



**CONSERVE WATER,
CONSERVE LIFE**



**27th Annual Report
2015-2016**

 **Texel
Industries
Limited**

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CIN : L2910GJ1989PLC012576

BOARD OF DIRECTORS

Mr. Kirit N.Mehta	:	Chairman DIN:00444837
Mr. Shailesh R. Mehta	:	Managing Director DIN:01457666
Mr.Naresh R. Mehta	:	Director DIN:02888018
Dr. Christy Fernandez	:	Independent Director DIN: 00090752
Mr. Deveshwer Kumar Kapila	:	BIFR Nominee Director DIN:00030614
Ms. Jasmin Nahidakhtar Vhora	:	Independent Director DIN:07173838

COMPANY SECRETARY & CFO

Mr. Umesh A. Vyas

AUDITORS

M/s. A.L. Thakkar & Company
Chartered Accountants,
1st Floor, Kashmira Chamber,
B/H Old High Court, Navrangpura,
Ahmedabad- 380009.

BANKERS

Union Bank of India
Bank of Maharashtra

REGISTERED OFFICE & WORKS

Block No.2106,
Santej-Khatraj Road,
Village : Santej,
Tal. : Kalol,
Dist.: Gandhinagar-382721
Gujarat.
Tel.: (02764) 286334, 08980026110, 08980026220
Email: info@geotexelin.com
Website: www.geotexelin.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
303, 3rd Floor, Shoppers Plaza V,
Near Government Society,
Opp. Municipal Market,
C.G. Rod, Navrangpura,
Ahmedabad-380009
Phone +91 (079) 26465179
E-mail: ahmedabad@linkintime.co.in

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of **TEXEL INDUSTRIES LIMITED** will be held on Friday, 30th September, 2016, at 11:00 A.M. at the Registered Office of the Company at Block No. 2106, Santej - Khatraj Road, Nr. Shah Alloys, Village : Santej, Tal.: Kalol Dist.: Gandhinagar-382721, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31st March, 2016 including audited balance sheet, statement of profit and loss account and Cash Flow Statement together with the notes for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Naresh R. Mehta (DIN: 02888018)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider Ratification of Appointment of Statutory Auditors.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of the Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, pursuant to the recommendations made by the Audit Committee of the Board of Directors, the Company hereby ratifies the appointment of M/s. A.L.Thakkar & Co., Chartered Accountants, Ahmedabad, (Firm Registration No.120116W), as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) of the Company to examine and audit the accounts of the Company at such remuneration as may be mutually agreed by and between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

Increase in Authorized Share Capital:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Authorized Share Capital of the Company be altered and increased **from** the Existing Share Capital of ₹ 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs Only) divided into Equity Share Capital of ₹ 8,00,00,000/- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each and Preference Share Capital of ₹ 50,00,000/- (Rupees Fifty Lakhs Only) divided into 5,00,000 (Five Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) each to ₹ 13,50,00,000/- (Rupees Thirteen Crores Fifty Lakhs Only) divided into Equity Share Capital of ₹ 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and Preference Share Capital of ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lakhs Only) divided into 35,00,000 (Thirty Five Lakhs) preference shares each of ₹ 10/- (Rupees Ten Only) ranking pari passu with the existing respective shares of the Company.

5. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

Alteration in Capital Clause of the Memorandum of Association of the Company:

“RESOLVED THAT pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, if any, the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be substituted with the following Clause V:

- V. The Authorised Share Capital of the Company is ₹ 13,50,00,000/- (Rupees Thirteen Crores Fifty Lakhs Only) divided into Equity Share Capital of ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and Preference Share Capital of ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lakhs Only) divided into 35,00,000 (Thirty Five Lakhs) preference shares each of ₹ 10/- (Rupees Ten Only) with power to the Company to increase or reduce such capital and to issue any part of its capital, original or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issued of shares whether declared to be preferential or otherwise shall be subject to Articles of Association

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

6. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

Adoption of New Set of Articles of Association:

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from Registrar of Companies or any other statutory bodies, and subject to such terms, conditions, amendments or modifications as may be required, consent of the members of the Company be and is hereby accorded

for adoption of the new set of Articles of Association in place of and in entire exclusion and substitution of the regulations contained in the existing Articles of Association of the Company.”

“**FURTHER RESOLVED THAT** the Board of Directors of the Company and/or Company Secretary of the Company be and are hereby authorized severally or jointly to do all such acts, deeds, matters and things and to execute and sign all such documents and papers, as may be necessary in this regard, including but not limited to sign and submit the various Forms / E-Forms and other papers/documents to be filed with the Registrar of Companies and to give effect to this resolution.”

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

Authority to Keep Register of Members at a place other than the Registered Office of the Company:

“**RESOLVED THAT** pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, Register and Index of Debenture Holders or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. M/s Link Intime India Pvt Ltd. having their Registered Office at C-13, Pannalalsilk Mills Compound , LBS Marg, Bhandup (West), Mumbai 400078, or its any other branch or office or place, instead of Registered Office of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof or Company Secretary of the Company be and are hereby authorized either severally or jointly to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

By Order of the Board of Directors

Umesh Vyas
Company Secretary
PAN: ABRPV6052B

Date: 6th August, 2016

Place:- New Delhi

Registered Office:-

Block No. 2106, Santej-Khatraj Road,
 Nr. Shah Alloys, Village-Santej,
 Tal.:Kalol, Dist.: Gandhinagar-382721, Gujarat.
 Tel.: +91(2764)(286329)
 E-mail: invrelations@geotexelin.com
 CIN:-L29100GJ1989PLC012576

Notes :

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty (50) members holding in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting right may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than **48 hours** before the commencement of the meeting.

Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the particulars of Directors seeking re-appointment for item no. 2, under Code of Corporate Governance and the Explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 to 7 of the Notice is annexed hereto and forms part of this Notice.

3. The Register of Member and Share Transfer Books of the Company will remain closed from 23rd September, 2016 (Friday) to 30th September, 2016 (Friday) (both days inclusive).

4. Members, proxies and authorized representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.

In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Relevant documents referred to in the notice and the accompanying the statement are open for inspection by the members at the registered office of the company on all working days, except Saturdays and national holiday, during normal business hours (10:00 A.M to 5:00 P.M.) up to the date of the annual general meeting.

5. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). The changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services. Updation of Shareholder Information Form is attached herewith this Notice.
6. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in security market, deletion of the same of deceases holder, transmission/transposition of shares. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA Link Intime India Pvt. Ltd.
7. Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in their single names are advised to make nomination by filling prescribed Form SH-13 with the Registrar and Share Transfer Agent of the Company.
8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA- Link Intime India Pvt. Ltd. for assistance in this regard.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA - Link Intime India Pvt. Ltd. the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
10. Members seeking any information with regard to the accounts are requested to write to the Company at least 7 (seven days) prior to the AGM, so as to enable the Management to keep the information ready at the AGM.
11. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company along with Annual Report 2015-16 inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode at their registered address with the Company. Members may note that this Notice and the Annual Report 2015-16 will be available on the Company's website viz. www.geotexelin.com.
12. To support the 'Green Initiative', Members are requested register their e-mail addresses with DPs / Link Intime India Pvt. Ltd. The registered e-mail address will be used for sending future communications.
13. The route map showing directions to reach the venue of the AGM is annexed.

VOTING THROUGH ELECTRONIC MEANS:

1. Pursuant to provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means on the resolutions proposed to be considered at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.
2. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
3. The facility for voting through ballot paper shall be made available at the AGM 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 meeting through ballot paper.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The remote e-voting period commences on Monday, 26th September, 2016 (10:00 A.M.) and ends on Thursday, 29th September, 2016 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on cut-off date i.e. 23rd September, 2016 only shall be entitled to avail the facility of voting.
Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
7. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at Monday, 26th September, 2016 (10:00 A.M.) and ends on Thursday, 29th September, 2016 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on the Address Sticker. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your DEMAT account or in the Company records for the said DEMAT account or folio in DD/MM/YYYY format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demataccount 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN 160907082 for the "Texel Industries Limited" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.
- (xxi) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- (xxii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the user ID and password by sending a request at helpdesk.evoting@cdslindia.com or invrelations@geotexelin.com.
- (xxiii) However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evotingindia.com.
- (xxiv) The Company has appointed M/s. D. A. Rupawala & Associates, Practicing Chartered Accountants, Ahmedabad (Firm Registration No. 120116W) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
- (xxv) In case members receiving physical copy, they shall follow the above mentioned e-voting steps to cast vote. In case you have any have queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
- (xxvi) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (xxvii) The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- (xxviii) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. D. A. Rupawala & Associates, Practicing Chartered Accountants, Ahmedabad (Firm Registration No. 120116W), at the Registered Office of the Company not later than Thursday, 29th September, 2016 (5.00 P.M. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to invrelations@geotexelin.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, 29th September, 2016 (5.00 P.M. IST).
- (xxix) Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

By Order of the Board of Directors

Umesh Vyas
Company Secretary
PAN: ABRPV6052B

Date: 6th August, 2016

Place:- New Delhi

Registered Office:-

Block No. 2106, Santej-Khatraj Road,
 Nr. Shah Alloys, Village-Santej-382721,
 Tal.:Kalol, Dist.: Gandhinagar, Gujarat.
 Tel.: +91(2764)(286329)
 E-mail: invrelations@geotexelin.com
 CIN:-L29100GJ1989PLC012576

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Item No. 2**

Mr. Naresh Mehta retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Naresh Mehta is B.S. and M.S. from USA in Plastic Engineering and has vast experience of more than 20 years in the Plastic Engineering Industry and Business. It will be in the interest of the Company to re-appoint Mr. Naresh Mehta.

Mr. Naresh Mehta has been on the Board of this Company since 2nd August, 1989 and holds 1,99,603 equity shares in the Company. Mr. Naresh Mehta is brother of Mr. Shailesh Mehta, Managing Director of the Company.

Copy of the relevant documents is available for inspection by members on any working days, except Saturdays and National Holidays between 10:00 A.M. to 5:00 P.M. at the Registered Office of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item No. 2 of the Notice for the approval of the Members.

Except, Mr. Shailesh Mehta and Mr. Naresh Mehta, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the Resolution financially or otherwise.

Item No. 4 & 5

The Company in order to meet its growth objectives and to strengthen its financial position is required to generate additional funds by issuing securities to the promoters, promoter group and other investors. It is therefore deemed appropriate to increase the Authorized Share Capital of the Company and such increase shall also be in implementing direction of BIFR in sequential and proper manner. After appropriate legal approval or compliances, the following modifications are proposed:

At present, the authorized capital of the Company is ₹ 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs Only) divided into Equity Share Capital of ₹ 8,00,00,000/- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each and Preference Share Capital of ₹ 50,00,000/- (Rupees Fifty Lakhs Only) divided into 5,00,000 (Five Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) each. The Board of Directors has now proposed to increase the Authorized Share Capital to ₹ 13,50,00,000/- (Rupees Thirteen Crores Fifty Lacs Only) divided into Equity Share Capital ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and Preference Share Capital of ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lakhs Only) divided into 35,00,000 (Thirty Five Lakhs) preference shares of ₹ 10/- (Rupees Ten Only) each ranking pari passu with the existing respective shares of the company.

Increase in authorized capital requires approval of the shareholders pursuant to section 61 and other applicable provisions of the Companies Act, 2013.

The Company is also required to alter its existing Clause V of the Memorandum of Association of the Company to enable to accommodate the increase in Authorized Share Capital of the Company.

Copies of the relevant documents are available for inspection by members on any working days, except Saturdays and National Holidays between 10:00 A.M. to 5:00 P.M. at the Registered Office of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item No. 4 & 5 of the Notice for the approval of the Members with requisite majority.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said Resolutions financially or otherwise.

Item No. 6

The Company had previously adopted its Articles of Association ("AoA") under the Companies Act, 1956, which contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulations of the existing Articles of Association of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles of Association with a new set of Articles of Association.

The new Articles of Association to be substituted in place of the existing Articles of Association are primarily based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

The draft of the new Articles of Association is available for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11:00 AM and 1:00 PM. up to the date of Annual General Meeting. The proposed new draft Articles of Association shall also be uploaded on the Company's website for perusal by the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution, except as shareholders of the Company.

The Board of Directors accordingly recommends the special resolution set out at Item No. 6 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said Resolutions financially or otherwise.

Item No. 7

The Company desires to keep the Register and Index of Members, Register and Index of Debenture Holders and copies of all Annual Returns together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. M/s Link Intime India Pvt Ltd. having their Registered Office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078, or its any other office or place, instead of the Registered Office of the Company since company has changed its Registrar and Share Transfer Agent from M/s. Sharepro Services India Ltd. to M/s. Link Intime India Pvt. Ltd.

Copy of the relevant documents are available for inspection by members on any working days, except Saturdays and National Holidays between 10:00 A.M. to 5:00 P.M. at the Registered Office of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item No. 7 of the Notice for the approval of the Members with special majority.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said Resolutions financially or otherwise.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS

Name of Director	Mr. Naresh Mehta
DIN	02888018
Date of Birth	06/12/1961
Date of Appointment	02/08/1989
Expertise in specific functional area	He has experience of more than 20 years in business and plastic engineering
Qualification	B.S. and M.S. from USA in Plastic Engineering
No. of EquityShares held	1,99,603
No. of Outside CompanyDirectorship held	None
No. of Outside Company Chairmanship / Membership held	None

By Order of the Board of Directors

**Umesh Vyas
Company Secretary
PAN: ABRPV6052B**

Date: 6th August, 2016

Place:- New Delhi

Registered Office:-

Block No. 2106, Santej-Khatraj Road,
Nr. Shah Alloys, Village-Santej-382721,
Tal.:Kalol, Dist.: Gandhinagar, Gujarat.
Tel.: +91(2764)(286329)
E-mail: invrelations@geotexelin.com
CIN:-L29100GJ1989PLC012576

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2016.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2016 is summarized below: (₹) (In Lakhs)

PARTICULARS	2015-16	2014-15
Total Income	7118.70	6405.53
Total Expenses	6753.81	6160.17
Profit before Finance Costs, Depreciation, Amortization, exceptional items, Extraordinary Items & Tax Expenses	364.89	245.36
Less: Finance Cost	156.19	100.26
Less: Depreciation & Amortization Expenses	48.89	50.38
Profit before Extraordinary/Exceptional Items and Tax Expenses	159.81	94.72
Add: Exceptional Items	0	1348.67
Less: Adjustment for Previous Years	(0.62)	(4.91)
Profit Before Tax	159.19	1438.48
Current Tax Expense	26.00	45.88
Profit/(Loss) after Tax	133.19	1392.60
Profit/(Loss) brought forward from previous year	(111.80)	(1503.13)
Excess Depreciation Adjusted	0	(1.27)
Balance Carried Forward to the Balance Sheet	21.39	(111.80)

*(P.Y. Interest payable in earlier years ₹ 1323.90 Lakhs and Principal amt. ₹ 24.77 Lakhs written back as per Sanctioned Scheme vide Order of BIFR)

BIFR STATUS

The Company has been declared Sick Industrial Company in terms of the Act vide order dated 24th May, 2002 of BIFR, New Delhi. The draft rehabilitation scheme has been submitted to BIFR, which was sanctioned by BIFR for implementation by all concerned vide order dated 31st August, 2015 of BIFR, New Delhi.

During the year, the Company has implemented the 'Sanctioned Scheme' (SS) as follows:

Pursuant to Para 11.1 of the Scheme, promoters have infused fresh capital of ₹ 74.50 Lakhs by subscribing 7.45 Lakhs equity shares of the Company.

Pursuant to Para 11.2 of the Scheme, the Company paid ₹ 100 Lakhs and issued 5 Lakhs equity shares each of ₹ 10/- against part OTS (One Time Settlement) dues to the secured creditors during the year.

Pursuant to Para 11.4 (a) of the Scheme, the Company has converted existing 5,00,000 (Five Lakhs) Preference Shares into 5,00,000 (Five Lakhs) Equity Shares during the year.

The Company has filed petition for reduction in 50% paid up value of its 58,45,842 Equity Shares before the Hon'ble Gujarat High Court in May, 2016. The matter is sub-judice and final order in that respect is awaited from Hon'ble High Court of Gujarat.

This paid up value of shares include 5,00,000 (Five Lakhs) Equity Shares converted from preference shares but excludes 8,00,000 (Eight Lakhs) Equity Shares allotted to Standard Chartered Bank in the year 2009, to be reduced by 50% after complying with the requirements as per Companies Act/SEBI or other applicable Guidelines/Laws.

DIVIDEND

In view of the future expansion plans, BIFR Status and taking conservative view during the financial year 2015-16, your Directors have not recommended any dividend for the year under review. Board of Directors sincerely hope that members would appreciate and understand the situation for non-payment of Dividend.

TRANSFER TO RESERVES

The company has not proposed to transfer any amount to the reserves during the year under review.

OPERATING RESULTS AND PROFITS

Your company is on continued path of improvement. During the financial year, your Company has performed with 4032.85 M.T. production (Previous Year 3347.67 M.T.), registering a good performance with capacity utilization of 89.18 % (Previous Year 74.03 %).

The Company has recorded sales turnover of ₹ 7024.23 Lakhs (Previous Year ₹ 6387.53 Lakhs) and EBITDA amounted to ₹ 364.89 Lakhs (Previous Year ₹ 245.36 Lakhs) and Profit before Tax, exceptional Items and Extraordinary Items is ₹ 159.81

Lakhs for financial year under review (Previous Year ₹ 94.72 Lakhs) and the Profit after tax for the year under review accounted to ₹ 133.19 Lakhs (Previous Year ₹ 1392.60 Lakhs).

INFORMATION ON STATE OF THE COMPANY'S AFFAIRS

All the products and business information including performance and business environment thereof have been covered in detail in the Management Discussion and Analysis Report separately which is the part of this Board Report and enclosed as "Annexure – A".

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in 'Annexure-B' and is attached to this report.

Your Company understands and appreciates the responsibility and importance of conservation of energy and continues to put efforts in reducing or optimizing energy consumption for its operations.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY

The Company has not implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Act and Rules made there under governing Corporate Social Responsibility are not applicable for the financial year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not granted any loans or provided any guarantees or made any investments during the financial year under review and hence no disclosure with respect to purpose for which such loans, guarantees and investments made are required to be made pursuant to provisions of Section 186 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Company has referred an appeal before Honorable Appellate Authority for Industrial and Financial Restructuring (AAIFR) for reinstatement of relief from DGFT in the BIFR Sanctioned Scheme dated 31st August, 2015.

Honorable AAIFR has allowed the appeal filed by the company for reinstating relief from DGFT to grant extension of export obligation period in respect of advance license as per provisions of Para 4.1.9A of the Export Policy, for a period of 5 years from the cut-off date, vide its order dated 6th May, 2016.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, policies and procedures are adopted by the Company to ensure the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information.

The scope of Internal Audit is well defined in the organization. The Internal Audit report regularly placed before the Audit Committee of the Board. The Management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies in all departments of the organization. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthening the controls continuously. Significant audit observations, if any, and corrective actions suggested and taken are presented to the Audit Committee of the Board.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions / arrangements / transactions entered into with the Related Parties during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly/quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis and the Board of Directors for their approval on a yearly basis.

All the related party transactions were on arm-length basis and not material in nature and hence Form AOC-2 is not applicable to the Company for the financial year under review.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

All the comments, observations, remarks or qualifications in the Statutory Auditor's report and Secretarial Auditor's report are self explanatory and requires no further comments.

The Company has been declared Sick Industrial Company in terms of BIFR vide order dated 24th May, 2002. The Hon'ble Board sanctioned scheme of rehabilitation vide order dated 31st August, 2015. Presently, the Company enjoys protection of BIFR and trying to settle the dust. The Company and its management strives hard to get the things in order and committed to move to unqualified regime from qualified regime before the final order of Hon'ble Board is passed.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013, the extracts of Annual Return pursuant to the provisions of Section 92 (3) in prescribed form MGT-9 is furnished in "Annexure-C" and forms part of this report.

NUMBER OF MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the financial year under review 8 (Eight) Board Meetings and 4 (Four) Audit Committee Meetings were held. The maximum time duration between two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:-

- a. In the preparation of the annual accounts, the applicable accounting standards 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 at the end of the financial year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- 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.

SUBSIDIARY, ASSOCIATE, JOINT VENTURE COMPANY, ITS PERFORMANCE & FINANCIAL POSITION

The Company does not have any subsidiary company, associate company or Joint Venture Company as on report date. Hence AOC-1 is not applicable to the company.

DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

DIRECTORS

Mr. Naresh Mehta (DIN:- 02888018) Director of the company retires at this Annual General Meeting and being eligible offer himself for re-appointment.

However Mr. Kirit N. Mehta, Independent Director is appointed as new Chairman of the Board in place of Mr. Shailesh Mehta, Managing Director of the Company.

Further, Board for Industrial & Financial Reconstruction Special Director & Co-ordination Cell has appointed Shri D. K. Kapila as Special Director with effect from 20th October, 2015 until further order or for a period of five years from the date of appointment or till the date on which he attain the age of seventy years, whichever is earlier.

Apart from aforesaid there was no other change in composition of Board of Directors of the Company during the year.

None of the Directors is disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors has appointed Mr. Umesh A. Vyas as Company Secretary & Chief Finance Officer (CFO) with effect 10th October, 2015, pursuant to applicable provisions of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTOR(S)

All Independent Directors have submitted their declarations to the Board that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the applicable provisions of the Companies Act, 2013.

There is no appointment of Independent Director on the Board or no re-appointment of Independent Director/(s) during the year under review.

BOARD EVALUATION

Pursuant to Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and Independent Directors. Schedule IV, of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

A separate meeting of Independent Directors was also held on 30th January, 2016 to review the Non-Independent Directors' performance on the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors. The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc.

The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

PARTICULARS REGARDING EMPLOYEES REMUNERATION

A statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure-D."

AUDITORS

A. Statutory Auditors

M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 120116W) was appointed as statutory auditors of the Company till the conclusion of the 28th Annual General Meeting to be held in the calendar year 2017. In terms of Section 139(1) of the Act 2013, their continuance appointment and payment of remuneration are to be ratified at the ensuing annual general meeting.

The Company has received certificate from the above auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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, Company Secretary in practice to undertake the Secretarial Audit of the Company for the year under review.

The Report of the Secretarial Audit for financial year 2015-2016 is annexed herewith as "Annexure-E".

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

RISK MANAGEMENT

The Company has a risk management policy which is reviewed by the Audit Committee of the Directors as well as by the Board of Directors from time to time. The policy is designed to eliminate various risks by setting various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. As part of the risk management policy, the relevant parameters for manufacturing sites are analyzed to minimize risk associate with protection of environment, safety of operations and health of people at work and monitor regularly with reference to statutory regulations and guidelines defined by the company. The company fulfills its legal requirement concerning ambition, waste water and waste disposal.

Your company is not required to constitute a Risk Management Committee (RMC). However, the Company has in April 2014 constituted a Risk Management Committee (RMC) which has been entrusted with responsibility to assist the Board in (a) Overseeing the Company's risk management process and controls, risk tolerance and capital liquidity and funding (b) Setting strategic plans and objectives for risk management and review of risk assessment of the Company (c) Review the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks. The company has documented all the risks along with risk mitigation measures which shall be reviewed by Risk Management Committee.

VIGIL MECHANISM

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing Regulations.

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Company has provided adequate safeguards against victimization of employees and director who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting

issues concerning the interests of co-employees or senior staff or management. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

SHARES

A. Share Capital

During the year under review the total Authorized Share Capital is ₹ 8,50,00,000/- (Eight Crores and Fifty Lakhs Only), it is proposed to increase to ₹ 13,50,00,000/- (Thirteen Crores and Fifty Lakhs Only).

During the year under review, the Company has issued 7,45,000 (Seven Lakhs Forty Five Thousand) Equity Shares, each of ₹ 10/- to Promoters and Promoter Group, 5,00,000 (Five Lakhs) Equity Shares, each of ₹ 10/- to Secured Creditor against part OTS (One Time Settlement) dues and converted 5,00,000 (Five Lakhs) Preference Shares each of ₹ 10/- into 5,00,000 (Five Lakhs) Equity Shares each of ₹ 10/-, pursuant to BIFR Sanctioned Scheme dated 31st August, 2015.

B. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

C. Sweat Equity

The Company has not issued any Sweat Equity during the year under review.

D. Bonus Shares

The Company has not issued any Bonus Shares during the year under review.

E. Employee Stock Option Plan

The Company has not provided any Employee Stock Option Plan during the year under review.

INSURANCE

All the properties and assets of the Company are adequately insured.

CODE OF CONDUCT

The Company has adopted a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

INSIDER TRADING POLICY

As required under the new Insider Trading Policy Regulations of SEBI, your Directors have framed new Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider.

The Company has disclosed information about establishment of the Insider Trading Policy on its website under investors' section viz. www.geotexelin.com

NOMINATION AND REMUNERATION POLICY

The Board on recommendation of Nomination and Remuneration Committee has adopted a Policy for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management to provide a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy as provided herewith pursuant to provisions of Section 178(4) of the Companies Act, 2013 and Regulation 19 of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Policy is attached as "**Annexure - F**". The policy is also available on investors' section of the company' website www.geotexelin.com

CORPORATE GOVERNANCE

As per regulation 15(2)(a) of SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015, the company is exempted from complying with the requirements of Corporate Governance and therefore the management has decided to voluntarily comply with the requirement without mandatory disclosure as required to be given under the regulations, to the extent possible.

SAFETY, HEALTH AND ENVIRONMENT

A. Safety

The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place. Your Company is making continuous efforts to increase Safety awareness with regular and contractual employees and workers both.

B. Health

Your Company attaches utmost importance to the health of its employees. Health related issues, if any, are discussed with consulting Medical Officer to provide timely medical assistance to the employees/workers in case of emergencies.

C. Environment

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 guidelines is of high concern to the Company.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During the financial year 2015-2016, the Company has received **NIL** complaints on sexual harassment.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year 2015-16.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segment of capital market to ensure better enforceability. The said resolutions were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited during March 2016.

REVOCATION OF SUSPENSION ON TRADING OF COMPANY'S EQUITY SHARES

The Company has applied to BSE Ltd. for revocation of suspension of trading of Company's equity Shares on BSE main trading platform. It is under consideration with BSE Ltd. The Company expects to receive in principal approval from BSE Ltd. shortly.

APPOINTMENT OF NEW REGISTRAR AND TRANSFER AGENT

The Company has appointed M/s. Link Intime India Pvt. Ltd. as a Registrar and Share Transfer Agent (RTA) in place of M/s. Sharepro Services (India) Pvt. Ltd. with effect from 15th June, 2016. Address for communication along with name of contact person at M/s. Link Intime India Pvt. Ltd. is available on the website of the Company.

Further, your company has entered into tri-party agreement with Central Depository Services India Ltd. (CDSL) and Link Intime India Pvt. Ltd., for dematerialization of equity shares of the Company.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance.

Your Directors place on record their sincere thanks to the bankers, business associates, customers, consultants, dealers, suppliers, and various Government authorities for the continuous support extended to your Company's activities during the year under review. Your directors also acknowledge gratefully the shareholders for their continued support and confidence reposed in your Company and in its management.

For and on behalf of the Board of Directors

Date:- 6th August, 2016

Place:- New Delhi

Kirit N. Mehta

Chairman

DIN: 00444837

ANNEXURE-A
MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Your company is in business of manufacturing Tarpaulin and Geomembrane. The plant is equipped with up to date manufacturing equipment and supported by R&D Center and quality assurance department which are equipped with advanced equipment and analytical instruments. The site also has a dedicated pilot plant to conduct trials. The Company has an excellent team of experienced and qualified professional to manage day to day operations efficiently. For more details please visit our website www.geotexelin.com.

A. Performance

Total revenue (net of excise and taxes) for the year 2015-16 amounted to ₹ 7024.23 Lakhs compared to ₹ 6387.53 Lakhs of the previous year 2014-15. The operating Profit/(Loss) before tax amounted to ₹ 159.19 Lakhs as compared to ₹ 1438.48 Lakhs in the year 2014-15.

B. Segment-wise performance

As such company is working in only one segment – Tarpaulin and Geomembrane, hence there is no specific differential information pertaining to this section.

C. Industry Structure and Developments

During financial year 2015-2016, your company has performed with 4032.85 M.T. Production (Previous Year 3347.67 M.T.), registering a good performance with capacity utilization of 89.18 % (Previous Year 74.03 %) of the total plant capacity.

Your company produces Tarpaulin and Geomembrane at Block No.2106, Santej-Khatraj Road, Nr. Shah Alloy, Village: Santej, Tal.: Kalol, Dist.: Gandhinagar-382721, Gujarat. The Company for now caters only domestic markets in its product segment. The company intends to cover more states and cities in the current year to increase this business further.

D. Opportunity and Threats, Risks and Concerns

Today, the business industry for Tarpaulin and Geomembrane is experiencing increasingly growing and the increased usage of the same in various segment of economy, the demand of the same is anticipated to increase.

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.

Though the competition from importers and unorganized market has been increasing day by day and increase in raw material price due to depreciation in Indian Rupee is having negative impact on the working of the company but there are good opportunities forecasted for catering huge and emerging domestic demand.

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

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

E. Outlook

For the year 2016 the Company's focus will continue on sustaining and maintaining the market share in present industry segment where company enjoys a considerable position. This will be achieved by forging stronger relationship with existing customers and by negotiating and entering in to beneficial contracts with the suppliers of raw materials and strengthening ties with new customer base. Export marketing efforts will also be targeted in the upcoming year targeting a wider range of customers.

Presently, there is considerable growth in demand of Tarpaulin and Geomembrane and hence there is a balanced demand-supply and your management is targeting on achieving the market leadership in the segment in the year 2016-17.

Your company is well aware of the challenging scenario lying ahead in goal of becoming market leader and hence the management is taking necessary steps by planning activities properly at all stages. Sales and marketing efforts are being intensified.

F. Internal Control System and Their Adequacy

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations to ensure orderly and efficient conduct of business while safeguarding their assets, quality, safety. On the financial side, periodic audits by Internal Auditors and External Auditors provide a means whereby weaknesses are exposed and rectified.

The Company has an independent internal audit system, covering on a continuous basis, the business operations. The internal audit functions include evaluation of all financial & major operating system controls. The internal audit findings and recommendations are reviewed by the Audit Committee and are then reported to the Board.

G. Material Developments in Human Resources and Industrial Relations front

The Company routinely undertakes employee development activities keeping in mind the professional requirements of the employees as well as the growth of the company. We started a systematic performance appraisal system and competitive incentive plans were laid down.

Your Company has valued both experience and fresh talent, and takes pride in the commitment, competence and dedication shown by its employees in all areas of business and is conscious of the importance of environmentally clean and safe operations. Upgradation of technical skills training is periodically given to employees. During the year under review, there were no strikes or lockouts, the industrial relations were cordial throughout the year.

H. Disclaimer Clause

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and reasonable expectation of future events and involve risks and uncertainties. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/ supply, price conditions in the domestic and overseas market in which the Company operates, changes in the Government regulations and tax structure, economic developments within India and outside and other factors such as litigation and industrial relations. The company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Conclusion

Though the company cannot assess its success on short term profits and financial performance is the main factor to overall success, we with entire system are keen in improving our performance of every individual employee just as much as we are doing for improving our product.

ANNEXURE-B

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the year ended on 31st March, 2016

A. CONSERVATION OF ENERGY

- a) **Energy Conservation and Measures taken:** The Company is making continuous efforts for the conservation of energy through improved operational methods and better technology utilization.
- b) **Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:** The Company has reduced the contract demand from 600 KVA to 550 KVA to enhance the benefit of tariff.
- c) **Impact of Measures at (a) and (b):** The Unit rate is reduced by ₹ 0.80 per Unit.
- d) **Total Energy Consumption and consumption per unit of production:**

Disclosure of particulars with respect to Conservation of Energy: 2015-16

Particulars	2015-2016	2014-2015
1. Power and Fuel Consumption		
Electricity		
a. Purchase		
(Quantity) Units	33,42,768	30,56,416
Total Amount (in ₹)	2,45,55,714	2,17,16,920
Average Rate (in ₹)	7.35	7.11
b. Own Generation		
Unit (KHz)	33.29	759
Unit /Liters of Diesel Oil	9.79	3.05
Cost/Unit	15.02	20.14
2. Consumption/ Tonne of Productions		
Production of Tarpaulin & Geomembrane (MT)	4032.86	3347.67
Electricity (Unit)	33,42,768	30,56,416
Coal (Tonnes)	-	-
FO/LDO (Tonnes)	-	-

B. TECHNOLOGY ABSORPTION / DEVELOPMENT

- (a) Specific Areas of significance in which R&D work was carried out by the Company:-**No R&D was done during the year under review.**
- (b) Benefits derived from R&D:- **Not Applicable**
- (c) Technology absorption, adoption and innovation:-**Human Machine interface (HMI) and Programmable Logic Control(PLC)Systems are installed in the plant during the year under review.**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to export initiatives taken to increase exports, developments of new export markets for products and services and export plans: The Company has taken initiatives for ploughing export market for its product through overseas market search, promotion of product in the foreign market etc. ongoing basis.

(₹ In Lakhs)

Sr. No.	Particulars	2015-2016	2014-2015
1.	Total Foreign Exchange Used / Outgo	17.32	28.24
2.	Total Foreign Exchange Earned / Earnings	32.81	32.68

ANNEXURE-C

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Details	Particulars
1.	CIN	L29100GJ1989PLC012576
2.	Registration Date	02-08-1989
3.	Name of the Company	Texel Industries Limited
4.	Category / Sub-Category of the Company	Public Company / Limited by Shares
5.	Address of the Registered Office and Contact Details	Block No.2106, Santej Khatraj Road, Nr. Shah Alloys, Village:Santej, Tal.: Kalol, Dist.: Gandhinagar-382721,Gujarat. Tel. (02764) 286334, 08980026110, 08980026220 Email: invrelations@geotexelin.com Website: www.geotexelin.com
6.	Whether Listed Company	Yes, the securities are listed on BSE and Ahmedabad

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 Product/Service	NIC Code of the Product/Service	% to total turnover of the company
1	Manufacture of Tarpaulin and Geomembrane	13925	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

Not Applicable

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associates	% of Share Held	Applicable Section
	-	-	-	-	-

IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding Pattern

Category code	Category of Shareholder	No. of Shares held at the beginning of the year, i.e. 01.04.2015				No. of Shares held at the end of the year, i.e. 31.03.2016				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	0	10,08,045	10,08,045	16.40	0	17,53,045	17,53,045	22.22	5.82
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0	0	0
	Sub Total(A)(1)	0	10,08,045	10,08,045	16.40	0	17,53,045	17,53,045	22.22	5.82
2	Foreign									
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	5,69,463	5,69,463	9.27	0	569,463	5,69,463	7.22	-2.05
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0

(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Banks / Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0	0	0
	Sub Total(A)(2)	0	5,69,463	5,69,463	9.27	0	5,69,463	5,69,463	7.22	-2.05
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	15,77,508	15,77,508	25.67	0	23,22,508	23,22,508	29.44	3.77
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	10,00,000	10,00,000	16.27	0	2,00,000	2,00,000	2.53	-13.74
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	5,00,000	5,00,000	6.34	6.34
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Institutional Investor	0	0	0	0	0	0	0	0	0
(i)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	10,00,000	10,00,000	16.27	0	7,00,000	7,00,000	8.87	-7.40
2	Non-institutions									
(a)	Bodies Corporate	0	3,78,390	3,78,390	6.16	0	8,78,390	8,78,390	11.13	4.97
(b)	Individuals									
i	Individual shareholders holding nominal share capital up to Rs 1 lakh	0	18,40,281	18,40,281	29.94	0	18,40,281	18,40,281	23.32	-6.62
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	13,49,663	13,49,663	21.96	0	21,49,663	21,49,663	27.24	5.28
(c)	Any Other (specify)	0	0	0	0	0	0	0	0	0
(c)(i)	Non Resident Repatriates	0	0	0	0	0	0	0	0	0
(c)(i)	Non Resident Non Repatriates	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	0	35,68,334	35,68,334	58.06	0	48,68,334	48,68,334	61.69	3.63
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	45,68,334	45,68,334	74.33	0	55,68,334	55,68,334	70.56	-3.77
	TOTAL (A)+(B)	0	61,45,842	61,45,842	100	0	78,90,842	78,90,842	100	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0	0	0
	Sub-Total (C)	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	61,45,842	61,45,842	100	0	78,90,842	78,90,842	100	0

iii. Share Holding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016		
		Number of shares	% of total Shares of the Company	%of Shares Pledged/encumbered of total shares	Number of shares	% of total Shares of the Company	%of Shares Pledged/encumbered of total shares
1	Bhupendra Ramniklal Mehta	2,13,383	3.47	100.00	2,13,383	2.70	100.00
2	Naresh Ramniklal Mehta	1,99,603	3.25	100.00	1,99,603	2.53	100.00
3	Shailesh Ramniklal Mehta	1,49,451	2.43	99.87	149,451	1.89	99.87
4	Ms. Avani Shailesh Mehta	1,50,632	2.45	56.62	895632	11.35	9.52
5	Muktaben Ramniklal Mehta	1,30,552	2.13	65.10	130552	1.65	65.10
6	Sujata Naresh Mehta	38,300	0.62	100.00	38,300	0.49	100.00
7	Ramniklal Vrajlal Mehta	56,143	0.91	57.96	56143	0.71	57.96
8	Sonal Bhupendra Mehta	18,920	0.26	85.20	18920	0.24	85.20
9	Harsha Shah	20,320	0.33	-	20320	0.26	0
10	Shailesh Dwarkesh Shah	5,562	0.09	-	5,562	0.07	0
11	Riddhi Bhupendra Mehta	4,200	0.07	-	4,200	0.05	0
12	Rishita Bhupendra Mehta	4,200	0.07	-	4,200	0.05	0
13	Dilipbhai Bhikhabhai Bhakta	3,400	0.06	-	3,400	0.04	0
14	Krishnakant Vakharia	4,720	0.08	-	4720	0.06	0
15	Leela Vakharia	3,400	0.06	-	3400	0.04	0
16	Sunil Shah	1,100	0.02	-	1,100	0.01	0
17	Avishi Mehta	3,759	0.06	-	3759	0.05	0
18	Aman Mehta	400	0.01	-	400	0.01	0
19	Rajendra Bhakta	4,65,296	7.57	100.00	465,296	5.89	100.00
20	Mahendra Bhakta	1,04,167	1.69	62.93	104,167	1.32	62.93
	TOTAL	1,577,508	25.67	21.97	23,22,508	29.43	58.14

iv. Change in Promoter's Share Holding (Please Specify, if there is no change)

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding end of the year 31.03.2016	
		Number of shares	% of total Shares of the Company	Number of shares	% of total Shares of the Company
1	Mrs. Avani Mehta				
1	At the beginning of the year	1,50,632	2.45	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /Transfer / bonus/ sweat equity etc.) Reason:- Issue of further shares to promoters/members of promoters group pursuant to BIFR Order of Sanctioned Scheme dated 31.08.2015, for rehabilitation of the Company			7,45,000	9.44
3	At the end of the year	1,50,632	2.45	8,95,632	11.35

v. Share Holding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of DGRs and ADRs)

Sr. No.	Name of the shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding end of the year 31.03.2016	
				Number of shares	% of total Shares of the Company	Number of shares	% of total Shares of the Company
1	Standard Chartered Bank	30/03/2016	Transfer	800000	13.02	-	-
2	Sky Point Technical Textile Pvt. Ltd.	30/03/2016	Allotment	-	-	500000	6.34
3	Mihir Bhandari	30/03/2016	Transfer	-	-	300000	3.80
4	Ulhas Paymaster	30/03/2016	Transfer	-	-	300000	3.80
5	The New India Assurance Co. Ltd.	30/11/2015	Allotment	-	-	250000	3.17
6	National Insurance Co. Ltd.	30/11/2015	Allotment	-	-	250000	3.17
7	Naresh Madhukar Shah	30/03/2016	Transfer	-	-	200000	2.53
8	Union Bank of India	-	-	200000	3.25	200000	2.53
9	Mukesh Chimanlal Patani	-	-	107700	1.75	107700	1.36
10	Khushrooh Pheroze Byramjee	-	-	90000	1.46	90000	1.14
11	D.D. Shah Fragrances Pvt. Ltd.	-	-	83350	1.36	83350	1.06

vi. Share Holding of Directors and Key Managerial Personnel

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year 01.04.2015		Date	Reason	Increase/Decrease in the Shareholding		Cumulative Shareholding end of the year 31.03.2016.	
		Number of shares	% of total Shares of the Company			Number of shares	% of total Shares of the Company	Number of shares	% of total Shares of the Company
(a)	Directors								
1	Mr. Kirit N. Mehta	10200	0.17	-	-	0	0	10200	0.13
2	Mr. Naresh R. Mehta	199603	3.25	-	-	0	0	199603	2.53
(b)	Key Managerial personnel (KMP)								
1.	Mr. Shailesh R. Mehta, Managing Director	149451	2.43	-	-	0	0	149451	1.89

V) INDEBTEDNESS

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

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1.	Indebtedness at the beginning of the Financial Year				
i)	Principal Amount	3,88,26,523	33,36,140	95,00,000	5,16,62,663
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	3,88,26,523	33,36,140	95,00,000	5,16,62,663
2.	Changes in indebtedness during the year				
	Additions (+)				
	Reductions (-)	(81,00,861)	(24,22,0902)	(36,50,333)	(1,41,74,096)
	Net Change	(81,00,861)	(24,22,0902)	(36,50,333)	(1,41,74,096)
3.	Indebtedness at the end of the Financial Year				
i)	Principal Amount	3,07,25,662	9,13,238	56,66,667	3,73,05,567
ii)	Interest due but not paid	0	0	1,83,000	1,83,000
iii)	Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	3,07,25,662	9,13,238	58,49,667	3,74,88,567

VI) REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
		Mr. Shailesh Mehta	
1.	Gross Salary	-	-
a.	Salary as per provisions contained in section 17(1) of the Income tax Act,1961	24,00,000	24,00,000
b.	Value of perquisites under section 17(2) of the Income tax Act,1961	91,336	91,336
c.	Profit in lieu of Salary under section 17(3) of the Income Tax Act,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission-as % of profit or if any others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	24,91,336	24,91,336

The above remuneration is as per Income-tax Act, 1961.

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Kirit Mehta	Mr. D.K. Kapila BIFR Nominee Director	Dr. Christy Fernandez	Ms. Jasmin Nahidakhtar	
1.	Independent Director					
a.	Fees for attending board / committee meetings	50,000	20,000	40,000	30,000	1,40,000
b.	Commission	-	-	-	-	-
c.	Other, please specify	-	-	-	-	-
	Total B(1)	50,000	20,000	40,000	30,000	1,40,000
		Mr. Naresh Mehta				
2.	Other Non-Executive Director	-	-	-	-	-
a.	Fees for attending board / committee meetings	-	-	-	-	-
b.	Commission	-	-	-	-	-
c.	Other, please specify	-	-	-	-	-
	Total B(2)	-	-	-	-	-
	Total Remuneration B=B(1)+B(2)	50,000	20,000	40,000	30,000	1,40,000

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (Rs.)
		Mr. Umesh Vyas	
1.	Gross Salary	-	-
a.	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	5,96,698	5,96,698
b.	Value of perquisites under section 17(2) of the Income tax Act, 1961	-	-
c.	Profit in lieu of Salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission-as % of profit or if any others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	5,96,698	5,96,698

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	NIL	NIL	NIL	NIL	NIL
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS	NIL	NIL	NIL	NIL	NIL
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT	NIL	NIL	NIL	NIL	NIL
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Date:- 6th August, 2016
Place:- New Delhi

Kirit N. Mehta
Chairman
DIN: 00444837

**ANNEXURE - D
PARTICULARS REGARDING EMPLOYEES REMUNERATION**

As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name and Designation of Director/KMP	Remuneration for F.Y.2015-16 Rs.	% Increase in remuneration during the year	Ratio to Median Remuneration	Comparison of the Remuneration of the KMP against the performance of the company
1.	Mr. Shailesh R. Mehta- Managing Director	24,91,336	NIL	10.71	-
2	Mr. Umesh A. Vyas- Company Secretary & CFO	5,96,698	NIL	2.57	-

**ANNEXURE-E
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[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
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: - L2910GJ1989PLC012576) (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, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2016 according to the provisions of:

- I. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
- II. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the reporting period under review)
- 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);
 - c. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable during the reporting period under review)
 - d. During the Audit Period, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable;
 - e. During the Audit Period, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;
 - 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. During the Audit period, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable;
 - h. During the Audit Period, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable.
- (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 their of the Company has generally Comply with the provision of Following Laws:
Local taxes as applicable in the state of Gujarat
- I. I have also examined compliance with the applicable clauses of the following:
 - a) Secretarial Standards issued by the Institute of Company Secretaries of India.
 - b) The Listing Agreements entered into by the Company with BSE Limited and ASE Limited, for the period up to 30th November 2015;
 - c) The Listing Agreements entered into by the Company with BSE Limited and ASE Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period commencing 1st December 2015 to 31st March 2016;

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, Non-Executive Directors and Independent Directors. However the Company has appointed the Company Secretary and Chief Financial Officer w.e.f 10th October, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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 auditor and other designated professionals.

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.

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 not transferred ` 16,113 to Investor Education and Protection fund.
- 2) Company has taken loan of ` 2,00,000 from Muktaben Mehta who is not Director of the Company.
- 3) Company has suspended from Bombay Stock Exchange Ltd during the Audit period.
- 4) Company has not paid listing fees to Ahmedabad Stock Exchange.

Place: Ahmedabad
Date: 6th August 2016

For, G R Shah & Associates
Company Secretaries

Gaurang Shah
Proprietor
C.P No: 14446

ANNEXURE TO SECRETARIAL REPORT

To,
The Members
TEXEL INDUSTRIES LIMITED
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

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

Wherever required, we 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

**ANNEXURE-F
POLICIES**

**Pursuant to provisions of Section 134(e) of the Companies Act, 2013
Criteria for Determining Qualifications, Positive Attributes and Independence of a Director**

1. Definition of Independence

A director will be considered as an “independent director” if the person meets with the criteria for ‘independent director’ as laid down in the Act and Clause 49 (as may be applicable).

The definition of Independence as provided in the Act and Clause 49 is as follows:

“An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty Lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company; (additional provision as per Clause 49);
- f) who is not less than 21 years of age (additional provision as per Clause 49)”

Current and ex-employees of the company may be considered as independent only if he / she has or had no pecuniary relationship with the Company (due to employment / holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.

It is expected that boards have an appropriate blend of functional and industry expertise.

While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee (“NRC”) consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.

Independent Directors (“ID”) ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) “Act in accordance with the articles of the company.
- 2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.

- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts s, or possibly may conflicts, with the interest of the company.
- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office.”

Additionally, the Directors on the Board of the Company are also expected to high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

“An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.”

Remuneration policy for Directors, Key Managerial Personnel and other employees

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of TEXEL INDUSTRIES LIMITED (“the company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“Listing Agreement”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

Key principles governing this remuneration policy are as follows:

Remuneration for independent directors and non-independent non- executive directors

Independent directors (“ID”) and non-independent nonexecutive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay the remuneration.

Overall remuneration practices should be consistent with recognized best practices.

Quantum of sitting fees may be subject to review on a periodic basis, as required.

The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meeting.

In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for managing director (“MD”)/ executive directors (“ED”)/ KMP/ rest of the employees.

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent), Driven by the role played by the individual, Reflective of size of the company, complexity of the sector / industry / company’s operations and the company’s capacity to pay, Consistent with recognized best practices and Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD / EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic / fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits)

The company provides retirement benefits as applicable.

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

CEO/CFO CERTIFICATION

The Board of Directors,
Texel Industries Limited.

We certify that:

- a. We have reviewed the financial statements and the Cash Flow Statements of Texel Industries Limited for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading; and
 - 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 transaction entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify the deficiencies.
- d. We have indicated to the auditors and the Audit Committee that:
 - a. there have been no significant changes in internal control during this year.
 - b. there have been no significant changes in accounting polices during the year.
 - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or employee having significant role in the Company's internal control systems.

Place: New Delhi
Date :6th August, 2016

Shailesh R. Mehta
Managing Director

Umesh Vyas
CFO & Company Secretary

Independent Auditor's Report

To the Members of Texel Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Texel Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, 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 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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position -
The company has filed Special Civil Application on 18/05/2016, before Honorable 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.
 - 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 has not entered any long term contracts including derivative contracts and therefore, it is not required to provide for any losses.
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

The Company has not transferred ₹ 16112.36 For Accounting 1994-95 to the Investor Education and Protection Fund.

For A.L.Thakkar & Co.,
Chartered Accountants
Firm Registration Number : 120116W

Aseem Thakkar
Partner
Membership number: 041313

Place : Ahmedabad
Date : 06.08.2016

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, 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. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('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.
- (vi) The Company has maintained cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and rules made thereunder.
- (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 31 March 2016 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 duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (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) 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 given 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 Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
According to the information and explanations given to us and based on our examination of the records of the Company, the Company has issued 7,45,000 Equity Shares each of ₹ 10/- to promoters/member of promoter group, pursuant to Para 11.1 read with Para 17 of BIFR Sanctioned Scheme dated 31.08.2015.
- (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 A.L.Thakkar & Co.,
Chartered Accountants
Firm Registration Number : 120116W

Aseem Thakkar
Partner
Membership number: 041313

Place : Ahmedabad
Date : 06.08.2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Texel Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 A.L.Thakkar & Co.,
Chartered Accountants
Firm Registration Number : 120116W

Aseem Thakkar
Partner
Membership number: 041313

Place : Ahmedabad
Date : 06.08.2016

BALANCE SHEET AS ON 31ST MARCH 2016

(Amount ₹)

Particulars	Note No.	As At 31-3-2016 (Amount ₹)	As At 31-3-2015 (Amount ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	7,89,08,420	6,64,58,420
Reserves and Surplus	2.2	2,99,72,428	1,66,53,018
		<u>10,88,80,848</u>	<u>8,31,11,438</u>
Non-current liabilities			
Long-Term Borrowings	2.3	3,74,88,567	5,16,62,663
Other Long Term Liabilities	2.4	10,25,786	17,74,007
Long-Term Provisions	2.5	25,48,462	-
		<u>4,10,62,815</u>	<u>5,34,36,670</u>
Current liabilities			
Trade Payables	2.6	13,64,20,937	13,51,07,558
Other Current Liabilities	2.7	2,83,26,804	1,54,50,724
Short-Term Provisions	2.8	7,29,436	39,37,528
		<u>16,54,77,177</u>	<u>15,44,95,810</u>
TOTAL		<u>31,54,20,840</u>	<u>29,10,43,918</u>
ASSETS			
Non-Current Assets			
Fixed Assets	2.9		
Tangible Assets		5,31,87,563	5,07,62,696
Intangible Assets		21,000	21,000
Capital Work-in-Progress		-	-
		<u>5,32,08,563</u>	<u>5,07,83,696</u>
Long-Term Loans and Advances	2.10	2,74,60,794	3,41,52,327
		<u>8,06,69,357</u>	<u>8,49,36,023</u>
Current Assets			
Inventories	2.11	7,95,50,943	8,59,55,899
Trade Receivables	2.12	12,17,68,142	10,11,74,709
Cash and Bank Balances	2.13	1,29,22,357	77,10,723
Short-Term Loans and Advances	2.14	1,98,91,412	1,12,66,564
Other Current Assets	2.15	6,18,629	-
		<u>23,47,51,483</u>	<u>20,61,07,895</u>
TOTAL		<u>31,54,20,840</u>	<u>29,10,43,918</u>

Significant Accounting Policies
Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached
For A.L. Thakkar & Co.
Chartered Accountants

For and on behalf of the Board of Director of Texel Industries Limited

Aseem L. Thakkar
Partner
Membership No. 41313

Shailesh R. Mehta
Managing Director

Kirit N. Mehta
Director

Umesh Vyas
CFO & Company Secretary

Place : Ahmedabad
Dated : 6th August 2016

Place : New Delhi
Dated : 6th August 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount ₹)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue			
Sale of Products and Services (Gross)	3.1	78,46,37,929	71,33,53,905
Other Operating Revenues	3.2	52,22,272	88,79,723
		<u>78,98,60,201</u>	<u>72,22,33,628</u>
Less: Excise Duty		8,74,37,041	8,34,80,235
Revenue from Operations (Net)		<u>70,24,23,160</u>	<u>63,87,53,393</u>
Other Income	3.3	94,47,485	17,99,703
Total Revenue (I)		<u>71,18,70,645</u>	<u>64,05,53,096</u>
Expenses			
Cost of Materials Consumed	3.4	43,21,51,093	41,11,51,897
Purchases of Stock-In-Trade	3.5	9,46,44,867	12,09,92,929
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.6	77,35,055	(19,21,251)
Employees Benefits Expense	3.7	2,99,48,960	1,68,71,878
Other Expenses	3.8		
Manufacturing Expenses		7,58,72,079	5,28,07,458
Freight and Handling Expenses		87,77,150	16,10,303
Other Expenses		2,62,51,678	1,45,03,832
		<u>67,53,80,882</u>	<u>61,60,17,046</u>
Total Expenses (II)		<u>67,53,80,882</u>	<u>61,60,17,046</u>
Profit Before Interest, Depreciation/Amortisation and Tax (PBITD) (I) - (II)		<u>3,64,89,763</u>	<u>2,45,36,050</u>
Finance Costs	3.9	1,56,19,433	1,00,26,429
Depreciation and Amortisation		48,89,490	50,38,062
Profit Before Exceptional items and Tax		<u>1,59,80,840</u>	<u>94,71,559</u>
Exceptional items		-	13,48,67,571
Profit Before Tax		<u>1,59,80,840</u>	<u>14,43,39,130</u>
Extraordinary Items - Prior Period Expenditure		61,646	4,91,393
Profit/(Loss) before Tax from Continuing Operations		<u>1,59,19,194</u>	<u>14,38,47,737</u>
Tax Expense			
Current Tax		59,00,000	45,87,989
MAT Credit		(33,00,216)	
Deferred Tax		-	-
Total Tax Expense		<u>25,99,784</u>	<u>45,87,989</u>
Profit For The Year		<u>1,33,19,410</u>	<u>13,92,59,748</u>
Earnings Per Equity Share (Face Value ₹ 10 each)			
Basic (₹)	3.10	1.69	22.66
Diluted (₹)		1.69	22.66

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For A.L. Thakkar & Co.
Chartered Accountants

For and on behalf of the Board of Director of Texel Industries Limited

Aseem L. Thakkar
Partner
Membership No. 41313

Shailesh R. Mehta
Managing Director

Kirit N. Mehta
Director

Umesh Vyas
CFO & Company Secretary

Place : Ahmedabad
Dated : 6th August 2016

Place : New Delhi
Dated : 6th August 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016 (Amount ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from operating activities		
Net Profit/(Loss) before extraordinary items and tax	1,59,80,840	94,71,559
<i>Adjustments for:</i>		
Depreciation and amortisation	48,89,490	50,38,062
(Profit) / loss on sale / write off of assets	5,81,020	-
Finance costs	1,56,19,433	1,10,02,518
Interest income	(94,47,485)	(17,99,703)
Other non-cash charges-Income of earlier year	-	-
	1,16,42,458	1,42,40,877
Operating profit / (loss) before working capital changes	2,76,23,298	2,37,12,436
<i>Changes in working capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	(64,04,956)	1,97,29,271
Trade receivables	2,05,93,433	(74,13,689)
Short-term loans and advances *	86,24,848	17,18,519
Long-term loans and advances	(66,91,533)	(8,26,517)
Other current assets	6,18,629	-
Other non-current assets	-	-
	1,67,40,421	1,32,07,584
	1,08,82,877	1,05,04,852
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	13,13,379	91,85,221
Other current liabilities	1,28,76,080	12,68,011
Other long-term liabilities	(7,48,221)	12,09,060
Short-term provisions	(32,08,092)	40,30,863
Long-term provisions	25,48,462	-
	1,27,81,608	(13,23,90,258)
	2,36,64,485	(10,61,92,251)
Cash flow from extraordinary items	-	-
Cash generated from operations	2,36,64,485	(10,61,92,251)
Net income tax (paid) / refunds	25,99,784	45,87,989
Net cash flow from / (used in) operating activities (A)	2,10,64,701	(11,07,80,240)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(85,14,006)	(89,02,731)
Inter-corporate deposits (net)	-	-
Assets held for disposal	6,18,629	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	-	-
Interest received		
- Others	94,47,485	17,99,703
	15,52,108	(71,03,028)
Cash flow from extraordinary items	-	13,48,67,571
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	15,52,108	12,77,64,543

Particulars	(Amount ₹)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. Cash flow from financing activities		
Proceeds From Equity	1,24,50,000	
Proceeds from long-term borrowings	(1,41,74,096)	(71,80,830)
Repayment of long-term borrowings	-	-
Net increase / (decrease) in working capital borrowings	-	-
Proceeds from other short-term borrowings	-	-
Repayment of other short-term borrowings	-	-
Finance cost	(1,56,19,433)	(1,10,02,518)
Cash flow from extraordinary items-prior yr exps	(61,646)	(4,91,393)
	(1,74,05,175)	(1,86,74,741)
Net cash flow from / (used in) financing activities (C)	(1,74,05,175)	(1,86,74,741)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	52,11,634	(16,90,438)
Cash and cash equivalents at the beginning of the year	77,10,723	94,01,161
Effect of exchange differences on restatement of foreign currency	-	-
Cash and cash equivalents at the end of the year	1,29,22,357	77,10,723
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 2.13)	1,29,22,357	77,10,723
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)	-	-
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)	1,29,22,357	77,10,723
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)		
Cash and cash equivalents at the end of the year	1,29,22,357	77,10,723
Comprises:		
(a) Cash on hand	12,70,559	28,55,043
(b) Cheques, drafts on hand	2,99,219	-
(c) Balances with banks		
(i) In current accounts	73,28,926	14,16,506
(iii) In deposit accounts with original maturity of more than 12 months	40,23,653	34,39,174
(d) Others	-	-
	1,29,22,357	77,10,723

Notes:

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For A.L. Thakkar & Co.
Chartered Accountants

For and on behalf of the Board of Director of Texel Industries Limited

Aseem L. Thakkar
Partner
Membership No. 41313

Shailesh R. Mehta
Managing Director

Kirit N. Mehta
Director

Umesh Vyas
CFO & Company Secretary

Place : Ahmedabad
Dated : 6th August 2016

Place : New Delhi
Dated : 6th August 2016

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

NOTE NO.1

COMPANY BACKGROUND

Company is a public Company, incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing of P.E. Protection Cover and Geomembrane.

NOTE NO. 2

SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of Preparation of Financial Statements:

The financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on an accrual basis Pursuant to section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

2) Revenue Recognition:

- a) Sales are recognized at the time of transfer of ownership and significant risk of goods to the customer. Service income is recognized when the service is rendered. Sales & Services are accounted for net of Excise Duty, VAT, Service tax, returns & claims etc.
- b) Sales exclude recovery of charges separately collected from customers like transport, packing etc.
- c) The Company adopts the mercantile method in the preparation of the accounts. Claims / Refunds not ascertainable with reasonable certainty are accounted for on final settlement.
- d) Government Benefits on account of export sales is estimated and accounted for in the year of export and when there is no significant uncertainty regarding the ultimate collections of export proceeds as applicable.
- e) Dividend income is recognized when right to receive dividend is established and there is no uncertainty as to its reliability.
- f) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

3) Tangible and Intangible Fixed Assets

(a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/ accumulated impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

(b) Intangible Fixed Assets

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization

Gains/losses arising from retirement or disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

4) Depreciation:

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Leasehold land is amortized over the primary period of lease.

Intangible Assets are amortized on a Straight Line basis over the estimated useful economic life.

5) Impairment of Assets:

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognized in prior years are recorded when there is an indication that impairment loss recognized for the asset no longer exists or has been decreased.

6) Investments:

All long term investments are stated at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary, in the opinion of the management.

Investment in Joint Ventures are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

Current investments are carried at the lower of cost and fair value, determined on a category-wise basis

7) Inventories:

- i. Raw Material & Components - at cost using identified on First in first out (FIFO) or net realizable value whichever is lower.
- ii. Finished Good - at cost using weighted average cost basis or net realizable value whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their respective present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods.
- iii. Stores, Spare Parts, Packing Materials etc. - at cost using FIFO or at net realizable value whichever is lower.
- iv. Scrap stock is valued at net realisable value.

8) Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized.

9) Taxes on Income:

I. Current Tax Provision

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws) is recognized as an asset by way of credit to the Profit and Loss Account only if, there is convincing evidence of its realization. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realization.

II. Deferred Tax Provision

Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets and liabilities are reviewed as at each Balance Sheet date to reassess realisation.

10) Foreign Currency Transactions:

(a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

11) Retirement Benefits:

Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes.

The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non current liability. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

12) Earning per Share:

Basic and Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

13) Borrowing Cost:

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost. Interest and other borrowing costs attributable to acquisition, construction or production of qualifying assets that takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expenses in the period they occur.

NOTES FORMING PART OF THE ACCOUNTS AS AT MARCH 31ST, 2016

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
2.1 SHARE CAPITAL		
2.1.1 Authorised		
8000,000 Equity Shares of ₹ 10 each	8,00,00,000	8,00,00,000
Redeemable cumulative Preference Shares of ₹ 10 each 500,000 18%	50,00,000	50,00,000
Total	8,50,00,000	8,50,00,000

2.1.2 Issued, Subscribed and Fully Paid

7,890,842 (PY 61,45,842) Equity Shares of ₹ 10 each fully paid	7,89,08,420	6,14,58,420
PY 500,000 18% cumulative redeemable Preference Shares of ₹ 10 each fully paid	-	50,00,000
Total	7,89,08,420	6,64,58,420

2.1.3 Reconciliation of the number of equity shares outstanding (including Share Capital Suspense)

	Number of Shares		Number of Shares	
	Current Year	Previous Year	Current Year	Previous Year
Outstanding as at the beginning of the year	61,45,842	61,45,842	-	-
Issued during the year as per BIFR scheme	17,45,000	-	-	-
Outstanding as at the end of the year	78,90,842	61,45,842	-	-

Reconciliation of the number of Preference shares outstanding

	Number of Shares		Number of Shares	
	Current Year	Previous Year	Current Year	Previous Year
Outstanding as at the beginning of the year	5,00,000	5,00,000	5,00,000	5,00,000
Shares converted in to the equity shares	5,00,000	-	5,00,000	-
Outstanding as at the end of the year	-	5,00,000	-	5,00,000

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

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares				
Standered Chartered Bank	-	0.00%	8,00,000	13.02%
Ms. Avani S Mehta	8,95,632	11.35%	1,50,632	2.45%
Ms. Rajendra Bhakta	4,65,296	5.89%	4,65,296	7.57%
Sky Point Technical Textiles Pvt. Ltd.	5,00,000	6.34%	-	-
Preference Share				
National Insurance Company Limited	-	0.00%	2,50,000	50.00%
The New India Assurance Company Limited	-	0.00%	2,50,000	50.00%

The 500,000 18% cumulative redeemable preference share amounting to ₹ 50,00,000 were converted in to the Equity shares in terms of BIFR sanctioned scheme dated 31.8.2015.

2.1.5 Rights, preferences and restrictions:

- i. The Company has only one class of issued shares referred to as equity shares having par value of ₹ 10 each, holder of equity shares is entitled to one vote per share.
- ii. The Board of Directors has not recommended any dividend for the year ended March 31, 2016.
- iii. In the event of liquidation of the Company the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

2.2 RESERVES AND SURPLUS

	Securities Premium Account	General Reserve	Capital Redemption Reserve	Revaluation Reserve	Surplus as per Statement of Profit and Loss	Total
Current Year						
Opening Balance as at 1st April, 2015	1,94,99,668	50,00,000	33,33,332	-	(1,11,79,982)	1,66,53,018
Profit For The Year	-	-	-	-	1,33,19,410	1,33,19,410
Transfer from Statement of Profit and Loss to General Reserve	-	-	-	-	-	-
Proposed Dividend (including Corporate Dividend Tax)	-	-	-	-	-	-
Movement related to ESOS	-	-	-	-	-	-
Restatement of long term monetary loan to a foreign Joint Venture	-	-	-	-	-	-
Closing Balance as at 31st March, 2016	1,94,99,668	50,00,000	33,33,332	-	21,39,428	2,99,72,428
Previous Year						
Opening Balance as at 1st April, 2014	1,94,99,668	50,00,000	33,33,332	1,10,133	-	2,79,43,133
Profit For The Year	-	-	-	-	13,92,59,748	13,92,59,748
Transfer from Statement of Profit and Loss to General Reserve	-	-	-	-	(15,03,12,745)	(15,03,12,745)
Utilised against set of Depreciation	-	-	-	(1,10,133)	(1,26,985)	(2,37,118)
Closing Balance as at 31st March, 2015	1,94,99,668	50,00,000	33,33,332	-	(1,11,79,982)	1,66,53,018

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
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2.3 LONG-TERM BORROWINGS

Secured

Term loans from Banks

The Saraswat Co Op Bank Limited

7,25,662

7,29,105

(Under higher purchase scheme secured by cars)

(The Company is not Paying Installment & Interest accrued there on since Long. The Interest accrued on the above Loan of ₹ 41,65,103/- as on 31 March, 2016 (Pr.yr. ₹ 34,98,216) Which is not provided in the Books of Account.

Skypoint Technical Textile Private limited

3,00,00,000

3,80,82,992

(Secured by equitable mortgage of Land and Building, Hypothecation of Plant & machinery and Hypothecation of immovable and movable properties subject to the prior charge on current assets for securing working capital borrowings)

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
Gujarat Lease Finance Limited	-	14,426
(Under higher purchase scheme secured by car) (The Company has settled the loan with GFL during the FY 2015-2016. (PY ₹ 14,426)	3,07,25,662	3,88,26,523
Unsecured		
Intercorporate deposit	58,49,667	95,00,000
Loans From Related Parties	5,41,641	15,66,562
Loans From Others	3,71,597	17,69,578
Total	67,62,905	1,28,36,140
	3,74,88,567	5,16,62,663
2.4 OTHER LONG TERM LIABILITIES		
Security and Other Deposits	7,50,000	2,00,000
Other Liabilities	2,75,786	15,74,007
Total	10,25,786	17,74,007
2.5 LONG-TERM PROVISIONS		
For Employees Benefits	-	
Provision for Gratuity	20,87,185	
Provision for Leave encashment	4,61,277	
Total	25,48,462	-
2.6 TRADE PAYABLES		
Sundry Creditors for goods	12,06,19,903	13,51,07,558
Others	1,58,01,034	-
Total	13,64,20,937	13,51,07,558
2.7 OTHER CURRENT LIABILITIES		
Other Payables (including Statutory Dues, etc.)	1,45,49,765	53,90,326
Advances From Customer	1,37,77,039	1,00,60,398
Total	2,83,26,804	1,54,50,724
2.8 SHORT-TERM PROVISIONS		
Provision for Gratuity	3,61,294	
Provision for Leave encashment	3,68,142	
For Taxation (Net of Advance Tax)	-	39,37,528
Total	7,29,436	39,37,528

	(Amount ₹)					
	Gross Block			Depreciation / Amortisation		
	Opening	Additions	Revaluation Reserve	Deductions	Closing	Net Block
Current Year						
TANGIBLE ASSETS						
Freehold Land	24,03,616	-	-	-	24,03,616	24,03,616
Buildings	3,23,08,071	14,78,510	-	-	3,37,86,581	1,60,86,247
Plant and Equipments	10,73,16,496	52,15,002	-	1,23,72,591	10,01,58,907	3,03,32,586
Furniture and Fixtures	66,90,197	1,95,845	-	-	68,86,042	8,63,795
Vehicles	15,16,340	-	-	-	15,16,340	1,10,004
Office Equipments	37,83,656	8,69,130	-	-	46,52,786	13,39,563
Electric Installations	75,83,879	7,55,519	-	-	83,39,398	20,51,752
Total Tangible Assets	16,16,02,255	85,14,006	-	1,23,72,591	15,77,43,670	5,31,87,563
INTANGIBLE ASSETS						
Computer Software	-	-	-	-	-	-
Trade Mark	21,000	-	-	-	21,000	21,000
Total Intangible Assets	21,000	-	-	-	21,000	21,000
TOTAL	16,16,23,255	85,14,006	-	1,23,72,591	15,77,64,670	5,32,08,563
						Total Fixed Assets
Previous Year						
TANGIBLE ASSETS						
Freehold Land	24,03,616	-	-	-	24,03,616	24,03,616
Buildings	3,15,39,506	7,68,565	-	-	3,23,08,071	1,55,61,657
Plant and Equipments	10,02,52,010	70,64,486	24,63,912	-	10,73,16,496	2,96,41,723
Furniture and Fixtures	65,97,157	93,040	-	-	66,90,197	7,24,268
Vehicles	15,16,340	-	-	-	15,16,340	1,14,721
Office Equipments	34,38,407	3,45,249	-	-	37,83,656	8,24,250
Electric Installations	69,73,487	6,10,392	-	-	75,83,879	14,92,461
Total Tangible Assets	15,27,20,523	88,81,732	-	16,16,02,255	15,77,64,670	5,07,62,696
INTANGIBLE ASSETS						
Computer Software	-	-	-	-	-	-
Trade Mark	-	21,000	-	-	21,000	21,000
Total Intangible Assets	15,27,20,523	89,02,732	-	16,16,23,255	15,77,64,670	5,07,83,696
Total Fixed Assets						Total Fixed Assets
						5,32,08,563

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

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
2.10 LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	53,10,816	49,54,941
Balances with Government Authorities	25,998	4,11,054
Other Loans and Advances (includes Advances to Suppliers, etc.)	<u>2,21,23,980</u>	<u>2,87,86,332</u>
Total	<u>2,74,60,794</u>	<u>3,41,52,327</u>
2.11 INVENTORIES		
(Valued at lower of cost or net realisable value, unless otherwise stated)		
Raw Materials	4,07,89,376	4,00,80,355
Work-in-Progress	3,12,49,409	3,90,98,981
Finished Goods	50,37,027	40,23,511
Stores and Spare parts	21,96,244	21,34,836
Waste / Scrap (valued at net realisable value)	<u>2,78,887</u>	<u>6,18,216</u>
Total	<u>7,95,50,943</u>	<u>8,59,55,899</u>
2.12 TRADE RECEIVABLES *		
(Unsecured, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	2,60,81,539	3,46,29,578
Doubtful	-	-
	<u>2,60,81,539</u>	<u>3,46,29,578</u>
Less: Provision for doubtful debts	-	-
	<u>2,60,81,539</u>	<u>3,46,29,578</u>
Others		
Considered Good	9,56,86,603	6,65,45,131
	<u>12,17,68,142</u>	<u>10,11,74,709</u>
2.13 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks	73,28,926	14,16,506
Chq. In Hand	2,99,219	-
Cash on Hand	12,70,559	28,55,043
	<u>88,98,704</u>	<u>42,71,549</u>
Other Bank Balances		
Bank Deposit	40,23,653	34,39,174
	<u>40,23,653</u>	<u>34,39,174</u>
Total	<u>1,29,22,357</u>	<u>77,10,723</u>
2.14 SHORT-TERM LOANS AND ADVANCES		
Unsecured (Considered Good unless otherwise stated)		
Security Deposits	14,72,850	2,88,200
Prepaid Exp.	1,46,222	38,490
Balances with Government Authorities	20,88,820	34,39,789
MAT Credit Entitlement	33,00,216	-
Other Short-Term Loans and Advances (includes Advances to Suppliers, etc.)	<u>1,28,83,304</u>	<u>75,00,085</u>
Total	<u>1,98,91,412</u>	<u>1,12,66,564</u>
2.15 OTHER CURRENT ASSETS		
Assets held for disposal	<u>6,18,629</u>	-
Total	<u>6,18,629</u>	-

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
3.1 SALE OF PRODUCTS AND SERVICES (GROSS)		
Sale of Products	69,72,00,888	62,98,73,670
Sale of Services	-	-
Total	<u>69,72,00,888</u>	<u>62,98,73,670</u>
3.2 OTHER OPERATING REVENUES		
Sale of Waste	49,78,528	87,03,874
Sale of Other Waste	2,32,084	1,75,849
Sundry Balances Written Back (Net)	11,660	-
Total	<u>52,22,272</u>	<u>88,79,723</u>
3.3 OTHER INCOME		
Interest Income on :		
Interest Income on others	34,21,944	17,99,703
Interest on Bank FDR	3,47,096	-
Others Capital Receipt	56,78,445	-
Total	<u>94,47,485</u>	<u>17,99,703</u>
3.4 COST OF MATERIALS CONSUMED		
Opening Stock	4,00,80,355	2,23,54,725
Add : Purchases and Incidental Expenses	43,28,60,114	42,88,77,527
Less : Sales	-	-
Less : Closing Stock	4,07,89,376	4,00,80,355
Total	<u>43,21,51,093</u>	<u>41,11,51,897</u>
3.4.1 Details of Raw Materials Consumed:		
Granuals	32,98,40,218	28,46,46,310
Fabric	2,18,57,405	4,18,30,180
Master Batches	2,93,23,701	2,58,86,929
Films	3,58,95,153	3,27,27,371
Fillers	60,90,799	59,82,114
Others	91,43,817	2,00,78,993
Total	<u>43,21,51,093</u>	<u>41,11,51,897</u>
3.5 PURCHASES OF STOCK-IN-TRADE		
Granuals	9,46,44,867	12,09,92,929
Total	<u>9,46,44,867</u>	<u>12,09,92,929</u>
3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	40,23,511	23,16,191
Process Stock	3,90,98,981	3,92,93,605
Waste/Scrap	6,18,216	2,09,661
	<u>4,37,40,708</u>	4,18,19,457
Less : Closing Stock		
Finished Goods	50,37,027	40,23,511
Process Stock	3,12,49,409	3,90,98,981
Waste/Scrap	2,78,887	6,18,216
	<u>3,65,65,323</u>	4,37,40,708
(Increase) / Decrease in Stocks	71,75,385	(19,21,251)
Less : (Increase) / Decrease in Excise Duty on Stocks	5,59,670	
Less: Stock Transfer from pre-operative expenses	-	
	<u>77,35,055</u>	<u>(19,21,251)</u>

Particulars	Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
3.7 EMPLOYEEs BENEFITS EXPENSES		
Salaries and Wages	2,51,89,008	1,55,88,281
Contribution to Provident and other Funds	30,30,662	6,50,690
Staff Welfare Expenses	17,29,290	6,32,907
Total	<u>2,99,48,960</u>	<u>1,68,71,878</u>
3.8 OTHER EXPENSES		
3.8.1 Manufacturing Expenses		
Consumption of Stores, Spare Parts and Components and Incidental Expenses	60,95,352	48,02,238
Processing Charges	4,43,85,885	2,55,07,808
Power & Fuel	2,45,55,714	2,17,32,200
Repairs to Buildings	2,85,823	2,92,193
Repairs to Machinery	5,49,305	4,73,019
3.8.2 Administration, Selling and Distribution Expenses		
Advertisement and Sales Promotion	6,93,415	5,72,584
Insurance	2,02,978	1,44,543
Rates and Taxes	1,23,094	2,33,288
Directors' Sitting Fees	1,40,000	20,000
Bank Charges & Commission	1,25,217	99,049
Repairs & Maintenance- Computer	1,18,950	89,313
Conveyance Exp.	3,35,021	3,52,484
discount & Kasar	26,04,677	-
Freight and forwarding	87,77,150	16,10,303
Legal and professional charges	33,47,488	22,96,489
Post & Telegram	1,74,219	1,61,866
Printing and stationery	5,01,469	2,95,474
Sales commission	35,90,275	5,28,127
Security Charges	4,75,262	4,24,122
Sundry balance w/off	50,26,886	30,95,892
Telephone Expenses	2,71,268	1,70,847
Travelling Expenses	6,65,863	5,10,344
Other General & Miscellaneous Expenses	71,74,576	54,47,410
Loss on Fixed Assets Discarded	5,81,020	-
Total	<u>11,08,00,907</u>	<u>6,88,59,593</u>
3.8.3 Auditors' Remuneration (excluding service tax) charged to Statement of Profit and Loss		
Payments to Statutory Auditors:		
Audit Fee	85,000	50,000
Tax Audit Fee	15,000	12,000
Fees for Other Services	-	-
Total	<u>1,00,000</u>	<u>62,000</u>
3.9 FINANCE COSTS		
Interest on Borrowing	7,34,996	13,17,401
Interest on Trade payable	1,48,84,437	87,09,028
	1,56,19,433	1,00,26,429
Less: Capitalised	-	-
Total	<u>1,56,19,433</u>	<u>1,00,26,429</u>

Particulars		Amount ₹ 31-3-2016	Amount ₹ 31-3-2015
3.10 Earnings Per Share :			
Net profit for the year from ordinary activities attributable to equity shareholders		1,33,19,410	13,92,59,748
Weighted-average-number of equity shares outstanding	Nos	78,90,842	61,45,842
Weighted-average-number of potential equity shares on exercise of options	Nos	-	-
Basic Earnings Per Share (Face Value of ₹ 10 each)		1.69	22.66
Diluted Earnings Per Share (Face Value of ₹ 10 each)		1.69	22.66

4 Details of Related Party Transactions

Particulars	KMP	Relative of KMP	Entity in which KPM/Relative of KMP have significant influence
Transactions During the year			
Salary & Other Benefits to Directors			
Mr. Shailesh R Mehta	24,91,336		
Mr. Kirit Mehta	50,000		
Dr. Christy Fernandez	40,000		
Ms. Jasmin Nahidakhtar Vhora	30,000		
Mr. Deveshwer Kumar Kapila	22,400		
Mrs. Avani S Mehta		4,50,000	
G.P. Kapadia & Co			3,00,000
Risha Infrastructure			
Labour Charges			8,94,064
Sales Commission			6,55,835
Freight Charges receivable			(20,01,775)
Risha Aquapruf Infrastructure LLP			
Freight Charges receivable			(75,27,127)
Moneeto Plasti-Feb Pvt. Ltd.			
Sales			33,38,705
Anjaneya Enterprise			
Jobworks			23,96,160
Sales			2,98,633
Balance as on 31.03.2016			
Receivable			
Moneeto Plasti-Feb P. LTD			1,55,467
Risha Infrastructure			9,97,453
Payable			
Risha Aquapruf Infrastructure LLP			16,41,021
Mr. Naresh R Mehta	4,40,151		
Mr. Shailesh R Mehta	1,52,800		
Smt. Muktaben R Mehta		2,00,000	
G.P. Kapadia & Co			2,70,000
Loans & Advances			
Crossland Housing & Const. Limited	-	-	10,00,000
Mehta & Dholabhai	-	-	6,15,209

Particulars	Amount ₹ (in Lakhs)	Amount ₹ (in Lakhs)
	31-3-2016	31-3-2015
5 Contingent Liabilities not provided for in respect of :		
5.1 Claims/Disputed liabilities not acknowledged as debt:		
(a) Excise duty in respect of which the company has filed an appeal	6.48	6.48
(b) Dividend in respect of 18% Redeemable Cumulative Preference Shares Issued during the year 1996-1997	53.51	53.51
(c) Legal Undertaking In favor of Customs	27.83	27.83
(d) EPF Interest & Damages	11.31	11.34
(e) Bank Gurantee	40.24	34.39
Cash outflows for the above are determinable only on receipt of judgments pending at various forums / authorities		

6 NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

6.1 Implementation of BIFR Sanctioned Scheme:

The company had been declared Sick industrial company in terms of the Sick Industrial Companies (Special provisions), Act 1985, vide order dated 24.05.2002 of BIFR, New Delhi. The draft rehabilitation scheme has been submitted to BIFR, which has been sanctioned by BIFR for implementation by all concerned vide order dt.31.08.2015 of BIFR, New Delhi.

Company have implemented BIFR Sanctioned Scheme in the following area with reference to relevant Para of the Scheme:

Para 11.1 Mobilization of Funds.

The promoters have proposed to infuse an amount of ₹ 100 lakhs by way of equity share capital.

Accordingly, the promoters have infused fresh capital ₹ 74.50 Lakhs by subscribing 745000 Equity Shares each of ₹ 10/-

Para 11.2 of the Scheme :Payment of secured creditors

The Company has paid ₹ 100 Lakhs till November, 2015 by Cash and issued 500,000 Equity Shares during the year against its part of OTS(One Time Settlement Scheme) dues.

Para 11.4 (a) of the Scheme : Any other Strategy

The Company has converted its 5,00,000 preference Shares into Equity Shares.

The Company has filed petition for reduction of 50% paid up value of its 58,45,842 Equity Shares before Honorable Gujarat High Court in the May, 2016.

Para 11.4 (c) of the Scheme: Payment to Unsecured Creditors

The unsecured liabilities (including those which are under litigation / appeal shall, on crystallization after exercise of all the legal remedies available to the company) shall be paid only 25% of their principal amount, over a period of three years on interest-free basis. Accordingly, the Company has paid first installment till 31.03.2016

6.2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) ₹ Nil (previous year of ₹ Nil).

6.3 The company is dealing in single segment i.e. Manufacturing of Tarpaulins and sales are entirely in the domestic market, hence, Segment reporting as per Accounting Standard 17 has not been prepared.

6.4 Related party disclosure.

Related Party Disclosures as required under Accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India are given as per Note No.4 of Notes forming part of the financial statements.

6.5 Disclosures under Accounting Standard 15 on Employee benefits:

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes.

The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non current liability. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

6.6 Earning per Share (EPS).

Particulars	2015-16 (₹)	2014-15(₹)
Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders.	1,33,05,203	13,92,59,748
Weighted Average number of equity shares used as denominator for calculating EPS	78,90,842	66,45,842
EPS- Basic/Diluted (in ₹)	1.69	22.66
Face Value per equity shares (in ₹)	10.00	10.00

6.7 a) **Details of Imported and Indigenous Raw Material Consumed:**

Particulars	2015-16		2014-15	
	₹	%	₹	%
Imported	5,79,898	0.13	0.00	0.00
Indigenous	43,21,89,824	99.87	100.00	100.00
Total	43,27,69,722	100.00	41,11,51,897	100.00

b) **Value of Import on CIF basis:**

Particulars	(₹)	
	2015-16	2014-15
Raw Material	579898	0
Capital Goods	0	27,57,186
Others	0	0

c) **Expenditure in Foreign Currency:**

Particulars	(₹)	
	2015-16	2014-15
Traveling Expenses	0	49360
Others	0	0

d) **Earnings in Foreign Exchange:**

Particulars	(₹)	
	2015-16	2014-15
Export of Finished Goods on FOB basis	32,30,714	31,48,562

6.8 **The previous year figures have been regrouped / reclassified wherever necessary.**

Signature to Note 6

In terms of our report attached
For A.L. Thakkar & Co.
Chartered Accountants

Aseem L. Thakkar
Partner
Membership No. 41313

Place : Ahmedabad
Dated : 6th August 2016

For and on behalf of the Board of Director of Texel Industries Limited

Shailesh R. Mehta
Managing Director

Kirit N. Mehta
Director

Umesh Vyas
CFO & Company Secretary

Place : New Delhi
Dated : 6th August 2016

UPDATION OF SHAREHOLDERS INFORMATION

To,
The Company Secretary,
TEXEL INDUSTRIES LIMITED
 Block No.2106, Santej-Khatraj Road,
 Near Shah Alloys, Village : Santej,
 Tal.: Kalol, Dist.: Gandhinagar, Gujarat.
 E-mail: invrelations@geotexelin.com

Dear Sir,

I/We request you to record the following information against my/our Folio No..

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: *(applicable to Corporate Shareholders)	
Mobile No.:	
E-mail ID: *Self attested copy of the document(s) enclosed	

DEPOSITORY ACCOUNTS DETAIL

Depository Participant (DP) Name	
DP ID	
Depository Name(NSDL/CDSL)	
Beneficiary Name	
Beneficiary ID (BO ID)	

BANK DETAIL

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / beneficiary account.

Place :

Date :

 Signature of Sole / First holder

Note :

- As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. We, therefore request you to furnish the above mentioned details for updation of Register of Members.
- In case of shares held in dematerialized mode, kindly furnish the above mentioned information to your respective Depository Participant.

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TEXEL INDUSTRIES LIMITED

(CIN:- L29100GJ1989PLC012576)

Registered office: Block No.2106, Santej-Khatraj Road, Near Shah Alloys, Village : Santej,
Tal.: Kalol, Dist.: Gandhinagar, Gujarat.

BALLOT FORM
(In Lieu of remote e-voting)

Name and Registered Address of First / Sole of the Member(s)	
Name and Registered Address of Joint Holders, if any	
Registered Folio No /Client ID	
DP ID	
No. of Equity Share held	
E-mail ID	
EVEN (e-voting event number)	

I/We, hereby exercise my /our vote in respect of the Resolution(s) to be passes for the business stated in the Notice of Annual General Meeting of the Company to be held on 30th September, 2016 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick () mark at the appropriate box below.

Resolution No.	Description of Resolution	No. of Equity Shares	For	Against
	Ordinary Business			
1	To receive, consider and adopt the audited financial statements for the Financial Year ended 31 st March, 2016 and the Reports of the Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Naresh R. Mehta (DIN: 02888018) who retires by rotation and being eligible, offers himself for reappointment			
3	To appoint statutory auditors and fix their remuneration			
	Special Business			
4	Increase in Authorized Share Capital from ₹ 8,50,00,000/- to ₹ 13,50,00,000/-			
5	Alteration in Capital Clause of the Memorandum of Association			
6	Adoption of New Set of Articles of Association of the Company			
7	Authority to keep Register of Members and Copies of Annual Return At a place other than the Registered Office of the Company			

Place :

Signature of the Member/ Authorized Representative

Date :

Note:- Please read the below mentioned instructions carefully before exercising your vote.

Instruction for Ballot

- i. Members have the option to request for physical copy of the Ballot sending an e-mail to invrelations@geotexelin.com by mentioning their Folio//DP-ID and Client ID
- ii. Duly completed Ballot Form should reach the Registered Office of the Company not later than 29th September, 2016 (5.00 P.M.). Ballot Form received thereafter will strictly be treated as invalid.
- iii. If a shareholder has opted for this physical ballot form, then he/she should not vote electronically and vice-versa.
- iv. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 23rd September, 2016 (Cut-off date)
- v. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. iv above.
- vi. Please complete all details including details of member(s) in above box before submission. The ballot form should be signed by member as per specimen signature registered with the Company.
- vii. In case of shares held by companies, trust, societies etc., the duly completed ballot form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the ballot form.
- viii. The exercise of vote by ballot is not permitted through proxy.
- ix. There will be one Postal Ballot Form for every folio / Client id irrespective of the number of joint holders.
- x. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
- xi. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (q,) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- xii. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
- xiii. The Ballot form is an integral part of the Notice of the Annual General Meeting to be held on 30th September, 2016.
- xiv. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favor of Resolutions
- xv. The Scrutinizer shall within a period of not exceeding three (3) working days from the date of conclusion of e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a scrutinizer's report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

TEXEL INDUSTRIES LIMITED

(CIN:- L29100GJ1989PLC012576)

Registered office:- Block No.2106, Santej-Khatraj Road, Near Shah Alloys, Village: Santej, Tal.: Kalol, Dist.: Gandhinagar, Gujarat.

ATTENDANCE SLIP

(To be presented at the entrance)

D.P. ID _____ Client ID / Registered Folio No _____ No. of Shares Held _____

I/We hereby record my/our presence at the 27th ANNUAL GENERAL MEETING of the Company at the Registered Office at Block No.2106, Santej-Khatraj Road, Near Shah Alloys, Village: Santej, Tal.: Kalol, Dist.: Gandhinagar, Gujarat. PIN-382721

NAME OF SHARE HOLDER (IN BLOCK LETTERS)	
SIGNATURE OF SHARE HOLDER	
NAME OF PROXY (IN BLOCK LETTERS)	
SIGNATURE OF PROXY	

Notes:

- You are requested to sign and hand over this at the entrance. If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered Office at Block No.2106, Santej-Khatraj Road, Near Shah Alloys, Village: Santej, Tal.: Kalol, Dist.: Gandhinagar, Gujarat not less than 48 hours before the time for holding the meeting.
- If you are attending the meeting in person or by proxy. You/your proxy for reference at the meeting may please bring your copy of the Balance Sheet.

TEXEL INDUSTRIES LIMITED

(CIN:- L29100GJ1989PLC012576)

Registered office:- Block No.2106, Santej-Khatraj Road, Near Shah Alloys, Village: Santej, Tal.: Kalol, Dist.: Gandhinagar, Gujarat

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) _____

Registered Address _____

E-mail Id _____ Folio No /Client ID _____ DP ID _____

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

Name : _____ Address: _____

E-mail Id: _____ Signature _____ or failing him

Name : _____ Address: _____

E-mail Id: _____ Signature _____ or failing him

Name : _____ Address: _____

E-mail Id: _____ Signature _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on the Friday 30th day of September, 2016 at 11:00 A.M. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	Type of Resolution	For	Against
1	To receive, consider and adopt the audited financial statements for the Financial Year ended 31 st March, 2016 and the Reports of the Directors and Auditors thereon.	Ordinary		
2	To appoint auditors and fix their remuneration	Ordinary		
3	To appoint a Director in place of Mr. Naresh Mehta (DIN: 02888018) who retires by rotation and being eligible, offers himself for reappointment.	Ordinary		
4	Increase in Authorized Share Capital of the Company from ₹ 8,50,00,000/- to ₹ 13,50,00,000/-	Ordinary		
5	Alteration in Capital Clause of Memorandum of Association of the Company	Special		
6	Adoption of new set of Articles of Association of the Company	Special		
7	Authority To Keep Register Of Members And Copies Of Annual Return At A Place Other Than The Registered Office of The Company:	Special		

Signed this ____ day of ____ 2016

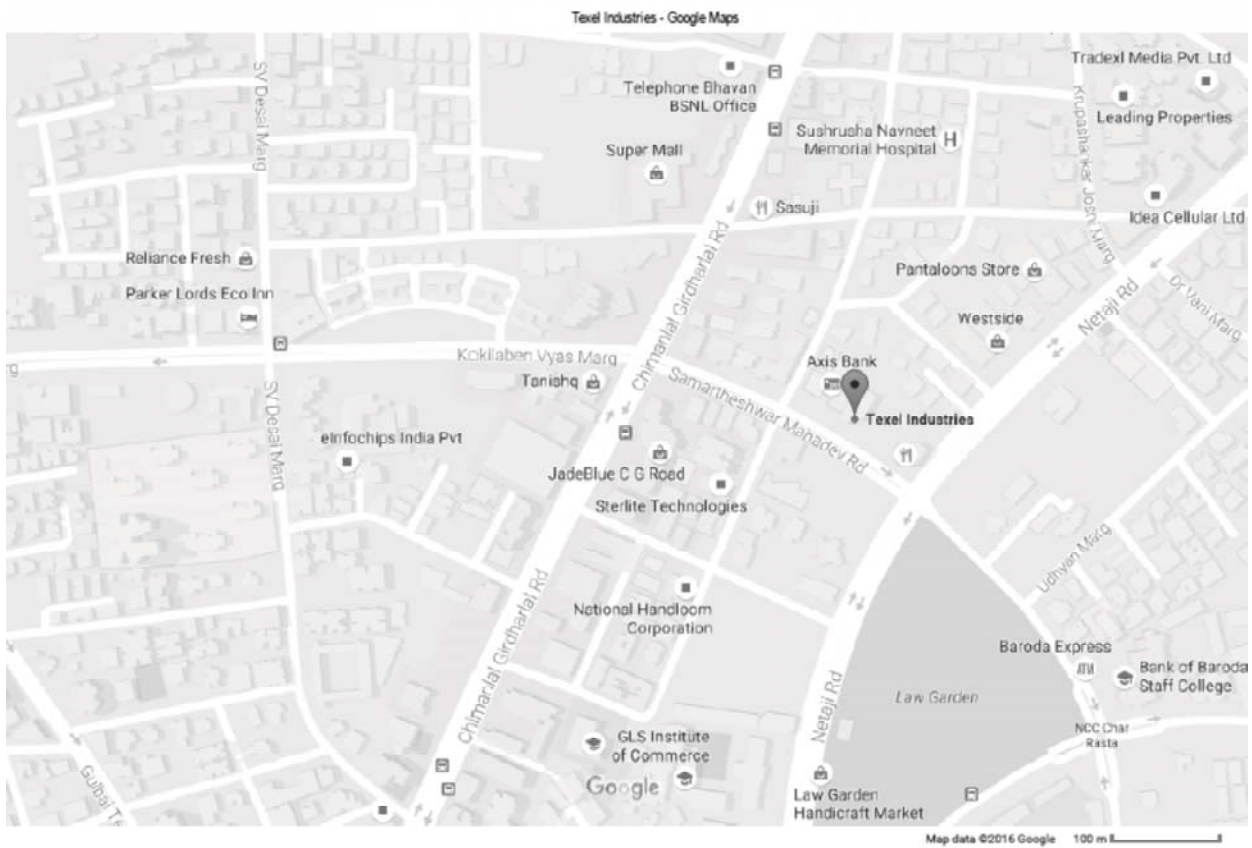
Signature of Shareholder _____ Signature of First Proxy _____ Signature of Second Proxy _____ Signature of Third Proxy _____

Affix
Rupee 1
Revenue
Stamps

NOTE:

- This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For resolutions, explanatory statement and notes please refer the notice of the Annual General Meeting
- It is optional to put a tick mark (q) in the appropriate column against the resolution indicated in the box. If you leave the 'FOR' or 'AGAINST' column blank against the resolutions, your proxy will be entitled to vote in the manner he/she thinks appropriate.
- Please fill all the details including details of member(s) in above box before submission.

ROUTE MAP





TEXEL INDUSTRIES LIMITED

Block No.2106, Santej-Khatraj Road,

Village : Santej, Tal.: Kalol,

Dist.: Gandhinagar-382721

Gujarat, India

CIN: L2910GJ1989PLC012576

Tel.: (02764) 286334, 08980026110, 08980026220

Email: info@geotexelin.com

Website: www.geotexelin.com