driven by many factors, such as demand from the construction industry, increased use of geomembrane in mining activities, and stringent regulatory framework for environmental protection.

North America leads the global geomembrane market, in terms of both value and volume. However, the Asia-Pacific region witnessed the highest growth rate, owing to the rapid industrialization, presence of well-established mining industries, and existence of dynamic economies such as China, Japan, India, and South Korea.

Expansion of shale gas production capacity in the U.S. and Canada is anticipated to open new markets for geomembrane in fresh water containment. The growth of the mining industry in China, Australia, South Africa and Chile owing to regulatory support to promote investments coupled with increasing metal demand at the domestic level is expected to promote the application of landfill covering as well as containment control which will fuel geomembrane demand.

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

Technological developments including new arc equipment for the use of geomembrane for leak detection by TRI Environmental will force geosynthetic manufacturers to increase the expenditure on product innovations in the near future. Moreover, Conley incorporated TPO in geomembrane to cover the solar PV panels in November 2011. As a result, the use of the TPO based product in solar PV is expected to force other buyers in the solar industry to incorporate the geosynthetic materials over the next few years.

The increasing use of geosynthetic clay liner in lining systems and landfill is expected to pose a substitution threat to geomembrane industry. Also, rising demand for the bituminous membrane in waterproofing and landfill is projected to reduce the application of the product over the forecast period.

• **Asia-Pacific Geomembrane Industry –**

Geomembranes are one of the fastest growing types in the geosynthetics market. The Asia-Pacific Geomembrane market was valued at \$443.22 million in 2013 and is expected to reach to \$1066.28 million in 2019 with a growing CAGR of 15.8% from 2014. The demand is driven by the increasing demand from waste & water management applications.

Geomembranes are finding a significant application in mining due to its unmatched advantages like strong durability of membranes in the exhaustive climates. The

mining of metals such as gold, copper, nickel, salt, cobalt, molybdenum, and others, bring huge opportunities for geomembranes market. The market for geomembranes is expected to grow at a significant pace in coming years in the APAC region, especially India and other countries, such as Singapore, Thailand, Burma, Malaysia and Vietnam due to the increase in solid waste generation and environment protection laws. China & India were the top consumers in this region taking about 37.50% and 35.20% respectively in 2013.

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

The future for the Indian geomembranes industry looks promising, both by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

E. OPPORTUNITY AND THREATS

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

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

However, competition from importers and unorganized market, industry consolidation, regulatory compliance and global volatility affect adversely the stock prices and threaten business as usual. 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.

During the reporting year, the revenue of the Company has been affected due to factors like extended monsoon, effect of demonetization on the economy in general, application of GST and increased price of the raw materials.

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

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

F. RISK AND CONCERN

Risk is an inherent part of any business. The US dollar has strengthened continuously against the Indian Rupee and other currencies, due to the turmoil in the China market and recession in the European market. Due to a demand recession across the globe, there has been an increase in prices in Indian Market. The input costs are continuously increasing without commensurate rise in selling prices.

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

With rapid urbanization in the close vicinity of the plant, the unit would be compelled to invest more on environment protection systems and practices, leading to a possible increase in the cost of production.

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

G. HEALTH AND SAFETY MEASURES

The Company believes that a safe and healthy workplace is a fundamental right of every person and also a business imperative. As an employer, it is its responsibility to maintain a safe and healthy workplace. The Company firmly believes that without safe, clean environment and healthy working conditions, the overall economic growth cannot be achieved and maintained. The Company focuses on energy conservation and maintaining a clean sustainable environment.

H. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

We believe that our employees are the backbone of our organization. We are committed to provide opportunities to our employees to re-skill and up-skill themselves, in the face of rapidly evolving technology and increasing automation. 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.

I. OUTLOOK

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

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

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

Place : Mumbai

Date : 31st July, 2018

J. INTERNAL CONTROL SYSTEM

Your Company has 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 submit quarterly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports and the Company when needed takes corrective actions.

K. CONCLUSION

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

For and on behalf of the Board

Sd/-

(Mr. Shailesh Ramniklal Mehta)

Managing Director

DIN - 01457666

"Annexure – B"**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**As on the Financial Year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	L29100GJ1989PLC012576
Registration Date	02 nd August, 1989
Name of the Company	TEXEL INDUSTRIES LIMITED
Category / Sub-Category of the Company	Limited by Shares/Public Company/Non-Govt. Company
Address of the registered office and Contact Details	Block No.2106, Santej Khatraj Road, Nr. Shah Alloys Ltd., Village-Santej,- 382721, Tal. Kalol, (N.G.), Dist. Gandhinagar, Gujarat. Tel. - +91-8980026110/220 Email: finance@geotexelin.com Website: www.geotexelin.com
Whether listed Company (Yes/No)	Yes, the equity shares are listed on BSE (Security code - 526638), however trading is suspended since 2001. The Company is in process of relisting of it's equity shares with BSE for trading purpose
Name, address and contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited 5 th 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

II. Principal Business activities of the Company:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service*	% to total turnover of the Company**
1.	Manufacture of Tarpaulin and Geomembrane	13925	99.38%

* As per National Industrial Classification (NIC-2008) – Ministry of Statistics and Programme Implementation.

** On the basis of Gross Turnover.

III. Particulars of holding, subsidiary and Associate Companies:

Sr. No.	Name and address of the Company	Corporate Identification Number (CIN)	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Nil					

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

Category of Share holder	No. of Shares held at the beginning of the year (As at 31 st March, 2017)				No. of Shares held at the end of the year (As at 31 st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
a) Individual/ HUF	0	15,04,023	15,04,023	28.80	0	15,04,020	15,04,020	28.80	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	0	15,04,023	15,04,023	28.80	0	15,04,020	15,04,020	28.80	0

Category of Share holder	No. of Shares held at the beginning of the year (As at 31 st March, 2017)				No. of Shares held at the end of the year (As at 31 st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) FOREIGN									
a) NRI-individuals	0	2,84,732	2,84,732	5.45	0	2,84,731	2,84,731	5.45	
b) Other Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	
Sub Total A(2)	0	2,84,732	2,84,732	5.45	0	2,84,731	2,84,731	5.45	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	0	17,88,755	17,88,755	34.25	0	17,88,751	17,88,751	34.25	0
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	0	1,00,000	1,00,000	1.91	0	0	0	0	-1.91
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	0	2,50,000	2,50,000	4.79	0	0	0	0	-4.79
g) FIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	0	3,50,000	3,50,000	6.70	0	0	0	0	-6.70
(2) NON INSTITUTIONS									
a) Bodies Corp.	0	6,89,195	6,89,195	13.20	0	10,36,345	10,36,345	19.84	+6.64
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	0	14,42,271	14,42,271	27.61	0	14,45,122	14,45,122	27.67	+0.06
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	0	9,52,700	9,52,700	18.24	0	9,52,700	9,52,700	18.24	0
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	
d) Any Other (specify)									
i) Non Resident Individuals	-	-	-	-	-	-	-	-	
ii) HUF	-	-	-	-	-	-	-	-	
iii) Clearing Members	-	-	-	-	-	-	-	-	
Sub Total B(2)	0	30,84,166	30,84,166	59.05	0	34,34,167	34,34,167	65.75	+6.70
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	34,34,166	34,34,166	65.75	0	34,34,167	34,34,167	65.75	+6.70
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
GRAND TOTAL (A + B + C)	0	52,22,921	52,22,921	100	0	52,22,918	52,22,918	100	0

b) **Shareholding of Promoters:**

Sr. No.	Name of share holder	Shareholding at the beginning of the year (As at 31 st March, 2017)			Shareholding at the end of the year (As at 31 st March, 2018)			% Change during the year
		No of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares (of individual promoter)	No of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares (of individual promoter)	
1.	Mr. Bhupendra Ramniklal Mehta	1,06,692	2.04	100.00	1,06,691	2.04	0.00	0.00
2.	Mr. Naresh Ramniklal Mehta	99,801	1.91	100.00	99,801	1.91	0.00	0.00
3.	Mr. Shailesh Ramniklal Mehta	74,725	1.43	99.87	74,725	1.43	0.00	0.00
4.	Ms. Avani Shailesh Mehta	10,75,316	20.59	3.97	10,75,316	20.59	0.00	0.00
5.	Mr. Muktaben Ramniklal Mehta	65,276	1.25	65.10	65,276	1.25	0.00	0.00
6.	Ms. Sujata Naresh Mehta	19,150	0.37	100.00	19,150	0.37	0.00	0.00
7.	Mr. Ramniklal Vrajlal Mehta	28,072	0.54	57.97	28,071	0.54	0.00	0.00
8.	Ms. Sonal Bhupendra Mehta	9,460	0.18	85.20	9,460	0.18	0.00	0.00
9.	Ms. Harsha Shah	10,160	0.19	0.00	10,160	0.19	0.00	0.00
10.	Mr. Shailesh Dwarkesh Shah	2,781	0.05	0.00	2,781	0.05	0.00	0.00
11.	Ms. Riddhi Bhupendra Mehta	2,100	0.04	0.00	2,100	0.04	0.00	0.00
12.	Ms. Rishita Bhupendra Mehta	2,100	0.04	0.00	2,100	0.04	0.00	0.00
13.	Mr. Dilipbhai Bhikhabhai Bhakta	1,700	0.03	0.00	1,700	0.03	0.00	0.00
14.	Mr. Krishnakant Vakharia	2,360	0.05	0.00	2,360	0.05	0.00	0.00
15.	Ms. Leela Vakharia	1,700	0.04	0.00	1,700	0.03	0.00	0.00
16.	Mr. Sunil Shah	550	0.01	0.00	550	0.01	0.00	0.00
17.	Ms. Avishi Mehta	1,880	0.04	0.00	1,879	0.04	0.00	0.00
18.	Mr. Aman Mehta	200	0.00	0.00	200	0.00	0.00	0.00
19.	Mr. Rajendra Bhakta	2,32,648	4.45	100.00	2,32,648	4.45	0.00	0.00
20.	Mr. Mahendra Bhakta	52,084	1.00	62.93	52,083	1.00	0.00	0.00
	Total	17,88,755	34.24	38.29	17,88,751	34.24	0.00	0.00

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

There are no changes in the Promoter's shareholding during the Financial Year 2017-18.

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As at 31 st March, 2017)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 st March, 2018)	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
-	-	-	-	-	-	-	-	-

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (As at 31 st March, 2017)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 st March, 2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Sky Point Technical Textiles Pvt. Ltd.	5,00,000	9.57	-	-	-	5,00,000	9.57
2.	Mr. Mihir Bhandari	3,00,000	5.74	-	-	-	3,00,000	5.74
3.	Mr. Ulhas Paymaster	3,00,000	5.74	-	-	-	3,00,000	5.74
4.	Mr. Naresh Madhukant Shah	2,00,000	3.83	-	-	-	2,00,000	3.83
5.	The New India Assurance Co. Ltd.	1,25,000	2.39	-	-	-	1,25,000	2.39
6.	National Insurance Co. Ltd.	1,25,000	2.39	-	-	-	1,25,000	2.39
7.	Union Bank Of India	1,00,000	1.91	-	-	-	1,00,000	1.91
8.	D D Shah Fragrances Pvt. Ltd.	80,775	1.55	-	-	-	80,775	1.55
9.	Mr. Mukesh Chimanlal Patani	53,850	1.03	-	-	-	53,850	1.03
10.	Mr. Khushrooh Pheroz Byramjee	45,000	0.86	-	-	-	45,000	0.86

(e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (As at 31 st March, 2017)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 st March, 2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Shailesh Mehta	74,725	1.43	-	-	-	74,725	1.43
2.	Mr. Kirit Mehta	5,100	0.10	-	-	-	5,100	0.10
3.	Mr. Naresh Mehta	99,801	1.91	-	-	-	99,801	1.91

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (As at 31st March, 2017)				
i) Principal Amount	0.00	5596641.00	0.00	5596641.00
ii) Interest Due but not paid	0.00	46500.00	0.00	46500.00
iii) Interest Accrued but not due	0.00	0.00	0.00	0.00
Total (i + ii + iii)	0.00	5643141.00	0.00	5643141.00
Change in indebtedness during the Financial Year				
i) Addition	1800000.00	7500000.00	0.00	9300000.00
ii) Reduction	151547.80	0.00	0.00	151547.80
Net Change	1648452.20	7500000.00	0.00	9148452.20
Indebtedness at the end of the Financial Year (As at 31st March, 2018)				
i) Principal Amount	1648452.20	13096641.00	0.00	14745093.20
ii) Interest Due but not paid	0.00	365640.00	0.00	365640.00
iii) Interest Accrued but not due	0.00	0.00	0.00	0.00
Total (i + ii + iii)	1648452.20	13462281.00	0.00	15110733.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (in Rs.):

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Shailesh Mehta (Managing Director)		
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36,00,000.00		36,00,000.00
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	15,77,303.00		15,77,303.00
	(c) Profits in lieu of salary under Section 17(3) Income- Tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - as % of profit - others, specify...	-		-
5.	Others, please specify	-		-
	Total (A)	51,77,303.00		51,77,303.00
	Ceiling as per the Act	Total Managerial remuneration is within the limit of 10% of the net profit of the Company as per Section 197 and 198 and Schedule V of the Companies Act, 2013.		

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Kirit Mehta	Dr. Christy Fernandez	Mrs. Jasmin Vhora	
1.	Independent Directors				
	Fee for attending Board committee meetings	40,000	30,000	10,000	80,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	40,000	30,000	10,000	80,000
2.	Other Non-Executive Directors	Mr. Naresh Mehta			
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	40,000	30,000	10,000	80,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Reshma Thomas (CS)*	Mr. Dhruvit Sanghvi (CFO)**	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	2,87,430/-	8,17,598/-	11,05,028/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2,87,430/-	8,17,598/-	11,05,028/-

* Total Remuneration paid to CS is calculated up to 23rd January, 2018.

** Total Remuneration paid to CFO is calculated from 27th May, 2017 to 23rd January, 2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Sd/-
(Mr. Shailesh Ramniklal Mehta)
Managing Director
DIN - 01457666

Place : Mumbai
Date : 31st July, 2018

“Annexure – C”**DETAILS OF REMUNERATION OF DIRECTORS AND EMPLOYEES****Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014**

1	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18	Director's Name	Ratio of Remuneration of director to the Median remuneration
		Mr. Shailesh Mehta	26.85

Note:

- Median Remuneration for the financial 2016-17 is ₹ 1,86,247 and financial year 2017-18 is ₹ 1,92,794/-.
- The aforesaid details are calculated on the basis of the gross remuneration received by the employees for the financial year 2016-17 & 2017-16.

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 2017-18	Director's/CFO/CS	% increase in remuneration
		<ol style="list-style-type: none"> Mr. Shailesh Mehta CS Reshma Thomas (upto 23rd January, 2018) Mr. Dhrumit Sanghvi (From 27th May, 2017 to 23rd January, 2018) 	<p>98.67%</p> <p>19.25%</p> <p>Nil</p>
3	Percentage increase in the median remuneration of employees in the Financial Year 2017-18	During Financial Year 2017-18, the percentage increase in the median remuneration of employees as compared to previous year was approximately 3.52%.	
4	Number of permanent employees on the rolls of the Company	There were 67 employees as on 31 st March, 2018.	
5	Average percentile increase in salaries of Employees other than managerial Personnel.	The Company has made the increments according to the policy suggested by the NRC Committee, however, the Company has also employed many employees in the financial year 2017-18 resulted in the negligible increase in salaries, hence not mentioned. Increase in salary of Managerial Personnel during last financial year is disclosed in point no.(2) above. There was no exceptional circumstance for increase for managerial personnel in the last Financial year.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

The Statement of Particulars of Top Ten employees pursuant to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Company is given below:

Sr. No.	Name of Employee	Department	Remuneration in the Financial Year 2017-18	Nature of employment whether contractual or otherwise	Qualification & Experience	Date of commencement of employment	Age	Last employment held by such employee before joining the Company	% of shares held of the Company	Whether employees is relative of any director of the co.
1	Mr. Shailesh Mehta	Managing Director	51,77,303	Regular Employment	B.Com – 30 Years	NIL	58	NIL	1.43%	He is the promoter of the Company.
2	Mr. Bharat Ved	Production	9,14,760	Regular Employment	Diploma in Ele. Engg- 26 Years	01/08/2015	51	Prince Pipe & Fittings Pvt. Ltd.	NIL	NIL
3	Mr. Kanaiyalal Patel	Production	6,47,804	Regular Employment	Diploma in Plastic Engg- 10 Years	21/08/2007	37	Parixit Ltd.	NIL	NIL
4	Mr. Hitesh Panchal	Account	5,4,526	Regular Employment	B.Com -23 Years	01/03/1996	43	NIL	NIL	NIL
5	Mr. Sanket B Kayasth	Excies	5,76,639	Regular Employment	M.Com-10 Years	07/05/2013	53	Online Graphics Pvt. Ltd.	NIL	NIL

Sr. No.	Name of Employee	Department	Remuneration in the Financial Year 2017-18	Nature of employment whether contractual or otherwise	Qualification & Experience	Date of commencement of employment	Age	Last employment held by such employee before joining the Company	% of shares held of the Company	Whether employees is relative of any director of the co.
6	Mr. Karekkad Rajan Ranjit	Administrator	5,42,405	Regular Employment	B.Tech/ MBA - 7 year	01/09/2017	29	Southern Online Bio Technology Ltd.	NIL	NIL
7	Mr. Suresh Chavda	Production	4,35,410	Regular Employment	B.Com-25 Years	01/082004	51	NIL	NIL	NIL
8	Mr. Vilas Shinde	Production	4,34,345	Regular Employment	HSC- 26 Years	01/05/1995	49	NIL	NIL	NIL
9	Mr. John Varghese	Administrator	4,08,205	Regular Employment	BA- 30 Years	25/08/2014	52	Narmada Bio Chem Pvt. Ltd.	NIL	NIL
10	Mr. Parth Niphadkar	Commercial	3,99,279	Regular Employment	MBA- 8 Years	10/06/2014	30	Tata Consultancy Services Ltd.	NIL	NIL

Further, there was no Employee who was in receipt of remuneration for financial year 2017-18, which, in the aggregate, was not less than ₹ 1.02 Crores and was in receipt of remuneration for any part of financial year 2017-18, which, in the aggregate, was not less than ₹ 8.05 Lakhs.

For and on behalf of the Board

Sd/-

**(Mr. Shailesh Ramniklal Mehta)
Managing Director
DIN - 01457666**

Place : Mumbai

Date : 31st July, 2018

"Annexure – D"**Form No. MR-3****Secretarial Audit Report**(For the Financial Year Ended on 31st March, 2018)**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members
TEXEL INDUSTRIES LIMITED
Block No 2106 Santej-Khatrej Road,
Nr. Gayatri Farm House,
Vill-Santej Tal-Kalol(N G),
Dist-Gandhinagar.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Texel Industries Limited (CIN: - L29100GJ1989PLC012576)** (hereinafter called "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records (as per Annexure A) maintained by the Company for the period ended on 31st March 2018 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 Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

VI. I further report that having regard to the Compliance System Prevailing in the Company and on examination of the relevant documents and records pursuant to them of the Company has generally comply with the provision of following laws:

- Local taxes as applicable in the state of Gujarat;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review

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

- I. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- II. The Listing Agreements entered into by the Company with BSE Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - However as per the regulations of 31 (2) all shares of Promoters should be in Demat form and process of dematerialization has not been completed.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws and regulations applicable to the company

Majority decisions were carried out unanimously and where it was not so, the dissenting members' views were captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same has been subject to review by statutory financial auditor and other designated professionals.

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

- 1) **Company has suspended from Bombay Stock Exchange Ltd during the Audit period.**
- 2) **Company has taken loan From Mr. Rajendra Bhakta as well as Mr. Dhiren Tolani who is not Director of the Company**

**For, G R Shah & Associates
Company Secretaries**

**Gaurang Shah
Proprietor
C P No. 14446**

**Place : Ahmedabad
Date : 31st July, 2018**

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

Annexure A

List of documents verified

1. Memorandum and Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, CSR Committee and Independent Directors Meeting along with attendance register held during the period under report.
3. Minutes of General Body meetings held during the period under report.
4. Statutory registers | records under the Companies Act, 2013 and Rules made there under namely:

- Register of the Directors and the Key Managerial Personnel
 - Register of the Directors' shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Members.
5. Declarations received from the Directors of the Company in form MBP-1 pursuant to the provisions of Section 184 of the Companies Act, 2013.
 6. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under report.
 7. Communications /Letters issued to and acknowledgements received from the Independent Directors for their appointment.
 8. Various policies framed by the Company from time to time as required under the Companies Act, 2013.

Annexure B

To,
The Members

TEXEL INDUSTRIES LIMITED

Block No 2106 Santej-Khatrej Road,
Nr. Gayatri Farm House, Vill-Santej, Tal-Kalol(N G),
Dist-Gandhinagar.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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.

**For, G R Shah & Associates
Company Secretaries**

**Gaurang Shah
Proprietor
C P No. 14446**

**Place : Ahmedabad
Date : 31st July, 2018**

“Annexure – E”**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

A. Conservation of Energy:**I. Steps taken or impact on conservation of energy:**

In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction at its factory located at Santej are as under;

- Installation of ceiling road trollies with Breaktension in auto and wave guide system to improve the quality of joints and productivity of machines for energy conservation.
- Installation of 160 watts LEDs lights in place of HPMV 250 Watts Lights to save the units.
- Saving around 60000 unit per year by using Reciprocating Air compressor in place of Screw compressor.
- Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- Continuously monitoring the energy parameters such as maximum demand, power factor , load factor , on regular basis
- Prevention of water and air leakage by taking efficient steps.

These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

II. The steps taken by the Company for utilizing alternate sources of energy: Nil**III. The Capital investment on energy conservation equipment:**

The Company has spent 7.5 Lakhs capital investment on energy conservation equipment during the Financial Year 2017-18.

IV. Total energy consumption and energy consumption per unit of production is as below:

A. Power and fuel consumption	Current Year 2017-18	Previous Year 2016-17
• Electricity		
(a) Purchased		
Unit(KWH)	2980960	2674312
Total Amount(₹)	2,17,56,740	1,77,90,466
Rate/Unit	7.30	6.65
(b) Own generation		
• Coal & Lignite		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
• Others (Petrol, Diesel etc.)		
Quantity	740	1501
Total Cost	13,500	26,742
Average Rate	18.24	17.8
B. Consumption per unit of production	Current Year 2017-18	Previous Year 2016-17
Consumption per KG of Production	0.646	0.733
Electricity (per Unit)	7.30	6.65

B. Technology Absorption:

Innovation & Technology are synonyms with “Texel”. During the year under review, the Company has made efforts towards Technology Absorption and as a result the Company's products achieved high market expectations. The focus of Research & Technology (R&T) Department continues to be in building technological self-reliance by promoting in house research, innovation and creativity to design,

develop and upgrade its products continuously to support achieving short, medium and long-term business goals of the Company. The entire product portfolio is based on in-house technology developed by internal staff without support from external partners in the form of technology collaboration.

The advancement in technology acts as a catalyst and enables the Company to be innovative and regularly launch good quality products as a result of which the Company has gained benefits like product improvement, cost reduction, increased production and import substitution.

C. Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Foreign Exchange Earned	-	-
Foreign Exchange Used	147.15	114.94

For and on behalf of the Board

Sd/-

(Mr. Shailesh Ramniklal Mehta)

Managing Director

DIN - 01457666

Place : Mumbai

Date : 31st July, 2018

"Annexure – F"**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT
(Pursuant to Regulation 26 (3) of the SEBI (LODR) Regulations, 2015)**

To,
The Board of Directors
Texel Industries Limited

Pursuant to Regulation 26 (3) of the SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with "Texel Industries Limited" Code of Business Conduct and Ethics for the Financial Year ended 31st March, 2018.

For and on behalf of the Board

**Sd/-
(Mr. Shailesh Ramniklal Mehta)
Managing Director
DIN - 01457666**

**Place : Ahmedabad
Date : 23rd May, 2018**

"Annexure – G"**MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION
(Pursuant to Regulation 17(8) of (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Board of Directors
Texel Industries Limited

We hereby certify that:

- a. on the basis of the review of the financial statements and the cash flow statement for the Financial Year ended 31st March, 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

For Texel Industries Limited

**Place : Ahmedabad
Date : 23rd May, 2018**

**(Shailesh Mehta)
Managing Director
DIN - 01457666**

**(Vikaram Patel)
Chief Financial Officer**

INDEPENDENT AUDITOR'S REPORT

To the Members of Texel Industries Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **Texel Industries Limited** ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

Auditor's Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS of the state of affairs of the Company as at 31st March 2018 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.

- (e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. *The Company has disclosed the impact of pending litigations on its financial position –*
The company has filed Special Civil Application on 18th May, 2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 11,31,463/- on late payment of remittance for November, 1998 to January 2014, vide notice dated 25th April, 2016 and to stay on the notice of demand dated 25th April, 2016 during Pending admission and hearing of the present petition.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For and behalf of Sunil Poddar & Co.,
Chartered Accountants
FRN : 110603W

Sunil Poddar
Partner

Membership number: 041209

Place : Ahmedabad
Date : 23rd May, 2018

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **Texel Industries Limited** ('the Company') on the Ind AS financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) The Company has granted loans to cover in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
 According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and behalf of Sunil Poddar & Co.,
Chartered Accountants
FRN : 110603W

Sunil Poddar
Partner

Place : Ahmedabad
Date : 23rd May, 2018

Membership number: 041209

Annexure - B to Independent Auditors' Report of even date on the 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 31st March 2018 in conjunction with our audit of the 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 and behalf of Sunil Poddar & Co.,
Chartered Accountants
FRN : 110603W

Place : Ahmedabad
Date : 23rd May, 2018

Sunil Poddar
Partner
Membership number: 041209

BALANCE SHEET AS AT 31ST MARCH, 2018

[In ₹]

Particulars	Notes No.	Amount As at 31 st March 2018	Amount As at 31 st March 2017	Amount As at 01 st April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2.1	71,539,342	47,804,758	53,187,563
Other Intangible assets	2.1	21,000	21,000	21,000
Capital Work-in-Progress		-	-	-
Financial Assets				
Other Financial Assets	2.2	6,876,290	6,420,828	6,775,466
Income Tax Assets (Net)	-	25,998	25,998	25,998
Other non-current assets	2.3	4,197,502	2,172,502	2,122,477
		82,660,133	56,445,087	62,132,504
Current Assets				
Inventories	2.4	133,606,331	95,778,864	79,550,943
Financial Assets				
Trade Receivables	2.5	123,682,008	80,481,143	121,768,142
Cash and cash equivalents	2.6	5,166,704	6,990,381	8,898,704
Bank balances other than Cash and Cash Equivalents	2.7	5,834,877	6,108,082	4,023,653
Other Financial Assets	2.8	5,668,940	1,047,628	2,753,951
Other Current Assets	2.9	4,930,881	14,224,659	32,598,303
		278,889,742	204,630,757	249,593,696
TOTAL		361,549,874	261,075,843	311,726,200
EQUITY AND LIABILITIES				
Shareholders' Funds				
Equity Share Capital	2.10	52,229,210	52,229,210	78,908,420
Other Equity	2.11	90,275,236	59,787,393	29,972,428
		142,504,446	112,016,603	108,880,848
Non-current liabilities				
Financial Liabilities				
Borrowings	2.12	9,767,031	5,643,141	37,488,567
Other financial liabilities	2.13	750,000	30,750,000	750,000
Provisions	2.14	2,231,704	2,177,281	2,548,462
Deferred tax liabilities (Net)	3.10	5,595,543	7,562,664	-
		18,344,278	46,133,086	40,787,029
Current liabilities				
Financial Liabilities				
Borrowings	2.15	534,370	-	-
Trade Payables	2.16	133,589,958	59,951,767	136,831,628
Other financial liabilities	2.17	13,414,246	414,246	275,786
Other current liabilities	2.18	29,404,504	33,824,038	22,016,113
Provisions	2.19	5,125,065	4,172,775	729,436
Liability For current Tax (Net)	3.10	13,823,674	4,563,328	2,205,360
		200,701,149	102,926,154	162,058,323
TOTAL		361,549,874	261,075,843	311,726,200

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For Sunil Poddar & Co.
Chartered AccountantsSunil Poddar
(Partner)
Membership No. 041209Place: Santej
Date : 23rd May, 2018Shailesh R.Mehta
Managing Director
DIN: 01457666Vikram Patel
CFOKirit N. Mehta
Director
DIN: 00444837
Place : New Jersey
Dated : 23rd May 2018Priyanka Kuntamal
Company Secretary
ACS No: 38191

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

[in ₹]

Particulars	Notes	Amount 31 st March, 2018	Amount 31 st March, 2017
Revenue			
Sale of Products and Services (Gross)	3.1	929,046,033	590,359,688
Other Operating Revenues		10,493,022	7,288,905
		939,539,055	597,648,593
Less: Excise Duty		28,677,482	64,742,713
Revenue from Operations (Net)		910,861,573	532,905,880
Other Income	3.2	5,672,380	1,707,552
Total Revenue (I)		916,533,953	534,613,432
Expenses			
Cost of Materials Consumed	3.3	478,953,359	364,038,444
Purchases of Stock-In-Trade	3.4	246,973,133	37,757,499
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(39,540,365)	(21,013,562)
Employees Benefits Expense	3.6	25,882,364	28,550,079
Finance Costs	3.7	8,746,842	13,501,741
Depreciation and Amortisation		5,111,366	9,265,750
Other Expenses	3.8		
Manufacturing Expenses		78,000,337	64,106,145
Freight and Handling Expenses		17,579,648	1,778,608
Other Expenses		52,484,896	22,211,841
Total Expenses (II)		874,191,581	520,196,544
Profit Before Exceptional item and Tax expenses (I)-(II)		42,342,372	14,416,888
Exceptional items		-	-
Profit Before Tax		42,342,372	14,416,888
Extraordinary Items - Prior Period Expense		1,822	57,259
Profit before Tax expenses		42,340,550	14,359,629
Tax Expense	3.10		
Current Tax		13,900,091	4,546,375
MAT Credit Expense		-	2,117,736
Excess Income Tax Provision		(247,868)	(1,212,224)
Deferred Tax (PL)		(1,967,121)	(2,482,125)
Total Tax Expense		11,685,102	2,969,762
Profit for the Year (III)		30,655,448	11,389,867
Other Comprehensive Income / (Expenses)			
Items that will not be reclassified to profit or loss		(125,959)	(195,957)
Income tax relating to items that will not be reclassified to profit or loss		(41,646)	(64,789)
Other Comprehensive Income for the year (IV)		(167,605)	(260,746)
Total Comprehensive Income for the year (III)+(IV)		30,487,843	11,129,121
Earnings Per Equity Share (Face Value ₹ 10 each)			
Basic (₹)	3.9	5.84	2.13
Diluted (₹)		5.84	2.13

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

**For Sunil Poddar & Co.
Chartered Accountants**

**Sunil Poddar
(Partner)
Membership No. 041209**

**Place: Santej
Date : 23rd May, 2018**

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

**Vikram Patel
CFO**

**Kirit N. Mehta
Director
DIN: 00444837
Place : New Jersey
Dated : 23rd May 2018**

**Priyanka Kuntamal
Company Secretary
ACS No: 38191**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

[in ₹]

Particulars	Amount 31 st March, 2018	Amount 31 st March, 2017
A Cash flow form operating activities		
Net profit/(loss) before tax	42,340,550	14,359,629
Adjutment for		
Depreciation / Amortisation	5,111,366	9,265,750
Profit/Loss on discard of Assets	(9,492)	1,135,560
Interest expense	8,746,842	13,501,741
Interest income	(5,325,691)	(674,763)
Operating cash flow before working capital changes	50,863,575	37,587,917
(Increase) / Decrease in other current/non-current assets	2,192,003	20,384,580
(Increase) / Decrease in trade receivable	(43,200,865)	41,286,999
(Increase) / Decrease in inventories	(37,827,467)	(16,227,921)
Increase / (Decrease) in trade payable	73,638,191	(76,879,861)
Increase / (Decrease) in other current/non current liabilities	(21,275,225)	54,819,538
Cash generated from operations	24,390,213	60,971,252
Income taxes paid (net)	3,697,078	3,110,871
Net cash generated by operating activities	20,693,135	57,860,381
B Cash flow from investing activities		
Purchase of fixed assets	(28,836,458)	(5,018,505)
Assets held for sale	-	-
Interest received	5,325,691	674,763
Net cash used in investing activities	(23,510,767)	(4,343,742)
C Cash flow from financing activities		
Proceeds from equity	-	2,550,000
Proceeds from long-term borrowing	4,123,890	(31,845,426)
Proceeds from short-term borrowing	5,343,702	-
Change in General Reserves	-	(10,543,366)
Interest paid	(8,746,842)	(13,501,741)
Net cash generated from / used in financing activities	720,750	(53,340,533)
Net (decrease)/increase in cash & cash equivalents (A+B+C)	(2,096,882)	176,106
Cash and cash equivalents at beginning of the period	13,098,463	12,922,357
Cash and cash equivalents at end of period (Refer Note 2.5 & 2.6)	11,001,581	13,098,463

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Sunil Poddar & Co.
Chartered Accountants

Sunil Poddar
(Partner)
Membership No. 041209

Place: Santej
Date : 23rd May, 2018

Shailesh R.Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Director
DIN: 00444837
Place : New Jersey
Dated : 23rd May 2018

Priyanka Kuntamal
Company Secretary
ACS No: 38191

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

[in ₹]

	Amount
As at 01st April, 2016	78,908,420.00
Issued during the year as per BIFR scheme	2,550,000.00
(Less) : 50% capital reduction as per BIFR order of 58,45,842 shares of ₹10/- each to ₹5/- each & consolidation of 58,45,842 of ₹5/- each in to ₹10/- each as per BIFR scheme.	-29,229,210.00
As at 31st March, 2017	52,229,210.00
Changes in equity share capital	0
As at 31st March, 2018	52,229,210.00

B. OTHER EQUITY

[in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income Remeasurement gain/(loss) on defined benefit plans	Total
Balance as at 01st April, 2016	19,499,668	-	5,000,000	3,333,332	-	2,139,428	-	29,972,428
Profit For The Year	-	-	-	-	-	11,389,867	-	11,389,867
Add:- Remeasurement gain/ (loss) on defined benefit plans	-	-	-	-	-	-	(260,746)	(260,746)
Utilization of Revenue Reserves for DTL	-	(5,044,789)	(5,000,000)	-	-	-	-	(10,044,789)
Appropriation of Preference Share Dividend	-	-	-	-	-	(498,577)	-	(498,577)
Capital redemption reserve	-	-	-	-	29,229,210	-	-	29,229,210
Balance as at 31st March, 2017	19,499,668	(5,044,789)	-	3,333,332	29,229,210	13,030,718	(260,746)	59,787,393
Profit For The Year	-	-	-	-	-	30,655,448	-	30,655,448
Add:- Remeasurement gain/ (loss) on defined benefit plans	-	-	-	-	-	-	(167,605)	(167,605)
Balance as at 31st March, 2018	19,499,668	(5,044,789)	-	3,333,332	29,229,210	43,686,166	(428,351)	90,275,236

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For Sunil Poddar & Co.
Chartered Accountants

Sunil Poddar
(Partner)
Membership No. 041209

Place: Santej
Date : 23rd May, 2018

Shailesh R.Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Director
DIN: 00444837
Place : New Jersey
Dated : 23rd May 2018

Priyanka Kuntamal
Company Secretary
ACS No: 38191

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE NO.1

COMPANY BACKGROUND

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

NOTE NO. 2

SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY:

1. BASIS OF PREPARATION

a) Compliance with Ind AS

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

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 01st April, 2016 being the date of transition to Ind AS.

b) Historical cost convention

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

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

c) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle

(twelve months) and other criteria set out in the Schedule III to the Act.

d) Rounding of amounts

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

2. USE OF ESTIMATES AND 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.

3. PROPERTY, PLANT AND EQUIPMENT

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01st April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

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

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act,

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Useful life considered for calculation of depreciation for various assets class are as follows-

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

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

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

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

4. Cash and Cash Equivalents

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

5. Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

6. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

7. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit

and Loss over the period of the borrowings using the effective interest method.

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

8. Borrowing costs

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

9. Provisions and contingent liabilities

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

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

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

10. Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer, In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped on-board based on bill of lading.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11. Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

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

Pension and gratuity obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in

other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

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

Termination benefits

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

12. Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

13. Income tax

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

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

14. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

15. Government Grants

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2.1 PROPERTY, PLANT AND EQUIPMENT

[in ₹]

	Gross Block			Depreciation / Amortisation			Net Block	
	As at 01 st April 2017	Additions	Deductions	As at 31 st March 2018	As at 01 st April 2017	For the Year	Deductions	As at 31 st March 2018
Current Year ended 31st March, 2018								
TANGIBLE ASSETS								
Freehold Land	2,403,616	-	-	2,403,616	-	-	-	2,403,616
Buildings	34,046,322	4,927,396	-	38,973,718	18,833,096	1,208,253	-	18,932,369
Plant and Equipments	85,564,769	16,989,424	-	102,554,193	59,615,400	2,527,423	-	40,411,370
Furniture and Fixtures	5,057,020	2,354,167	-	7,411,187	4,096,529	206,511	-	3,108,147
Vehicles	1,580,894	2,736,251	-	4,317,145	1,516,694	208,602	-	2,591,849
Office Equipments	5,262,152	1,658,918	-	6,921,070	3,905,996	654,499	-	2,360,575
Electric Installations	8,461,700	179,794	-	8,641,494	6,604,000	306,078	-	1,731,416
Total Tangible Assets	142,376,473	28,845,950	-	171,222,423	94,571,715	5,111,366	-	71,539,342
INTANGIBLE ASSETS								
Trade Mark	21,000	-	-	21,000	-	-	-	21,000
Total Intangible Assets	21,000	-	-	21,000	-	-	-	21,000
TOTAL	142,397,473	28,845,950	-	171,243,423	94,571,715	5,111,366	-	71,560,342

	Gross Block			Depreciation / Amortisation			Net Block	
	Deemed Cost as at 01 st April 2016	Additions	Deductions	As at 31 st March 2017	As at 01 st April 2016	For the Year	Deductions	As at 31 st March 2017
Previous Year ended 31st March, 2017								
TANGIBLE ASSETS								
Freehold Land	2,403,616	-	-	2,403,616	-	-	-	2,403,616
Buildings	33,786,581	259,741	-	34,046,322	17,700,334	1,132,762	-	15,213,226
Plant and Equipments	100,158,907	3,451,387	18,045,525	85,564,769	69,826,321	6,816,056	17,026,977	25,949,369
Furniture and Fixtures	6,886,042	511,155	2,340,177	5,057,020	6,022,247	297,447	2,223,165	960,491
Vehicles	1,516,340	64,554	-	1,580,894	1,406,336	110,358	-	64,200
Office Equipments	4,652,786	609,366	-	5,262,152	3,313,223	592,773	-	1,356,156
Electric Installations	8,339,398	122,302	-	8,461,700	6,287,646	316,354	-	1,857,700
Total Tangible Assets	157,743,670	5,018,505	20,385,702	142,376,473	104,556,107	9,265,750	19,250,142	47,804,758
INTANGIBLE ASSETS								
Trade Mark	21,000	-	-	21,000	-	-	-	21,000
Total Intangible Assets	21,000	-	-	21,000	-	-	-	21,000
TOTAL	157,764,670	5,018,505	20,385,702	142,397,473	104,556,107	9,265,750	19,250,142	47,825,758

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
2.2 OTHER NON-CURRENT FINANCIAL ASSETS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Security Deposits	6,470,252	6,233,609	6,502,189
Loan To Staff	406,038	187,219	273,277
	6,876,290	6,420,828	6,775,466

2.3 OTHER NON-CURRENT ASSETS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Balances with Government Authorities	75,025	50,025	-
Other Loans and Advances (includes Advances to Suppliers, etc.)	4,122,477	2,122,477	2,122,477
	4,197,502	2,172,502	2,122,477

2.4 INVENTORIES (Valued at lower of cost or net realisable value, unless otherwise stated) [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Raw Materials	34,042,025	35,975,433	40,789,376
Work-in-Progress	75,059,170	52,134,665	31,249,409
Finished Goods	21,088,893	5,141,849	5,037,027
Stores and Spare parts	3,004,726	2,212,900	2,196,244
Waste / Scrap (valued at net realisable value)	411,517	314,018	278,887
	133,606,331	95,778,864	79,550,943

2.5 TRADE RECEIVABLES [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Unsecured, Considered Good	123,682,008	80,481,143	121,768,142
Doubtful	-	-	-
	123,682,008	80,481,143	121,768,142
Less: Provision for doubtful debts	-	-	-
	123,682,008	80,481,143	121,768,142
Others			
Unsecured, Considered Good	-	-	-
	123,682,008	80,481,143	121,768,142

2.6 CASH AND CASH EQUIVALENTS BALANCES WITH BANKS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Cash and Cash Equivalents			
Balances with Banks	5,137,593	6,304,687	7,328,926
Chq. In Hand	-	-	299,219
Cash on Hand	29,112	685,694	1,270,559
	5,166,704	6,990,381	8,898,704

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**2.7 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Bank Deposit (Refer below note)	5,834,877	6,108,082	4,023,653
	5,834,877	6,108,082	4,023,653

Note: Bank deposits with a carrying amount of ₹ 53,13,300/- (PY ₹ 58,78,123/-) are given as margin against bank guarantee.

2.8 OTHER CURRENT FINANCIAL ASSETS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Accrued Interest	-	20,224	-
Assets held for disposal	-	88,188	618,629
Income Due But Not Received	5,668,940	598,557	1,535,322
Loans to Others	-	340,659	600,000
	5,668,940	1,047,628	2,753,951

2.9 OTHER CURRENT ASSETS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Prepaid Exp.	191,032	254,169	146,222
Balances with Government Authorities	383,111	2,105,930	1,694,396
Advance For Capital Goods	-	7,691,566	2,078,000
Other Short-Term Loans and Advances (includes Advances to Suppliers, etc.)	4,356,738	4,172,994	28,679,685
	4,930,881	14,224,659	32,598,303

2.10 EQUITY SHARE CAPITAL**2.10.1 Authorised** [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
1,00,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each	100,000,000	100,000,000	80,000,000
35,00,000 (PY 35,00,000) Redeemable cumulative Preference Shares of ₹ 10 each	35,000,000	35,000,000	5,000,000
	135,000,000	135,000,000	85,000,000

2.10.2 Issued, Subscribed and Fully Paid Equity Shares [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
52,22,921 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid	52,229,210	52,229,210	78,908,420
	52,229,210	52,229,210	78,908,420

1. The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.
2. The Board of Directors has not recommended any dividend for the year ended 31st March 2018.
3. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2.10.3 Reconciliation of the number of equity shares outstanding (including Share Capital Suspense) [in ₹]

	Number of Shares	Amount
As at 01st April, 2016	7,890,842.00	78,908,420.00
Issued during the year as per BIFR scheme	255,000.00	2,550,000.00
(Less) : 50% capital reduction as per BIFR order of 58,45,842 shares of ₹10/- each to ₹5/- each & consolidation of 58,45,842 of ₹5/- each in to ₹10/- each as per BIFR scheme.	(2,922,921)	(29,229,210)
As at 31st March, 2017	5,222,921.00	52,229,210.00
Changes in equity share capital	-	-
As at 31st March, 2018	5,222,921.00	52,229,210.00

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

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares				
Ms. Avani S Mehta	1,075,316	20.59%	1,075,316	20.59%
Mr. Mihir Bhandari	300,000	5.74%	300,000	5.74%
Mr. Ulhas Paymaster	300,000	5.74%	300,000	5.74%
SkyPoint Technical Textiles Pvt. Ltd.	500,000	9.57%	500,000	9.57%

2.11 OTHER EQUITY

[in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income Remeasurement gain/(loss) on defined benefit plans	Total
Balance as at 01st April, 2016	19,499,668	-	5,000,000	3,333,332	-	2,139,428	-	29,972,428
Profit For The Year	-	-	-	-	-	11,389,867	-	11,389,867
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(260,746)	(260,746)
Utilization of Revenue Reserves for DTL	-	(5,044,789)	(5,000,000)	-	-	-	-	(10,044,789)
Appropriation of Preference Share Dividend	-	-	-	-	-	(498,577)	-	(498,577)
Capital redemption reserve	-	-	-	-	29,229,210	-	-	29,229,210
Balance as at 31st March, 2017	19,499,668	(5,044,789)	-	3,333,332	29,229,210	13,030,718	(260,746)	59,787,393
Profit For The Year	-	-	-	-	-	30,655,448	-	30,655,448
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(167,605)	(167,605)
Balance as at 31st March, 2018	19,499,668	(5,044,789)	-	3,333,332	29,229,210	43,686,166	(428,351)	90,275,236

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**2.12 NON-CURRENT BORROWINGS**

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Secured			
Vehicle loans from Banks			
ICICI Bank Ltd.	1,384,640	-	725,662
Term loans from other parties			
Skypoint Texhcnal Textile Priveate Limited	-	-	30,000,000
Total	1,384,640	-	30,725,662
Unsecured			
Intercompany Loan	7,785,750	5,046,500	5,849,667
Loans From Related Parties	341,641	341,641	541,641
Loans From Others	255,000	255,000	371,597
Total	8,382,391	5,643,141	6,762,905
	9,767,031	5,643,141	37,488,567

Note:

1. ICICI Bank Loan interest rate 8.25% p.a.
2. Inter corporate Loan carries interest at 12% or 18% p.a. with payout of interest on quarterly basis and the loan is repayable on demand.
3. Loans from related party includes loan payable to brother of the Managing Director of the Company. No interest is payable towards the loan.
4. Loans from others represents the loan taken from promoter director and no interest is payable towards the same.

2.13 OTHER NON CURRENT FINANCIAL LIABILITIES

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Trade Payables	750,000	750,000	750,000
Preference Share	-	30,000,000	-
	750,000	30,750,000	750,000

2.14 NON CURRENT PROVISIONS

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
For Employees Benefits			
Provision for Gratuity	1,712,902	1,502,205	2,087,185
Provision for Sick Leave	110,524	64,290	-
Provision for Leave encashment	408,278	610,786	461,277
	2,231,704	2,177,281	2,548,462

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2.16 NON-CURRENT BORROWINGS

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Secured			
Vehicle loans from Banks			
ICICI Bank Ltd.	263,812	-	-
Total	263,812	-	-
Unsecured			
Intercorporate Loan	5,079,890	-	-
Total	5,079,890	-	-
	5,343,702	-	-

Note:- Refer Note Mentioned in Note No. 2.12

2.17 TRADE PAYABLES

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Trade Payables	108,631,959	49,771,494	120,619,903
Due to Others	24,958,000	10,180,273	16,211,725
	133,589,958	59,951,767	136,831,628

2.18 OTHER CURRENT FINANCIAL LIABILITIES

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Payable Preference Dividend	414,246	414,246	16,142
Preference Share	13,000,000	-	-
Other Liabilities	-	-	259,644
	13,414,246	414,246	275,786

2.19 OTHER CURRENT LIABILITIES

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Other Payables (including Statutory Dues, etc.)	5,357,047	2,634,234	8,239,074
Advances From Customer	24,047,458	31,189,804	13,777,039
	29,404,504	33,824,038	22,016,113

2.20 CURRENT PROVISIONS

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017	Amount 01 st April, 2016
Provision for Gratuity	2,038,450	1,393,053	361,294
Provision for Sick Leave	13,324	85,194	-
Provision for Leave encashment	52,853	432,910	368,142
Provision for Expenses	3,020,438	2,261,618	-
	5,125,065	4,172,775	729,436

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**3.1 SALE OF PRODUCTS AND SERVICES (GROSS)** [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Sale of Products	900,368,551	525,616,975
Sale of Services	-	-
	900,368,551	525,616,975
Other Operating Revenues		
Sale of Waste	10,493,022	7,175,923
Sale of Other Waste	-	112,982
	10,493,022	7,288,905

3.2 OTHER INCOME [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Interest Income on :		
Interest Income on thers	4,913,511	264,000
Interest on Bank FD Bank	412,180	410,763
Capital Receipt	-	722,219
Others Receipt	346,689	310,570
	5,672,380	1,707,552

3.3 COST OF MATERIALS CONSUMED [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Opening Stock	36,546,749	40,789,376
Add : Purchases and Incidental Expenses	476,448,635	400,069,378
Less : Sales	-	40,273,561
Less : Closing Stock	34,042,025	36,546,749
	478,953,359	364,038,444

3.4 PURCHASES OF STOCK-IN-TRADE

	Amount 31 st March, 2018	Amount 31 st March, 2017
Raw Materials	246,973,133	37,757,499
	246,973,133	37,757,499

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Opening Inventories		
Finished Goods	5,141,849	4,477,357
Process Stock	52,134,665	31,249,409
Waste/Scrap	314,018	278,887
	57,590,532	36,005,653
Closing Inventories		
Finished Goods	21,088,893	5,141,849
Process Stock	75,059,170	52,134,665
Waste/Scrap	411,517	314,018
	96,559,580	57,590,532
(Increase) / Decrease in Stocks	(38,969,049)	(21,584,879)
Less : (Increase) / Decrease in Excise Duty on Stocks	(571,317)	571,317
	(39,540,365)	(21,013,562)

3.6 EMPLOYEES BENEFIT EXPENSES [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Salaries and Wages	24,022,742	27,361,957
Contribution to Provident and other Funds	739,837	599,711
Staff Welfare Expenses	1,119,785	588,411
	25,882,364	28,550,079

3.7 FINANCE COSTS [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Interest on Borrowing	890,503	661,669
Interest on Trade payable	7,634,339	12,121,322
Processing Fees	222,000	718,750
	8,746,842	13,501,741

3.8 OTHER EXPENSES

3.8.1 Manufacturing Expenses [in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Consumption of Stores, Spare Parts and Components and Incidental Expenses	12,208,411	6,914,074
Processing Charges	42,418,023	38,801,920
Power & Fuel	22,567,979	17,812,642
Repairs to Buildings	273,933	369,741
Repairs to Machinery	531,991	207,768
	78,000,337	64,106,145

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3.8.2 Administration, Selling and Distribution Expenses

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Advertisement and Sales Promotion	7,841,365	1,268,685
Insurance	466,048	221,187
Rates and Taxes	2,427,800	2,947,919
Directors' Sitting Fees	80,200	250,000
Bank Charges & Commission	132,621	373,910
Repairs & Maintenance- Computer	1,028,594	511,205
Conveyance Exp.	1,679,848	377,711
discount & Kasar	-	15,631
Freight and forwarding	17,579,648	1,778,608
Legal and professional charges	8,850,934	4,717,590
Loss on Fixed Assets Discarded	-	1,135,560
Post & Telegram	329,119	230,783
Printing and stationery	902,387	585,791
Sales commission	6,468,962	2,478,540
Security Charges	520,241	495,281
Sundry balance w/off	(5,318)	430,993
Telephone Expenses	28,931	222,699
Travelling Expenses	1,742,698	1,406,722
Other General & Miscellaneous Expenses	4,932,694	1,440,553
Bad debts/advance written off	9,598,867	2,999,662
Provision for Post-Sales supports and warranties	5,345,726	-
	69,951,366	23,889,028

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

[in ₹]

	Amount 31 st March, 2018	Amount 31 st March, 2017
Payments to Statutory Auditors:		
Audit Fee	115,000	101,420
Tax Audit Fee	-	-
Total	115,000	101,420

3.9 EARNINGS PER SHARE:

[in ₹]

		Amount 31 st March, 2018	Amount 31 st March, 2017
Net profit for the year attributable to equity shareholders	In Ruppees	30,487,843	11,129,121
Weighted-average-number of equity shares outstanding	Nos	5,222,921	5,222,921
Basic Earnings Per Share (Face Value of ₹ 10 each)	In Ruppees	5.84	2.13
Diluted Earnings Per Share (Face Value of ₹ 10 each)	In Ruppees	5.84	2.13

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3.10 INCOME TAXES EXPENSE

Tax expense recognized in the statement of Profit and Loss

[in ₹]

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Current Tax		
Current Tax on taxable income for the year	13,900,091	4,546,375
Total current tax expense	13,900,091	4,546,375
Deferred tax		
Deferred tax charges/(credit)	-1,967,121	-2,482,125
MAT Credit (taken)/utilised	-	2,117,736
Total deferred income tax expense/(benefit)	-1,967,121	-364,389
Tax in respect of earlier years	-247,868	-1,212,224
Total income tax expense	11,685,102	2,969,762

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 ₹]

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Enacted income tax rate in india applicable to the company	33.063%	33.063%
Profit Before Tax	42,340,550	14,359,629
Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in india	13,999,056	4,747,724
Tax effect of the amount which are not deductible/(taxable) in calculating taxable income		
Parmanent Disallowances	195,056	528,026
Income not considered for tax purpose	(3,138)	(238,787)
Expenses not allowed for tax purpose	2,819,476	3,174,372
Additional Allowables for tax purpose	(3,110,359)	(1,795,095)
Deferred Tax for Current Year	(1,967,121)	(2,482,125)
Tax in respect of earlier years	(247,868)	(1,212,224)
Other	-	247,871
Total Income tax expense/(Credit)	11,685,102	2,969,762

Consequent to reconciliation items shown above, the effective tax rate is 27.60% (2016-17: 20.68%)

B) The Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

[in ₹]

	As at 01 st April, 2016 - Deferres Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 st March, 2017 - Deferres Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 st March, 2018 - Deferres Tax Liabilities/ (Asset)
Depreciation	-	8,977,591.00	8,977,591.00	(1,479,352.00)	7,498,239.00
Provision for Gratuity	-	(1,001,991.00)	(1,001,991.00)	(296,277.00)	(1,298,268.00)
Provision for Leave Encashment	-	(412,936.00)	(412,936.00)	210,486.00	(202,450.00)
Provision of Warrenty	-	-	-	(401,978.00)	(401,978.00)
Total Deferres Tax Liabilities/(Asset)	-	7,562,664.00	7,562,664.00	(1,967,121.00)	5,595,543.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

4. Details of Related Party Transaction

[in ₹]

Particulars	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence
A) Transaction During the year			
Salary & Perquisites to Managing Director			
Shailesh R Mehta	5,177,303 (2,606,037)	- -	- -
Salary Relative of KMP			
Avishi Sharedalal	- -	110,118 -	- -
Director Sitting Fees			
Kriti Mehta	40,000 (80,000)	- -	- -
Dr. Cristy Fernandez	30,000 (70,000)	- -	- -
Mrs. Jasmin Nahidakhtar Vhora	10,000 (40,000)	- -	- -
Mr. Deveshwer Kumar Kapila	- (60,000)	- -	- -
Reimbursement of expenses			
Dr.Cristy Fernandez	- (8,404)	- -	- -
Mr. Deveshwar Kumar Kapila	- (3,000)	- -	- -
Legal and professional fees			
G.P. Kapadia & Co	- -	- -	800,000 (500,000)
Mrs. Avani S Mehta	- -	120,000 -	- -
Risha Aquapruv Infrastructure LLP			
Reimbursement of Freight Charges	- -	- -	1,431,951 (10,557,696)
Sales Promotion	- -	- -	2,374,525 -
Site Expense (Labour Charges)	- -	- -	958,723 -
Reimbursement of Tender Fees	- -	- -	1,594 -
Moneeto Plasti-Feb P. LTD			
Sales	- -	- -	2,472,336 (2,020,915)
Sales Promotion	- -	- -	2,263,045 -
Anjaneya Enterprise			
Jobworks charges	- -	- -	58,175 (1,569,425)
Purchase of Raw Material	- -	- -	6,587,800 (571,725)
Sales	- -	- -	6,964,231 (941,351)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence
B) Closing balances			
Receivable from			
Moneeto Plasti-Feb P. LTD	-	-	-
	-	-	(231,017)
Risha Infrastructure	-	-	1,098,951
	-	-	(1,098,951)
Anjaneya Enterprise	-	-	513,584
	-	-	(864,771)
Payable to			
Moneeto Plasti-Feb P. LTD	-	-	1,741,323
	-	-	-
Risha Aquapruf Infrastructure LLP	-	-	5,724,408
	-	-	(2,841,407)
Naresh R Mehta	440,151	-	-
	(440,151)	-	-
Shailesh R Mehta	-	-	-
	(70,014)	-	-
G.P. Kapadia & Co	-	-	464,000
	-	-	(565,000)
Loans & Advances - Receivable			
Crossland Housing & Const. Limited	-	-	1,000,000
	-	-	(1,000,000)
Mehta & Dholabhai	-	-	615,209
	-	-	(615,209)

Figures in brackets relates to previous year ended on 31st March 2017

5. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

[in ₹]

Particulars	As At 31 st March, 2018	As At 31 st March, 2017
5.1 Claims/disputed liabilities not acknowledged as liability:		
(a) EPF Interest and Damages		
(The company has filed Special Civil Application on 18/05/2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹11,31,463/- on late payment of remittance for November,1998 to January2014, 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).	1,131,463.00	1,131,463.00
(b) Bank Guarantee (against 100% margin money in form of deposits)	5,363,300.00	5,819,000.00

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

6. DEFINED BENEFIT PLAN

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Particulars	For the year ended 31 st March, 2018		For the year ended 31 st March, 2017	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the beginning	2,895,258	1,043,696	2,448,479	829,419
Current service cost	280,647	199,077	202,989	162,220
Past Service Cost	1,000,000	-	-	-
Interest cost	212,512	76,607	197,347	66,851
Benefits paid	(453,540)	(1,167,733)	(149,197)	(217,561)
Actuarial (Gain) / Loss	(183,525)	309,484	195,640	202,767
Present value of obligation as at the end (Unfunded)	3,751,352	461,131	2,895,258	1,043,696

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

Not applicable as Gratuity and Leave Liability is unfunded.

III. Reconciliation of fair value of assets and obligation

Not applicable as Gratuity and Leave Liability is unfunded.

IV. Expense recognised during the year

[in ₹]

Particulars	For the year ended 31 st March, 2018		For the year ended 31 st March, 2017	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Service cost	1,280,647	199,077	202,989	162,220
Interest cost	212,512	76,607	197,347	66,851
Actuarial (Gain) / Loss	(183,525)	309,484	195,640	202,768
Net cost included in 'Employee Benefit Expense'	1,309,634	585,168	595,976	431,839

V. Investment Details

Not applicable as Gratuity and Leave Liability is unfunded.

VI. Actuarial Assumptions for Gratuity and Leave Encashment

	2017-18	2016-17
Discount rate (per annum)	7.85%	7.34%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	7.00%	7.00%

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

VII. Other disclosures

[in ₹]

Particulars	For the year ended	For the year ended
	31 st March, 2018	31 st March, 2017
a. Present value of obligation as at the end - Gratuity	3,751,352	2,895,258
Surplus/(deficit) - Gratuity	(3,751,352)	(2,895,258)
Experience adjustment on plan liability - Gratuity	(84,744)	77,677
Actuarial Loss / (Gain) due to change in assumptions - Gratuity	(98,781)	117,963
b. Defined Benefit obligation - Leave	461,131	1,043,696
Surplus/(deficit) - Leave	(461,131)	(1,043,696)
Experience adjustment on plan liability - Leave	327,062	(34,310)
Actuarial Loss / (Gain) due to change in assumptions - Leave	(17,578)	237,078

7 FIRST-TIME ADOPTION OF IND AS (IND AS 101):

As stated in Note 1, these financial statements, for the year ended 31st March, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 01st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions Availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

a) Past Business Combinations:

The Company has elected not to apply Ind AS 103- Business Combinations retrospectively to past business combinations that occurred before the transition date of 01st April, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

b) Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognized as of 01st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) Decommissioning liabilities included in the cost of property, plant and equipment:

The Company has measured the liability as at the date of transition to Ind AS as per Ind AS 37 to the extent that the liability is within the scope of Ind AS 16, estimated the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate that would have applied for that liability over the intervening period and calculated the accumulated depreciation on that amount, as at the date of transition to Ind AS, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind AS.

d) Fair Value of Financial Assets and Liabilities:

As per Ind AS exemption the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Disclosure as required by ind AS 101 - First time adoption of indian Accounting Standards

Reconciliation of equity

[in ₹]

Particulars	As at 01 st April, 2016			As at 31 st March, 2017		
	Regroued IGAAP	+/-	Ind AS	Regroued IGAAP	+/-	Ind AS
Assets						
Property, Plant and Equipment	53,187,563	-	53,187,563	47,804,758	-	47,804,758
Other Intangible assets	21,000	-	21,000	21,000	-	21,000
Capital Work-in-Progress	-	-	-	-	-	-
Financial Assets						
Other Financial Assets	6,775,466	-	6,775,466	6,420,828	-	6,420,828
Income Tax Assets (Net)	25,998	-	25,998	25,998	-	25,998
Other non-current assets	2,122,477	-	2,122,477	2,172,502	-	2,172,502
Total Non-Current Assets	62,132,504	-	62,132,504	56,445,087	-	56,445,087
Current Assets						
Inventories	79,550,943	-	79,550,943	95,778,864	-	95,778,864
Financial Assets						
Trade Receivables	121,768,142	-	121,768,142	80,481,143	-	80,481,143
Cash and Bank Balances	8,898,704	-	8,898,704	6,990,381	-	6,990,381
Bank balances other than Cash and Cash Equivalents	4,023,653	-	4,023,653	6,108,082	-	6,108,082
Other Financial Assets	2,753,951	-	2,753,951	1,047,628	-	1,047,628
Other Current Assets	32,598,303	-	32,598,303	14,224,659	-	14,224,659
Total Current Assets	249,593,696	-	249,593,696	204,630,757	-	204,630,757
Total Assets	311,726,200	-	311,726,200	261,075,843	-	261,075,843
Equity and liabilities						
Equity						
Equity Share Capital	78,908,420	-	78,908,420	52,229,210	-	52,229,210
Other Equity	29,972,428	-	29,972,428	59,787,393	-	59,787,393
Equity Attributable to Equity holders of Parent	108,880,848	-	108,880,848	112,016,603	-	112,016,603
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	37,488,567	-	37,488,567	5,643,141	-	5,643,141
Other financial liabilities	750,000	-	750,000	30,750,000	-	30,750,000
Provisions	2,548,462	-	2,548,462	2,177,281	-	2,177,281
Deferred tax liabilities (Net)	-	-	-	7,562,664	-	7,562,664
Total Non-Current liabilities	40,787,029	-	40,787,029	46,133,086	-	46,133,086
Current liabilities						
Financial Liabilities						
Borrowings						
Trade Payables	136,831,628	-	136,831,628	59,951,767	-	59,951,767
Other financial liabilities	275,786	-	275,786	414,246	-	414,246
Other current liabilities	22,016,113	-	22,016,113	33,824,038	-	33,824,038
Provisions	729,436	-	729,436	4,172,775	-	4,172,775
Liability For current Tax (Net)	2,205,360	-	2,205,360	4,563,328	-	4,563,328
Total Current liabilities	162,058,323	-	162,058,323	102,926,154	-	102,926,154
Total Equity and liabilities	311,726,200	-	311,726,200	261,075,843	-	261,075,843

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Disclosure as required by ind AS 101 - First time adoption of indian Accounting Standards

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

[in ₹]

Particulars	Regrouoed IGAAP	Effect Of transition to Ins As	Ind AS
Revenue			
Revenue from Operations	532,905,880	-	532,905,880
Other Income	1,707,552	-	1,707,552
Total Income (I)	534,613,432	-	534,613,432
Expenses			
Cost of Raw Materials Consumed	364,038,444	-	364,038,444
Purchases of Stock-in-Trade	37,757,499	-	37,757,499
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(21,013,562)	-	(21,013,562)
Employee Benefits Expense	28,810,825	(260,746)	28,550,079
Finance Costs	13,501,741	-	13,501,741
Depreciation and Amortisation Expense	9,265,750	-	9,265,750
Manufacturing Expenses	64,106,145	-	64,106,145
Freight and Handling Expenses	1,778,608	-	1,778,608
Other Expenses	22,211,841	-	22,211,841
Total Expenses (II)	520,457,290	(260,746)	520,196,544
Profit before Tax	14,156,142	260,746	14,416,888
Extraordinary Items - Prior Period Expence	57,259	-	57,259
Profit before Tax Expenses	14,098,883	260,746	14,359,629
Tax Expenses:			
Current Tax	4,546,375	-	4,546,375
MAT Credit Expense	2,117,736	-	2,117,736
Excess Income Tax Provision	(1,212,224)	-	(1,212,224)
Deferred Tax (PL)	(2,482,125)	-	(2,482,125)
Total	2,969,762	-	2,969,762
Profit for the Year	11,129,121	260,746	11,389,867
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit and Loss	-	(195,957)	(195,957)
(ii) Income Tax relating to items that will not be reclassified to profit and Loss	-	(64,789)	(64,789)
Other Comprehensive Income for the Year	-	(260,746)	(260,746)
Total Comprehensive Income for the Year	11,129,121	-	11,129,121

8.1 a) Details of imported and indigenous raw material consumed:

[in ₹]

Particulars	For the year ended 31 st March, 2018		For the year ended 31 st March, 2017	
	Amount	%	Amount	%
Imported raw material	14,184,737	2.96%	10,916,292	3.00%
Indigenous raw material	464,768,622	97.04%	353,122,152	97.00%
Total	478,953,359	100%	364,038,444	100%

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**8.1 b) Value of import on CIF basis:**

Particulars	2017-18	2016-17
Raw material	14,184,737	10,916,292
Capital goods	-	-
Others	-	-

8.1 c) Earnings in foreign currency:

Particulars	2017-18	2016-17
Export of goods on FOB basis	-	-
Others	-	-

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

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

**For Sunil Poddar & Co.
Chartered Accountants**

**Sunil Poddar
(Partner)
Membership No. 041209**

**Place: Santej
Date : 23rd May, 2018**

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

**Vikram Patel
CFO**

**Kirit N. Mehta
Director
DIN: 00444837
Place : New Jersey
Dated : 23rd May 2018**

**Priyanka Kuntamal
Company Secretary
ACS No: 38191**

TEXEL INDUSTRIES LIMITED

(CIN:- L29100GJ1989PLC012576)

Regd. Office: Block No.2106, Santej Khatraj Road, Near Shah Alloys Limited, Village Santej, Tal. Kalol, Dist. Gandhinagar-382721, Gujarat

Attendance Slip

(To be presented at entrance)

29th Annual General Meeting to be held on Monday, 10th September, 2018

Reg. Folio/DP & Client No.	
No .of Shares Held	

Member's Name: _____

Proxy's Name : _____

 I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company on Monday, 10th September, 2018 at 10.00 a.m. at Block No.2106, Santej Khatraj Road, Near Shah Alloys Limited, Village Santej, Tal. Kalol, Dist. Gandhinagar - 382721, Gujarat.

 Member's/ Proxy's Signature

Note: 1. Please fill this attendance slip and hand it over at the entrance of the Hall.

2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.

3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

TEXEL INDUSTRIES LIMITED

(CIN:- L29100GJ1989PLC012576)

Regd. Office: Block No.2106, Santej Khatraj Road, Near Shah Alloys Limited, Village Santej, Tal. Kalol, Dist. Gandhinagar-382721, Gujarat

Form No. MGT-11
Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No. /Client ID No. : _____ DP ID No. _____

I/We, being the member(s) of _____ equity shares of the above named company, hereby appoint

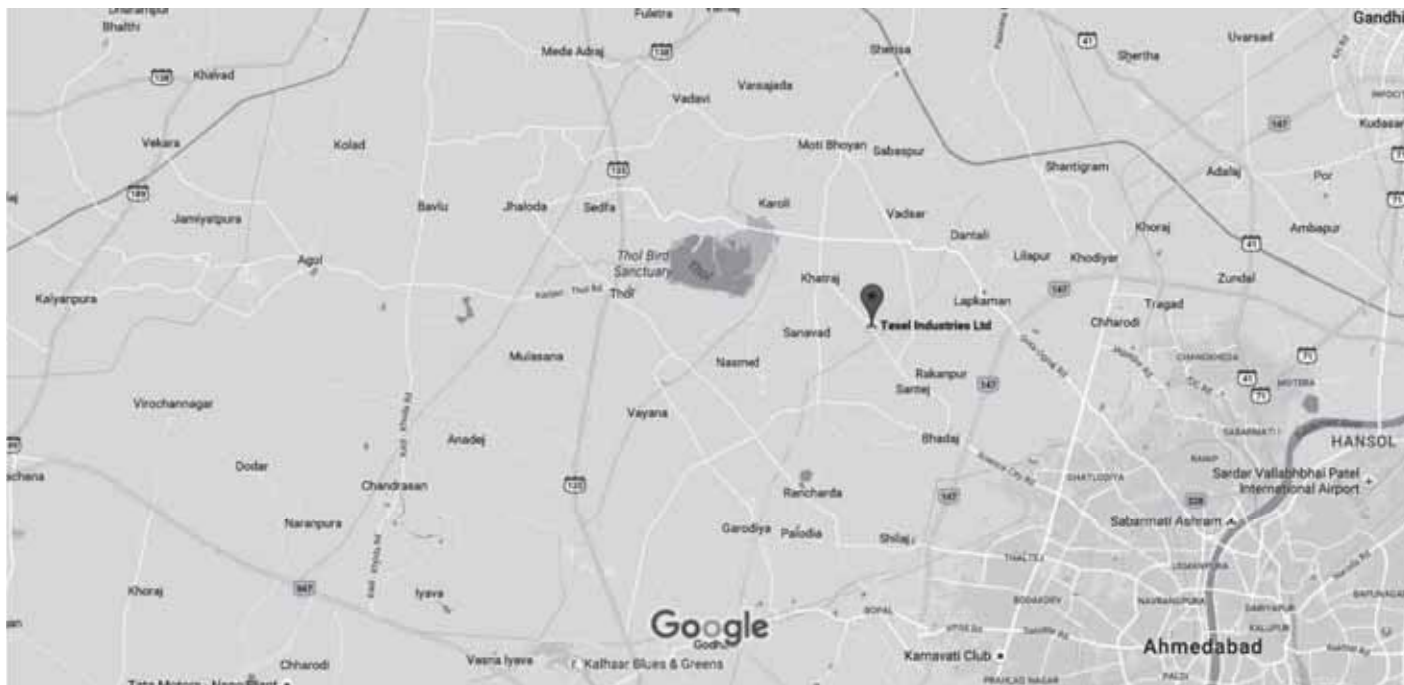
1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

 and whose signature(s) are appended below, as my/ our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 29th Annual General Meeting of the Company to be held on Monday, 10th September, 2018 at 10.00 a.m. at Block No.2106, Santej Khatraj Road, Near Shah Alloys Limited, Village Santej, Tal. Kalol, Dist. Gandhinagar - 382721, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP FOR THE AGEM VENUE



** I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
1.	To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31 st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Naresh Mehta (DIN: 02888018), who retires by rotation and being eligible, offers himself for re-appointment.		

Signed this _____ day of _____ 2018

Signature of Shareholder _____

Signature of Proxy holder (s) _____



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put a ' X ' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should state.



**CONSERVE WATER,
CONSERVE LIFE**



BLOCK NO. : 2106, SANTEJ-KHATRAJ
ROAD. NEAR SHAH ALLOYS LTD.,
VILLAGE : SANTEJ - 382 721.
TAL. : KALOL, (N.G.)
DIST. : GANDHINAGAR, GUJARAT (INDIA)
CIN : L29100GJ1989PLC012576

PHONE +91 89800 26110, 89800 26220
TELE / Fax +91 2764 286334
E - MAIL info@geotexelin.com
URL www.geotexelin.com