

TEXEL INDUSTRIES LIMITED
(CIN:L29100GJ1989PLC012576)

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

NOTICE OF THE OF THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Texel Industries Limited will be held on 30th November, 2015, Monday, at 11.00 a.m. at the Registered Office of the Company at Block No. 2106, Santej - Khatraj Road, Nr. Shah Alloys Ltd., Vill: Santej, Tal: Kalol (N.G) 382 721, Dist: Gandhinagar, Gujarat. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the Financial Year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint M/s. A.L. Thakker & Co. , Chartered Accountants, Ahmedabad (Firm Registration No. 120116) for the period of two years from the conclusion of this Annual General Meeting to hold office until the conclusion of Twenty Eighth Annual General Meeting, and to fix their remuneration.
3. To appoint a Director in place of Mr. Naresh Mehta (DIN: 02888018) who retires by rotation and being eligible, offers himself for reappointment

SPECIAL BUSINESS

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

Appointment of Ms. Jasmin Nahidakhtar Vhora as an Independent Director of the Company:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, Ms. Jasmin Nahidakhtar Vhora (DIN : 07173838), who was appointed as an Additional Director of the Company with effect from 13th February, 2015 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, for five years from the date of appointment"

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

Ratification of remuneration of Cost Auditors for 2014-15:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. KVM & Co, Cost Accountants (Firm Registration No. 000458), appointed by the Board of Directors as Cost Auditors to audit cost records of the Company for the financial year ending 31st March, 2015, at the remuneration amounting to Rs.32500/- (Rupees Thirty Two Thousand Five Hundred only) be and is hereby ratified and confirmed.”

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

Reclassification of the Share Capital of the Company:

“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and all other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Authorised Share Capital of the Company amounting to Rs. 8,50,00,000 /- (Rupees Eight Crores Fifty Lakhs Only) comprising of 80,00,000 (Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 8,00,00,000/- (Rupees Eight Crores only) and 5,00,000 (Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 50,00,000/- (Rupees Fifty Lakhs only) be and is hereby reclassified into 55,00,000 (Fifty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 5,50,00,000 (Rupees Five Crores Fifty Lakhs only) and 30,00,000 (Thirty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 3,00,00,000/- (Rupees Three Crore only) both aggregating to Rs. 8,50,00,000/- (Rupees Eight Crores and Fifty Lakhs Only) and accordingly, the Memorandum of Association of the Company be and is hereby altered as follows:

Clause V of the Memorandum of Association be and is hereby altered and substituted as follows:

V. The Authorised Share Capital of the Company is Rs. 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs Only) divided into 55,00,000 (Fifty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 5,50,00,000 (Rupees Five Crores Fifty Thousand only) and 30,00,000 (Thirty Lakhs) Preference Shares of Rs.10/- (Rupees Ten) each aggregating to Rs. 3,00,00,000/- (Rupees Three Crore Only), (and such Preference

Shares may be either cumulative or non-cumulative and may carry such dividend and such other rights as may be decided by the Directors, from time to time) with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 2013) and to attach thereto respectively such preferential, cumulative, convertible, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the provisions of the Articles of Association of the Company for the time being in force, and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company or the legislative provisions for the time being in force.'

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised 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."

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

Taking note of Scheme of Rehabilitation as sanctioned by BIFR:

"RESOLVED THAT Company do take note of the 'Sanctioned Scheme' (SS), as placed before the meeting and initialed by the Chairperson for the purpose of identification, for revival of the Company and which SS was duly approved by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015

RESOLVED FURTHER THAT the Company do implement the 'SS' in consultation with the Union Bank of India being the Operating Agency and the BIFR being the approving authority and all other stakeholders and in accordance with all other applicable laws, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which term shall include any duly constituted and authorized Committee and/or duly authorized Director/s for the purpose of this resolution) of the Company be and is hereby authorized to take all such acts, deeds, matters and things as may be necessary and to settle all questions, doubt or difficulty which may arise in this regard in implementation of the SS."

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

Conversion of Existing Preference Shares Capital into Equity Share Capital:

"RESOLVED THAT as per applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant to Para 11.4 (a) of the "Sanctioned Scheme" (SS), as approved by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015 and as per applicable provisions, if any and to the extent applicable, of the Companies Act, 2013 and Rules made thereunder/ SEBI or other applicable Guidelines or laws (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded for conversion of 5,00,000 18% Redeemable Preference Shares of Rs. 10/- each aggregating to Rs.50,00,000/- (Rupees Fifty Lacs Only) into 5,00,000 Equity Shares of Rs.10/- each aggregating to Rs.50,00,000/-(Rupees Fifty Lacs Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors (which term shall include any duly constituted and authorized Committee and/or duly authorized Director/s for the purpose of this resolution) of the Company, be and is hereby authorised to take all such acts, deeds, matters and things as may be found necessary for effective implementation of this resolution and also to settle any question, doubt or difficulty which may arise in this regard for such conversion."

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

Simultaneous Reduction and Consolidation of Equity Shares Capital of the Company (excluding 8,00,000 Equity shares held by Standard Chartered Bank and including 5,00,000 Equity shares arising upon conversion of Preference shares as per Item No. 8):

"RESOLVED THAT as per applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant to Para 11.4 (a) read with Para 16 of the "**Sanctioned Scheme**" (SS), as approved by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015 and as per Section 100 of the Companies Act, 1956 and other applicable provisions, if any and to the extent applicable, of the Companies Act, 2013 and Rules made thereunder/ SEBI or other applicable Guidelines or laws (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to such of the approval, consent, permission and/or sanction, as may be required from the High Court/National Company Law Tribunal, Stock Exchange and any other appropriate authority, Institution or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one

or more or all of them in granting such approval, consent, permission and/or sanction and which is accepted by the Board of Directors of the Company, out of the existing paid-up equity capital of Rs. 6,64,58,420/- divided into 66,45,842 Equity share of Rs. 10/- each of the company, the paid up share capital to the extent of Rs. 5,84,58,420/- dividend into 58,45,842 Equity shares of Rs. 10/- each (after considering the effect of conversion of 5,00,000 Preference shares of Rs. 10/- each into 5,00,000 Equity shares of Rs. 10/- each as per Item No.8 of this Notice and after excluding 8,00,000 Equity shares of Rs. 10/- each aggregating to Rs. 80,00,000/- held by Standard Chartered Bank as per Para 16 of the SS), be reduced to the extent of 50% by reducing the paid up value of the equity shares from Rs. 10/- per Equity share to Rs. 5/- per Equity share (Thus, 58,45,842 Equity share of Rs. 10/- each aggregating to Rs. 5,84,58,420/- will be reduced to 58,45,842 Equity shares of Rs. 5/- each aggregating to Rs. 2,92,29,210/-) and that simultaneously with such reduction, each of the Two Equity shares of Rs. 5/- each, be consolidated into One Equity shares of Rs. 10/- each (Thus, 58,45,842 Equity shares of Rs. 5/- each aggregating to Rs. 2,92,29,210/- will be consolidated into 29,22,921 Equity shares of Rs. 10/- each aggregating to Rs. 2,92,29,210/-)

RESOLVED FURTHER THAT after such simultaneous reductions and consolidation of the share capital, the paid up share capital of the Company will be Rs. 3,72,29,210 comprising of 37,22,921 Equity shares of Rs. 10/- each (including 8,00,000 Equity shares of Rs. 10/- each held by SCB).

RESOLVED FURTHER THAT in case the ratio in which such new equity shares are to be issued and allotted to the holders of the said equity shares results in issuance of fractional shares, no fractional shares or coupons shall be issued in respect of such fractional shares but the shares represented by the total number of fractional shares shall be allotted to such person(s) as may be appointed in that behalf by the Board of directors (including one or more of themselves and/or one or more of the officers of the Company), who shall hold the shares so allotted as trustees for and on behalf of the share holders who would have been entitled to the fractional shares if they had been issued and that the said person(s) shall as soon as practicable sell the same (the terms and conditions, time and price of such sale to be conclusive and binding on all such shares holders) and after payment of all the reasonable expenses of sale, distribute the net proceeds to the share holders entitled thereto in proportion to their respective fractional entitlements.

RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Company after such reduction and consolidation becomes operative and effective.

RESOLVED FURTHER THAT on such further reduction and consolidation becoming operative and effective, fresh share Certificate in lieu of existing share certificate will be issued to each share holder of the company and on issue of such fresh certificate, existing share certificates stands cancelled in respect of shares held in physical form by the respective shareholders and

that necessary corporate action be executed with the Depositories in respect of shares held in Demat mode on the date of allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors (which term shall include any duly constituted and authorized Committee and/or duly authorized Director/s for the purpose of this resolution) of the Company, be and is hereby authorized to take all such acts, deeds, matters and things as may be found necessary for effective implementation of this resolution and also to settle any question, doubt or difficulty which may arise in this regard to implement Para 11.4 (a) read with Para 16 of the 'SS' for such reduction and consolidation of the Equity share capital of the Company.

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

Conversion of Loan into Share Capital of the Company:

"RESOLVED THAT as per applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant to Para 11.2 of the "**Sanctioned Scheme**" (SS), as approved by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015 and as per the provisions of Sections 42 and section 62 (1) (c) and all other applicable provisions if any, and to the extent applicable, of the Companies Act, 2013 and Rules made thereunder/ SEBI or other applicable Guidelines or laws including the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed, and subject to such of the approval, consent, permission and/or sanction, as may be required from Stock Exchange and any other appropriate authority, Institution or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction and which is accepted by the Board of Directors of the Company and as a part of the terms of One Time Settlement (OTS) with M/s. Sky Point Technical Textile Pvt. Ltd.(STTPL), for conversion of part outstanding OTS dues Rs. 3,50,00,000/- into Share Capital of the Company, the Consent of the Company, be and is hereby given to the Board of Directors (which term shall include any duly constituted and authorized Committee thereof for the purpose of this resolution) of the Company to create, offer, issue, and allot up to 5,00,000 Equity Shares of Rs.10 each at par aggregating to Rs. 50,00,000/- (Rupees Fifty Lakhs only) and 30,00,000 4% Cumulative, Redeemable (at the end of 7 years from the date of allotment) Preference shares of Rs.10/- each aggregating to Rs. 3,00,00,000/- (Rupees Three Crores only) both aggregating to Rs. 3,50,00,000/- (Rupees

Three Crore Fifty Lakhs only) to M/s. Sky Point Technical Textile Pvt. Ltd. (STTPL) (CIN: U17120MH1992PTC067845 being the secured creditors of the Company.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall rank pari passue with the existing Equity Shares of the Company in all respects.'

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors (which term shall include any duly constituted and authorized Committee for the purpose of this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be found necessary for effective implementation of this resolution and also to settle any question, doubt or difficulty which may arise in this regard to offer, issue, allotment of the said equity shares and also to seek the listing of such equity shares in one or more stock exchanges in India.

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

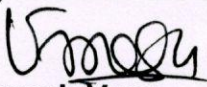
Issue of 10,00,000 Equity Shares Rs. 10/- each at par to Promoter/Promoter Group

"RESOLVED THAT as per applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant to Para 17 of the **"Sanctioned Scheme"** (SS), as approved by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015 and as per the provisions of Sections 42 and section 62 and all other applicable provisions if any, and to the extent applicable, of the Companies Act, 2013 and Rules made thereunder/ SEBI or other applicable Guidelines or laws including the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed, and subject to such of the approval, consent, permission and/or sanction, as may be required from Stock Exchange and any other appropriate authority, Institution or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction and which is accepted by the Board of Directors of the Company, the Consent of the Company, be and is hereby given to the Board of Directors (which term shall include any duly constituted and authorized Committee thereof for the purpose of this resolution) of the Company to create, offer, issue, and allot up to 10,00,000 (Ten Lakhs) Equity Shares of Rs.10/-(Ten) each at par to any one or more of the Promoter/s and/or Person/Entities belonging to Promoter Group

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors (which term shall include any duly constituted and authorized Committee for the purpose of this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be found necessary for effective implementation of this resolution and also to settle any question, doubt or difficulty which may arise in this regard to offer, issue, allotment of the said equity shares and also to seek the listing of such equity shares in one or more stock exchanges in India.

By Order of the Board of Directors


Umesh Vyas
Company Secretary

Date: 10th October, 2015

Place: Santej

Registered Office:
Block No.2106,
Santej Khatraj Road,
Near Shah Alloys Ltd., Village-Santej-382721,
Tal. Kalol, (N.G.), Dist. Gandhinagar,
Gujarat, India

Notes :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
- 2 **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF 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 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. A 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.

4. 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.
5. 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 Saturday, during business hours up to the date of the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd November, 2015 (Monday) to 30th November, 2015 (Monday) (both days inclusive).

As per the requirement of clause 49 of listing agreement on Corporate Governance, detail including the profile of Director seeking appointment or reappointment due to retirement by rotation, of Director being appointed as Independent Director who is being reappointed , are as given below.

Name of the Director	Mr. Naresh Ramniklal Mehta
Date of Birth	06/12/1961
Date of Appointment	02/08/1989
Expertise in specific functional areas	Tecnical Matter,Process,R& D.
Qualifications	B.S,M.S.(U.S.A)(Plastic Engineering)
List of outside Directorship held	Nil
Chairman/member of the committee of the Board of Directors of the Company*	Nil

Chairman/member of the committee of the Board of Directors of other Companies in which he is a director*	Nil
Shareholding in the company	199603 Equity shares
Relationships, if any, between directors	Brother of Managing Director

Name of Director	Ms. Jasmin Nahidakhtar Vhora
Director Identification Number (DIN)	07173838
Date of Birth	28/07/1988
Date of Appointment	13/02/2015
Qualifications	Company Secretary- (Professional Exam Pass)
Expertise in specific functional areas	Company Law
Directorship held in other companies	Nil
Membership/Chairpersonship of Audit and Stakeholder's Relationship Committee across Public Companies.	Nil
No. of Shares held in the Company	Nil
Relationships, if any between Directors	Nil

7. Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in single name are advised to make nomination by filing prescribed Form SH -13 with the Registrar and Share Transfer Agent of the Company.
8. Members/Proxies are requested to bring the attendance slip, duly filled in for and submit them at the Registration Counter at the AGM.
9. Members/proxies attending the meeting are requested to bring their copy of Annual report for reference at the meeting.

10. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in security market, deletion of the same of deceased holder, transmission/transposition of shares.

Members are requested to submit the PAN detail to the Company in the format provided in this report on the page Updation of Shareholders information.

11. Members desiring any information s regards the Accounts and Operation of the Company are requested to address their questions to the Company at least seven days prior to the Company so as to enable the management to keep the information ready at the meeting.

VOTING THROUGH ELECTRONIC MEANS:

A. Pursuant to the provisions of section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

B. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 22.11.2015, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. 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.

C. The e-voting period will commence at 10.00 a.m. on Friday, 27th November, 2015 and will end at 5.00 p.m. on Sunday, 29th November, 2015.

D. The Company has appointed M/s. D.A. Rupawala & Associates, Practicing Chartered Accountants, 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.

E. 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 favour or against, if any, forthwith to the Chairman of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 10 a.m. on 27th November, 2015 and ends at 5.00 p.m. on 29th November, 2015. 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 22nd November, 2015, 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

	<p>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.</p> <ul style="list-style-type: none"> • 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.
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- (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 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 same 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) 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

Appointment of Ms. Jasmin Nahidakhtar Vhora as Independent Director of the Company:

The Board of Directors of the Company had appointed Ms. Jasmin Nahidakhtar Vhora as an Additional Director of the Company with effect from 13th February, 2015. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Jasmin Nahidakhtar Vhora shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director whose appointment for the tenure of five years from the date of her appointment.

The Company has received notice under Section 160 of the Companies Act, 2013 from Ms. Jasmin Nahidakhtar Vhora signifying her candidature as a Director of the Company.

The Company has received a declaration of independence from Ms. Jasmin Nahidakhtar Vhora. In the opinion of the Board, Ms. Jasmin Nahidakhtar Vhora fulfills the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as an Independent Director of the Company.

None of the Directors or Key Managerial Personnel and their relatives, except Ms. Jasmin Nahidakhtar Vhora, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 3 for approval of the Members.

Item No. 5**Ratification of remuneration of Cost Auditors for 2014-15:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. KVM & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration of Rs. 32500/- payable to the Cost Auditors for the year 2014-15.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item no. 5 for the approval of Members.

Item No.6**Reclassification of Authorised Share Capital of the Company:**

The Company have received Sanctioned Scheme (SS) from the Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015. Para 11.2 (Payment of secured creditors) of the SS inter alia provides for issue of 5,00,000 Equity Shares of Rs.10 each at par (In aggregate Rupees Fifty Lakh only) and 30,00,000 '4% Cumulative, Seven years Redeemable Preference shares of Rs.10/- each at par (In aggregate Rupees Three Crore Only), both aggregating to Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakh Only) to one secured creditor viz. M/s. Sky Point Technical Textile Pvt. Ltd., against its outstanding dues with the Company in terms of One Time Settlement Scheme. Moreover, as per Para 17 of the SS, the Company is required to issue 10,00,000 Equity share of Rs. 10/- for cash at par to Promoter/s and/or Promoter Group.

Presently, the Authorised Share Capital of the Company is Rs. 8,50,00,000/- comprising of 80,00,000 Equity Shares of Rs. 10/- each (Rupees Ten each) and 5,00,000 (Five Lakh) Preference Shares of Rupees 10 each.

To enable the Company to issue Equity shares and Preference shares to M/s. Sky Point Technical Textile Pvt. Ltd and also for the issuance of Equity shares to Promoter/Promoter Group as per Sanctioned Scheme as described above, it is required to re-classify its present Authorised Share Capital of Rs. 8,50,00,000/- into 55,00,000 (Fifty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 5,50,00,000 (Rupees Five Crore Fifty Lakhs

only) and 30,00,000 (Thirty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 3,00,00,000/- (Rupees Three Crore only) total aggregating to Rs. 8,50,00,000/- (Rupees Eight Crore and Fifty Lakhs Only) and in tune with the above, Clause V of the Memorandum of Association of the Company is required to be altered accordingly.

Approval of the reclassification of share Capital under section 61 of the Companies Act., 2013 and Alteration of Memorandum of Association of the Company under Section 13 of the Companies Act., 2013 is sought from members of the company by way of Special Resolution as set out in Item No.5 of the Notice.

The Board commends Special Resolution set out at the Item No.5 of the Notice for approval by the Members.

None of Directors, key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at the Item No.6 to re-classify the Authorised share capital of the Company.

Item No.7

Taking note of order of BIFR approving the Rehabilitation Scheme for revival of the Company:

As the members are aware, due to erosion of the entire network, the Company became a Sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, a reference was made to Board for Industrial and Financial Reconstruction (BIFR). Later on, the Draft Rehabilitation Scheme (DRS) was placed for the approval of the BIFR by the Union Bank of India – Operating Agency, which was under consideration by the BIFR.

Honorable Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 31.08.2015 gave its kind approval to the Scheme of rehabilitation for revival of the Company.

The revival scheme submitted by the Operating Agency and as prepared by the BIFR was circulated to all concerned for consent as required under Section 19(2) read with Section 19(1) of the SICA for the hearing objections/ suggestions on 12.01.2015, was sanctioned by BIFR except stated below:

BIFR has deleted benefits to the company from CBDT and DGFT under head 'From Central Government' at the clause 15 of the DRS and provisions namely 'to exempt the unit of the company from power cut for a period of 5 years from cut off date as reflected at sub clause (4) under the heading

"From the State Government of Gujarat" incorporated at the clause 15 of the DRS be deleted.

There are certain Para/observation in the BIFR order and/or SS which are not acceptable to the Company. Based on advise received, the Company may take up appropriate proceedings before the BIFR/AAIFR or any other Court/Tribunal/Authority.

Honorable Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the scheme vide it order dated 31.08.2015 which is now called as Sanctioned Scheme. The sanctioned scheme is to come into force with immediate effect. The Cut Off Date of the Scheme (COD) was taken as 31.03.2013.

Copy of the order of the BIFR and the Sanctioned Rehabilitation Scheme and other connected documents and papers are open for inspection of the members of the Company on all working days during normal business hours of the Company.

Although there is no statutory requirement to place the order of the BIFR or to seek the approval of the members of the Company for such 'SS', the Company as good practice and for better corporate disclosures, seek the approval of the members to take note of such 'SS' and order of the BIFR. Consequently, necessary authority is proposed to be obtained in favour of Board of Directors/Committee/Director/s of the Company to implement the 'SS' as approved by BIFR.

The Board recommends Special Resolution set out at the Item No.7 of the Notice for approval by the Members.

None of Directors, key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

Item No.8

Conversion of Existing Preference Shares Capital into Equity Share Capital of the Company:

Para 11.4 (a) (Any other strategy) read with Para 16 (Sacrifice from existing shareholders) of the Sanctioned Scheme (SS) as approved by the BIFR, inter alia makes provision for conversion of the existing Preference shares into equity shares.

Accordingly the Company has to convert its 5,00,000 18% redeemable preference shares of Rs. 10/- each, aggregating to Rupees 50,00,000 into 5,00,000 Equity Shares of Rs.10/- each aggregating to Rs.50,00,000/-(Rupees Fifty Lacs Only)

As per Section 32 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the provisions of SICA and of any rules or schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law except the provisions of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and the Urban Land (Ceiling and Regulation) Act, 1976 (33 of 1976), for the time being in force or in the Memorandum or Articles of Association of an industrial company or in another instrument having effect by virtue of any law other than the SICA. Therefore, there is no statutory need to obtain approval of members of the Company to implement various clauses of the 'SS'.

However, as a good practice, approval of the members of the Company is sought by Special resolution for such conversion of Preference shares into Equity shares. Consequently, necessary authority is proposed to be obtained in favour of Board of Directors/Committee/Director/s of the Company to implement such Para of the 'SS' and also to seek any other approval, permission, sanction as may be required to be obtained under the Companies Act, 1956/Companies Act, 2013, SEBI or other application Law, Guideline, Rules or Regulations etc.

The Board commends the Special Resolution set out at the Item No.8 of the Notice for approval by the Members.

None of Directors, key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

Item No.9

Simultaneous Reduction and Consolidation of Equity Shares Capital of the Company (excluding 800000 Equity shares held by Standard Chartered Bank and including 500000 Equity shares arising upon conversion of Preference shares as per Item No. 7):

Para 11.4 (a) (Any other strategy) read with Para 16 (Sacrifice from existing shareholders) of the 'Sanctioned Scheme' (SS) as approved by the BIFR inter alia provides that after conversion of preference shares into equity shares, existing 53,45,842 equity shares of the company alongwith 5,00,000 preference shares converted in to equity shares, in aggregate 58,45,842, Equity shares of Rs. 10/- each (In aggregate Rupees Five Crore Eighty Four Lakhs Fifty eight Thousand Four Hundred Twenty), (this does not include 8,00,000 equity shares of

Rs. 10/- each issued to and held by the Standard Chartered Bank), will be reduced by 50%, as a sacrifice on behalf of the shareholders of the company, to reduce accumulated losses

Consequently, it is proposed that the portion of paid-up equity capital of the company, amounts of Rupees 5,84,58,420 (Rupees Five Crore Eighty Four Lakhs Fifty Eight Thousand Four Hundred Twenty Only), divided into 58,45,842 Equity Shares of Rs. 10 each, shall be reduced to Rupees 2,92,29,210/- (Rupees Two Crore Ninety Two Lakhs Twenty Nine Thousand Two Hundred Ten Only) divided into 58,45,842 Equity Shares of Rs. 10 each by reduction of sum of Rupees 5 (Five) per share.

Para 11.4 (a) of the SS inter alia further provides that, after reduction of these equity shares by 50%, every two equity shares of Re. 5/- each shall be consolidated into one equity share of Rs. 10/- each, therefore, it is proposed that on such reduction, the said 58,42,842 equity shares of Rs.5 each be consolidated and divided into 29,22,921 equity shares of Rs.10 each fully paid-up by consolidating two equity shares of Rs.5 each into one equity share of 10 each fully paid-up by issuing shares of Rs. 10 each to the shareholders.

It is further proposed that, on consolidation of shares as above, in case the ratio in which such new equity shares are to be issued and allotted to the holders of the said equity shares results in issuance of fractional shares, no fractional shares or coupons shall be issued in respect of such fractional shares but the shares represented by the total number of fractional shares shall be allotted to such person(s) as may be appointed in that behalf by the Board of directors (including one or more of themselves and/or one or more of the officers of the Company), who shall hold the shares so allotted as trustees for and on behalf of the share holders and that the said person(s) shall as soon as practicable sell the same and after payment of all the reasonable expenses of sale, distribute the net proceeds to the share holders entitled thereto in proportion to their respective fractional entitlements

It is further proposed that consequential amendments be made in the capital clause of the Company after such reduction and consolidation becomes operative and effective.

It is proposed that on such reduction and consolidation becoming operative and effective, fresh share Certificate in lieu of existing share certificate will be issue to each share holder of the company and on issue of such fresh certificate, existing share certificates stands cancelled. It is proposed for the shareholders in demat mode to execute necessary corporate action with the respective depositories viz. NSDL & CDSL.

As per Section 32 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the provisions of SICA and of any rules or schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law except the provisions of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and the Urban Land

(Ceiling and Regulation) Act, 1976 (33 of 1976), for the time being in force or in the Memorandum or Articles of Association of an industrial company or in another instrument having effect by virtue of any law other than the SICA. Hence, the 'SS' as approved by BIFR is to be implemented without any other approval or formalities. Therefore, there is no statutory need to obtain approval of members of the Company to implement various clauses of the 'SS'.

However, as a good practice, approval of the members of the Company is sought by Special resolution for such conversion of Preference shares into Equity shares. Consequently, necessary authority is proposed to be obtained in favour of Board of Directors/Committee/Director/s of the Company to implement such Para of the 'SS' and also to seek any other approval, permission, sanction as may be required to be obtained under the Companies Act, 1956/the Companies Act, 2013, SEBI or other application Law, Guideline, Rules or Regulations etc., if and to the extent required, the Company shall obtain requisite approval of High court/National Company Law Tribunal or any other authority.

The Board commends the Special Resolution set out at the Item No.9 of the Notice for approval by the Members.

None of Directors, key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

Item No. 10 & 11:

Issue of Preference Shares and equity shares to the secured creditor and Promoter/Promoter Group:

Para No. 11.2 (Payment to Secured Creditors) of the of the 'Sanctioned Scheme' (SS) as approved by the BIFR inter alia provides for issue of 5,00,000 Equity Shares of Rs.10 each at par (In aggregate Rupees Fifty Lakh only) and also 30,00,000 4% Cumulative, Seven years Redeemable Preference shares of Rs.10/- each at par (In aggregate Rupees Three Crore Only), both aggregating to Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakh Only) to the secured creditor viz. M/s. Sky Point Technical Textile Pvt. Ltd., against its outstanding dues with the Company in terms of One Time Settlement Scheme, (OTS) arrived at with them.

Para No. 17 (Sacrifice/Obligations of the Promoters) of the of the 'Sanctioned Scheme' (SS) as approved by the BIFR inter alia required the Promoters:

1) To bring in additional funds of Rs. 100.00 Lakhs by way of equity share capital at par to meet the cost of the scheme. The promoters /associates shall be entitled to bring the above funds in the form of equity.

2) To undertake to bring in further funds in the form of equity / interest free unsecured loans to finance any shortfall in cash generation to meet the repayment obligation of creditors.

In view of this, the Company is required to issue and allot 10,00,000 Equity share of Rs. 10/- each at par to the Promoter/s and/or Promoter Group.

SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER GIVING EFFECT OF SANCTIONED SCHEME (PREFERENCE SHARES):

Type of Preference shares:
4% Cumulative Redeemable Preference shares of Rs. 10/- (redeemable after 7 years from the date of allotment)

Name of Preference shareholder	Shareholding before allotment		Shareholding after allotment	
	Number	%	Number	
Skypoint Technical Textile Private Limited	Nil	Nil	30,00,000	100%
TOTAL	Nil	Nil	30,00,000	100%

SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER GIVING EFFECT OF SANCTIONED SCHEME (EQUITY SHARES):

Category of Equity holders	Shareholding before allotment		Shareholding after allotment	
	Number	%	Number	%
Promoters	1577508	25.67	1788754\$	34.25
Financial Institutions	1000000	16.27	1150000	22.02
Private Corporate Bodies	378390	6.16	689195*	13.20
NRI Holding	454400	7.39	227200	4.35

Indian Public	2735544	44.51	1367772	26.19
TOTAL	6145842	100.00	5222921	100.00

\$ This includes 1000000 Equity shares to be allotted to Promoter/s/Persons belonging to Promoter Group under this allotment.

* This includes 500000 Equity shares to be allotted to STTPL under this allotment

LOCK IN OF SHARES:

As required by Regulation 70 of the SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations), the provisions pertaining to the Preferential allotment shall not apply where the preferential issue of equity shares is made in terms of the rehabilitation scheme approved by the Board of Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985. However, the proviso to Regulation 70 further provides that the lock-in provisions shall apply to preferential issue of equity shares

Hence, in respect of Equity shares allotted to the Promoter/s and/or Promoter Group as well as the Secured creditors and the pre preferential allotment shares held by the person belonging to Promoter/Promoter Group to whom Equity shares are allotted under this allotment will be locked in as per Regulation 78 of the ICDR Regulations.

It is clarified that the lock in requirement shall not apply to the Preference shares.

OBJECTS OF THE ISSUE:

As noted hereinabove, the issue of new Equity shares and Preference shares is made pursuant to the order of the Hon'ble BIFR as per the Sanctioned Scheme as one of the measures for the revival of the Company.

PRICE:

As per the Sanctioned Scheme, the Equity shares and Preference shares are proposed to be issued at par i.e. @ Rs. 10/- per share.

PROPOSED TIME LIMIT:

The allotment is proposed to be completed within the maximum permissible time as provided in the sanctioned scheme for bringing the funds by the Promoter/Promoter Group.

NO CHANGE IN CONTROL:

There is no change in control envisaged due to such the proposed allotment of Equity and Preference shares to the proposed allottees under the Sanctioned Scheme.

OTHERS:

As per Section 32 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the provisions of SICA and of any rules or schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law except the provisions of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and the Urban Land (Ceiling and Regulation) Act, 1976 (33 of 1976), for the time being in force or in the Memorandum or Articles of Association of an industrial company or in another instrument having effect by virtue of any law other than the SICA. Hence, the 'SS' as approved by BIFR is to be implemented without any other approval or formalities. Therefore, there is no statutory need to obtain approval of members of the Company to implement various clauses of the 'SS'.

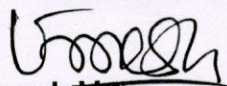
However, as a good practice, approval of the members of the Company is sought by Special resolution for such allotment of further shares to Secured Creditors and the Promoters/Person belonging to Promoter Group. Consequently, necessary authority is proposed to be obtained in favour of Board of Directors/Committee/Director/s of the Company to implement such Para of the SS and also to seek any other approval, permission, sanction as may be required to be obtained under the Companies Act, 1956/the Companies Act, 2013, SEBI or other applicable Law, Guideline, Rules or Regulations etc. if and to the extent required.

Copy of the order of the BIFR and the Sanctioned Rehabilitation Scheme and other connected documents and papers are open for inspection of the members of the Company on all working days during normal business hours of the Company.

The Board commends the Special Resolution set out at the Item No.10 & 11 of the Notice for approval by the Members.

None of Directors, key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

By Order of the Board of Directors



Umesh Vyas
Company Secretary

Date: 10th October, 2015

Place: Santej

Registered Office:

Block No.2106,

Santej Khatraj Road,

Near Shah Alloys, Village-Santej-382721,

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