

6th August, 2020

To
BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001

BSE Company Code: 526638

Sub: Submission of Annual Report for the Financial Year 2019-20

Dear Sir,

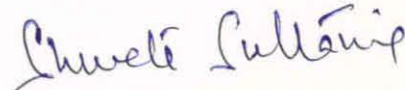
Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2019-20 along with the Notice of the 31st Annual General Meeting (“AGM”) of the Company.

The Annual Report along with the Notice of AGM is also available on the website of the Company viz. www.geotexelin.com

You are requested to take the above in your records.

Thanking you,

Yours faithfully,
For Texel Industries Limited



Shweta Sultania
Company Secretary & Compliance Officer



Encl: As above

INNOVATION-QUALITY-EMPATHY

ANNUAL REPORT
2019-2020

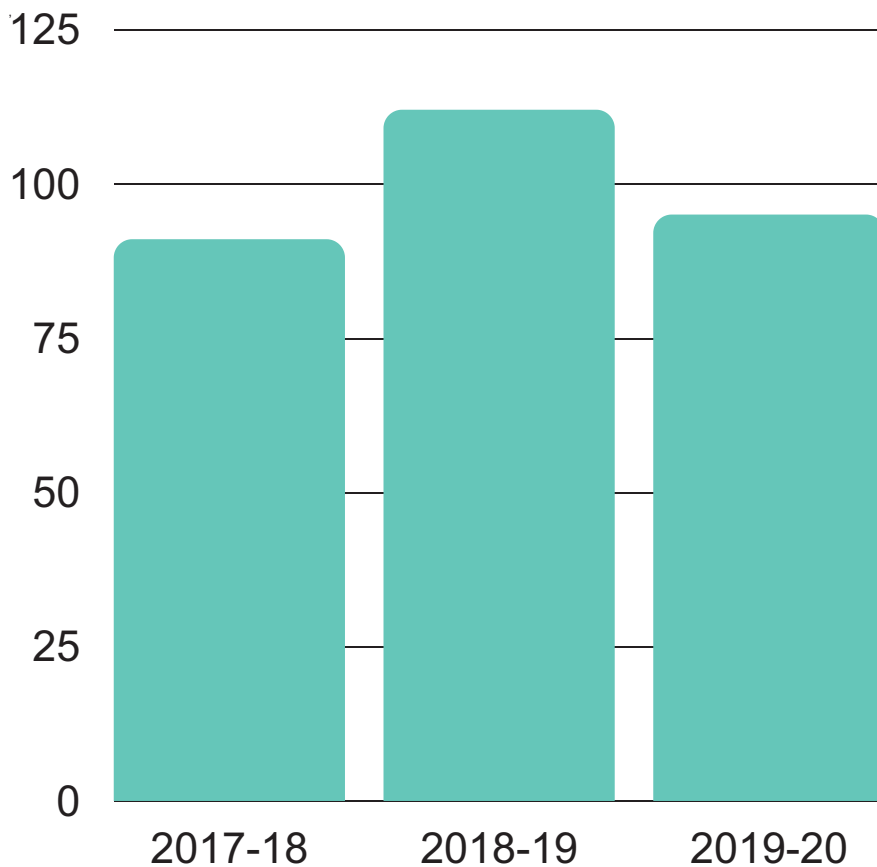


HIGHLIGHTS 2020

Product Applications



Annual Turnover (INR Crores)



OUR VISION

SUSTAINABLE SOLUTIONS THROUGH GEOSYNTHETICS

Playing a role in solving the global issues of water scarcity and food security through our products and concepts.



OUR STRENGTHS

INNOVATION,
QUALITY,
EMPATHY

We are committed to finding solutions to the challenges faced by farmers in their daily practices. We manufacture several products which aim to enrich farmers' lives by bringing about ease of irrigation and substantial increase in yields. Through our products, we aim to contribute in solving the global issues of water scarcity as well as food security. We believe that solving these issues will naturally serve to enhance the socio economic status of the agricultural sector as well as society at large.

TEXEL INDUSTRIES LIMITED

CIN - L29100GJ1989PLC012576

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Shweta Sultania

CHIEF FINANCIAL OFFICER

Mr. Vikram Patel

STATUTORY AUDITORS

M/s. Sunil Poddar & Company

Chartered Accountants,
Ahmedabad

INTERNAL AUDITORS

M/s. Pabari & Company

Chartered Accountants,
Ahmedabad

SECRETARIAL AUDITORS

M/s. Sandip Sheth & Associates

Company Secretaries,
Ahmedabad

BANKERS

Union Bank of India
HDFC Bank

REGISTERED & CORPORATE OFFICE

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

Phone – +918980026220/ 26110

Email – finance@geotexelin.com

Website - www.geotexelin.com

GST NUMBER: 24AAACT7085R1ZN

SECURITY CODE: BSE - 526638

ISIN NUMBER: INE594V01028

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Private Limited

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

Phone – (079) 2646 5179 / 86 / 87

Email - ahmedabad@linkintime.co.in

Website - www.linkintime.co.in

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TEXEL INDUSTRIES LIMITED

CIN: L29100GJ1989PLC012576

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

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

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

Website: www.geotexelin.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY-FIRST (31st) Annual General Meeting (“AGM”)** of the Members of **TEXEL INDUSTRIES LIMITED** will be held on **Saturday, 29th August, 2020 at 11:00 a.m.** through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Ramniklal Mehta (DIN: 02888018), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Raising of funds by issue of Securities:

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

“RESOLVED THAT pursuant to the provisions of Section 62(1) read with Section 42 of the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other Rules as may be issued from time to time, The Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules framed there under including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) (including any statutory amendments, modifications or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 1999 as amended including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000, and the Rules framed there under, the Securities and Exchange Board of India (the “SEBI”) Circulars/Rules/Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), SEBI and/or any other competent authorities and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory amendments, modifications or re-enactments thereof for the time being in force) and such other regulatory approvals/permissions as may be necessary including the approval, if any, of any other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (the “Board”) including any committee which the Board has constituted to exercise its powers including the power conferred by this resolution, the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot either in India or in the course of international offering(s) in one or more foreign markets by way of a private placement such number of Equity Shares, and/or any other financial instruments convertible into equity shares (including warrants or otherwise in registered or bearer form) or through an issuance of fully convertible debentures/partly convertible debentures/non-convertible debentures, convertible/non-convertible preference shares into Equity Shares, whether rupee denominated or denominated in Foreign currency (hereinafter collectively referred to as “Securities”) or any combination of securities to any person including but not limited to foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise) foreign institutional investors, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, Non-Resident Indians, (collectively referred to as (“Investors”) whether or not such Investors are existing members of the company through one or more tranches, such number of equity shares of face value of ₹10/- (Rupees Ten each), as may be decided by the Board at the appropriate time at such price or prices, at a discount (including but not limited to any discount as may be permitted under SEBI ICDR Regulations) or premium to the market price or prices on each Equity Share and on such terms and conditions including securities, rate of interest etc., as well as the discretion to determine the categories of Investors including to the existing members by way of right issue and/or other entities by way of preferential allotment to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue, offer and allotment considering the prevailing market conditions and other relevant factors wherever necessary, as the Board may determine in its absolute discretion at the

time of issue of the Securities in accordance with SEBI ICDR Regulations and wherever necessary in consultation with the book running lead manager as may be appointed by the Company in relation to the issue of Securities, for an aggregate amount not exceeding ₹ 20 Crores (Rupees Twenty Crores Only) as may be permitted/permissible under applicable laws and regulations there under, and the Board be and is hereby authorized to finalize all such terms and conditions and the matters incidental thereto as it may in its absolute discretion thinks fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "issue").

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

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

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

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

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

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

Registered Office:

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

By Order of the Board of Directors

Place : Ahmedabad

Date : 27th June, 2020

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

NOTES:

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
2. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC or OAVM without the physical presence of the members at the meeting. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 31st AGM of the Company is being held through VC or OAVM on **Saturday, 29th August, 2020 at 11:00 a.m.** The deemed venue for the 31st AGM shall be the Registered Office of the Company. Therefore, members can attend and participate in the 31st AGM through VC or OAVM mode only.
3. SINCE THE 31ST AGM OF THE COMPANY IS BEING HELD THROUGH VC OR OAVM PURSUANT TO THE ABOVE CITED MCA CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND LISTING REGULATIONS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE 31ST AGM ARE NOT ANNEXED TO THIS NOTICE.
4. Corporate members are requested to send to the Company on the email id: finance@geotexelin.com, a certified true copy of Board Resolution pursuant to the provisions of Section 113 of the Companies Act, 2013 authorizing their representatives to attend the AGM on their behalf through VC or OAVM and to vote through e-Voting in the AGM or through remote e-Voting.

5. Details as required, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings in respect of the Director seeking re-appointment at the AGM are provided in Annexure-A to this Notice.
6. In case of joint holders attending the meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
7. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.
8. Members holding shares in electronic form, are requested to intimate any change in their address or any other changes with regard to their Identity proof to their Depository Participants with whom they are maintaining their demat accounts.
9. Members holding shares in physical form, are requested to intimate any change in their address or any other changes with regard to their Identity proof to Link Intime India Private Limited (RTA of the Company) at the following address quoting reference of the Registered Folio Number:

M/s. Link Intime India Private Limited
5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Nr. St. Xavier's College Corner,
Off C G Road, Ellisbridge, Ahmedabad - 380006.
Phone – 079 2646 5179/86/87, Email - ahmedabad@linkintime.co.in

10. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members in electronic mode up to the date of the 31st Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at finance@geotexelin.com.
11. Members desirous of getting any information on the Accounts at the Annual General Meeting, are requested to send an email to finance@geotexelin.com, at least 7 days before the Annual General Meeting so as to enable the Management to keep the information ready on the date of AGM.
12. The Annual Report alongwith the Notice of 31st AGM is being sent by electronic mode to all members whose email addresses are registered with the RTA of the Company/ Depository Participant(s). Members may note that this Notice alongwith the Annual Report for the F.Y. 2019-20 will be available on the Company's website viz. www.geotexelin.com.
13. To support the 'Green Initiative' of the Ministry of Corporate Affairs, the Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Private Limited/Depository Participant(s) as under:
For Physical shareholders:-
Please send duly signed Request Letter mentioning therein Name of shareholder, Folio No., Email ID & Mobile No. alongwith self-attested copy of PAN Card through email at ahmedabad@linkintime.co.in.
For Demat shareholders:-
Please contact your Depository Participant (DP) and register your email ID, Mobile No. & PAN No. with your DP as per the process advised by your DP.
14. The Company has a designated Email ID: "invrelations@geotexelin.com" for redressal of Shareholders'/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write to the above mentioned email address.
15. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the RTA of the Company for consolidation of their shareholding into a single folio.
16. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all the securities holders. Members holding shares in physical mode are therefore, requested to register their PAN & Bank Account details by sending duly signed request letter to Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd. ("RTA") on ahmedabad@linkintime.co.in and also to the Company on invrelations@geotexelin.com alongwith the self-attested copy of PAN & cancelled cheque bearing the name of the Member (in case of joint holding, the cancelled cheque shall bear the name of first named shareholder) or self-attested copy of latest bank statement duly attested by Bank Manager & cancelled cheque (if name of the shareholder is not reflected in the cheque). Members holding shares in demat form are requested to submit the aforementioned documents, as applicable, to their Depository Participants for registration/ updation of PAN & Bank Account details.

Process and manner for voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the General Circular Nos. 14/2020, 17/2020 & 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 respectively issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 31st AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system during the 31st AGM will be provided by CDSL. Instructions for remote

e-voting are provided herein below at point no. (A.). Members whose email ids are not registered with the Company/RTA/Depositories, for obtaining Annual Report & the login credentials for e-voting for the resolutions are requested to refer the instructions provided at point no. (B.). Instructions for shareholders attending the 31st AGM through VC or OAVM are given at point no. (C.). Further, instructions for e-voting during the 31st AGM are provided at point no. (D.).

2. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting through VC or OAVM but shall not be entitled to cast their vote again.
3. The Members can join the 31st AGM in the VC or OAVM mode 15 minutes before the scheduled time of the commencement of the meeting and it will be closed on expiry of 15 minutes from the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the 31st AGM through VC or OAVM is limited upto 1000 members on first come first serve basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 31st AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the 31st AGM through VC or OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **Cut-off date i.e. Saturday, 22nd August, 2020**, shall be entitled to avail the facility of remote e-voting as well as e-voting system at the 31st AGM.
6. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and holding shares as on the **Cut-off date i.e. Saturday, 22nd August, 2020**, shall be entitled to exercise his/her vote electronically. i.e. through remote e-voting or through e-voting system at the 31st AGM. Such members may obtain Sequence No. for e-voting by sending a request at finance@geotexelin.com and cast vote after following the instructions as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
7. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
8. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e. Saturday, 22nd August, 2020**.
9. **M/s. D. A. Rupawala & Associates, Chartered Accountants, Ahmedabad (Firm Regn. No. 108902W; Membership No. 37674)**, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting system on the date of 31st AGM in a fair and transparent manner.
10. The voting results will be declared on receipt of Scrutinizers Report. The voting results along with the Scrutinizer's Report will be placed on the website of the agency www.evotingindia.com and also on the website of the Company www.geotexelin.com, within 48 hours after the conclusion of the 31st AGM of the Company and will also be submitted to the Bombay Stock Exchange (BSE) where the shares of the Company are listed.

(A.) The instructions for shareholders for remote e-voting are as under:

- (i) The **remote E-voting period commences at 10:00 a.m. on Tuesday, 25th August, 2020 and ends at 5:00 p.m. on Friday, 28th August, 2020 (both days inclusive)**. During this period shareholders of the Company holding shares either in physical form or dematerialized form as on the **Cut-off date i.e. Saturday, 22nd August, 2020** 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" Tab.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (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 Shareholders 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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field which will be communicated by email. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice of AGM including Supplementary Notice.
- (xi) Click on the EVSN of 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 "RESOLUTION 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 a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app- "m-Voting" for e voting. The m- Voting app can be downloaded from the respective Store. Please follow the instructions as promoted by the mobile app while remote e-voting on your mobile.

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 Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company by email to rupawala_ca@yahoo.co.in and finance@geotexelin.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. For Physical shareholders:-
Please send a request letter mentioning therein Name of shareholder, Folio No., Mobile No. and Email ID alongwith self-attested copy of PAN Card by email to Company's RTA at ahmedabad@linkintime.co.in and also to the Company at invrelations@geotexelin.com.
2. For Demat shareholders:-
Please send a request letter mentioning therein Name of shareholder, Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID) along with Client Master or copy of Consolidated Account Statement and self-attested copy of PAN Card by email to Company's RTA at ahmedabad@linkintime.co.in and also to the Company at invrelations@geotexelin.com.

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

1. Shareholders will be provided with a facility to attend the AGM through VC or OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC or OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.
2. For joining the 31st AGM through VC or OAVM, shareholders need good speed internet connectivity and Laptop having inbuilt camera or Desktop having webcam on the day of meeting to avoid any disturbance during the meeting.
3. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request letter in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number through registered email id at finance@geotexelin.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number through registered email id at finance@geotexelin.com. The same will be replied by the Company suitably by email.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Registered Office:

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

**Place : Ahmedabad
Date : 27th June, 2020**

By Order of the Board of Directors

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

ANNEXURE TO THE NOTICE

Explanatory Statement

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

Item No. 3

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

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

The members may please note that, the proposed resolution at Item no. 3 is only an enabling resolution and the detailed terms and conditions of the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

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

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

Therefore, your Directors recommends the proposed Special Resolution mentioned at Item No. 3 of this Notice for shareholders' approval.

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

ANNEXURE - A TO THE NOTICE

Details of the Director seeking appointment/re-appointment at the Annual General Meeting

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

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

Registered Office:

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Place : Ahmedabad

Date : 27th June, 2020

By Order of the Board of Directors

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

SUPPLEMENTARY NOTICE TO ANNUAL GENERAL MEETING (AGM) NOTICE

This Supplementary AGM Notice is issued subsequent to the AGM Notice dated 27th June, 2020 to transact the following Special Business in view of the variation in the terms of remuneration of Mr. Shailesh Ramniklal Mehta (holding DIN: 01457666), Managing Director of the Company.

SPECIAL BUSINESS:

4. Variation in terms of remuneration of Mr. Shailesh Ramniklal Mehta, Managing Director of the Company

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

“RESOLVED THAT in partial modification of the resolution passed in this regard by the members of the Company at 30th Annual General Meeting held on 10th August, 2019 and pursuant to the provisions of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and such other approvals as are necessary, the consent of the members of the Company be and is hereby accorded that Mr. Shailesh Ramniklal Mehta (holding DIN:01457666), Managing Director of the Company be paid remuneration as per the revised terms of remuneration as set out in the Explanatory Statement, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the variation in the terms of remuneration is on account of revision in the limits of payment of insurance premium not exceeding ₹ 2.00 lakhs on the Medical Insurance Policies and ₹ 1.50 lakhs on the Accidental Insurance Policies to the Managing Director in the form of perquisites for Insurance Policies of Managing Director and his family members and except for the said variation in the terms of remuneration, all other terms and conditions of the appointment of Managing Director of the Company, as approved by the members of the Company at the Annual General Meeting held on 10th August, 2019 shall remain unchanged.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr. Shailesh Ramniklal Mehta, as minimum remuneration with effect from April 1, 2020 up to the remaining period of his tenure ending on February 14, 2023 and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Act and as may be amended from time to time.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mr. Shailesh Ramniklal Mehta, the remuneration payable to him by way of an Annual Increment up to 25% of last salary drawn, subject to overall limits laid down under Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the approval of the Board of Directors without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

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

Registered Office:

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Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat

Place : Ahmedabad

Date : 25th July, 2020

By Order of the Board of Directors

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

Explanatory Statement

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

Item No. 4

The Company has appointed Mr. Shailesh Ramniklal Mehta as Managing Director of the Company for a period of three years with effect from 15th February, 2020, on the terms and conditions including remuneration approved by the Members at Annual General Meeting (“AGM”) of the Company held on 10th August, 2019.

The Managing Director is entitled to remuneration by way of Salary, Allowances and Perquisites and in addition to the above remunerations he is also entitled for Performance Bonus up to 10% of the Net Profits of the preceding financial year as per the resolution passed by the Members at AGM held on 10th August, 2019, the aggregate of such remuneration shall be within the maximum limits as laid down under Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force).

Considering the increased responsibilities and the amount of time devoted by Managing Director in the business affairs of the Company and also considering the present time of alarming health crisis caused due to global coronavirus pandemic, the Board of Directors in its meeting held on 25th July, 2020 has, on the recommendation of the Nomination & Remuneration Committee, approved the revised terms of remuneration of Mr. Shailesh Ramniklal Mehta, Managing Director of the Company subject to the approval of Members at the ensuing AGM, as set out in the resolution at Item No. 4 of the AGM Notice.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay the remuneration to their managerial personnel as per the limits mentioned in Section II of Part II of Schedule V of the Act if the conditions mentioned therein are fulfilled.

The revised terms of remuneration of Mr. Shailesh Ramniklal Mehta, Managing Director of the Company is as under:

1. Period of Applicability of Revised Terms of Remuneration:

The revised terms of remuneration is applicable with effect from April 1, 2020 up to the remaining period of his tenure ending on February 14, 2023.

2. Revised Remuneration:

(Amount in ₹)

| Salary Components | Per annum |
|---|--------------------|
| Basic Salary | 40,46,880/- |
| House Rent Allowance | 7,14,120/- |
| Total (a): | 47,61,000/- |
| Perquisites | |
| Medical Insurance Premium | 2,00,000/- |
| Accidental Insurance Premium | 1,50,000/- |
| Utility (Electricity, Telephone, Property tax etc.) | 3,00,000/- |
| Total (b): | 6,50,000/- |
| Grand Total (a)+(b): | 54,11,000/- |

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

He will be entitled for Annual Increment upto 25% of last salary drawn as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors. His annual increment shall fall due on 1st April of every year during his tenure of appointment and his first annual increment is due from 1st April, 2020.

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

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost. The Medical Insurance Premium and Accidental Insurance Premium will cover Insurance Policies of Managing Director and his family members.

Note:

Family members means the following:

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

Conveyance facilities:

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

Income Tax:

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

Except for the variation in the terms of remuneration as mentioned in the aforesaid table, all other terms and conditions of his appointment as Managing Director of the Company, approved by the members of the Company at AGM held on 10th August, 2019, shall remain unchanged.

Further, due to the above variation in the terms of remuneration, the remaining period of tenure of the Managing Director shall be governed by the revised agreement to be executed by and between the Company and Mr. Shailesh Mehta, Managing Director of the Company. Except for the above variation in the terms of remuneration all other terms and conditions of the appointment of Managing Director in the revised agreement shall remain unchanged.

As per the provisions of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in

force), the variation in terms of remuneration of the Managing Director requires the approval of the Shareholders in General Meeting and hence, necessary Special Resolution has been proposed for your approval.

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

| I General Information: | | | |
|--|---|---|--------------------------------|
| (1) | Nature of industry | Plastic Manufacturing Industry | |
| (2) | Date or expected date of commencement of commercial production | The Company is engaged in production of multilayer reinforced Geomembrane and P.E. Protection Cover since August, 1989. | |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N. A. | |
| (4) | Financial performance based on given indicators on Standalone basis | 2019-20 (₹ in Lacs) | 2018-19 (₹ in Lacs) |
| | Revenue from Operations | 9549.87 | 11235.36 |
| | Other Income | 27.12 | 35.83 |
| | Profit before Tax | 411.97 | 333.89 |
| | Total Tax Expense | 99.45 | 82.55 |
| | Profit after Tax | 312.52 | 251.34 |
| | Other Comprehensive Income | (1.91) | 50.51 |
| | Total Comprehensive Income | 310.61 | 301.85 |
| (5) | Foreign investments or collaborations, if any. | For details of foreign investments made by the company, please refer to Note no. 3 of the Standalone Financial Statements forming part of the Annual Report for FY 2019-20. The Company has not entered into any Foreign collaboration. | |
| II Information about the appointee: | | | |
| (1) | Background details | Mr. Shailesh Ramniklal Mehta is one of the promoter and founder of the Company. He is in board since 1989 and has wide experience in the management of the affairs of the Company. Further Mr. Shailesh Ramniklal Mehta has rich hands on experience and knowledge in the areas of manufacturing, finance and administration. | |
| (2) | Father's Name | Shri Ramniklal V. Mehta | |
| (3) | Date of Birth | 29 th January, 1960 | |
| (4) | Educational Qualification | Bachelor of Commerce | |
| (5) | Past remuneration | During F.Y. 2019-20, he was paid annual remuneration of ₹ 47,61,000/- plus perquisites and performance bonus. | |
| (6) | Recognitions and Awards | None | |
| (7) | Job Profile and his suitability | Mr. Shailesh Mehta, Managing Director is responsible for the day to day management of the Company and he is assisted by Functional HOD's. He is working under the superintendence and control of the Board of Directors. He has vast experience of Plastic Industry and he has continuously contributed in the growth of the Company. | |
| (8) | Remuneration Proposed | As per details given above. | |
| (9) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person. | The proposed remuneration is commensurate with the skills, experience, time devotion and increased responsibilities of Mr Shailesh Mehta, Managing Director of the Company. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company. | |
| (10) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | Mr. Shailesh Ramniklal Mehta has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company. | |

| (III) Other information: | | |
|---------------------------------|--|---|
| (1) | Reasons of loss or inadequate profits | The company has not suffered losses during the F.Y. 2019-20 but the profits are inadequate. The outbreak of COVID-19 pandemic, followed by the lockdowns in the country, has affected the business operations of the Company and hence the profits of the company are inadequate. |
| (2) | Steps taken or proposed to be taken for improvement | The Company's expansion and modernisation plans and the various steps taken by the company for curtailing expenditure. All this would help the Company to further improve its results and profitability. |
| (3) | Expected increase in productivity and profits in measurable terms. | The Expansion Plan of the Company for establishing a Geosynthetic Textile manufacturing unit at Hariyala, Dist: Kheda, Gujarat is underway. The rationale for the proposed expansion is for inducting new technologies for achieving higher efficiencies in operations and achieving higher returns on capital employed. With new technologies the Company will be developing new products to gain access to new markets both international and domestic. This will enable the Company to improve its turnover and profits in years to come. |
| IV. Disclosures | | |
| (1) | The remuneration package of Mr. Shailesh R Mehta is as mentioned above in the Explanatory Statement. A copy of the draft agreement which will be executed with the Managing Director shall be open for inspection by the Members in electronic mode up to the date of ensuing Annual General Meeting. Members can inspect the same by sending an email through registered email id at finance@geotexelin.com . | |
| (2) | The required disclosures to the shareholders of the Company about remuneration package of the managerial personnel and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; service contract, notice period, severance fees; stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable, has been made in the Annual Report of the Company, wherever applicable. | |

The Board of Directors of your Company recommends the approval of variation in terms of remuneration of Mr. Shailesh R. Mehta, Managing Director of the Company with effect from 1st April, 2020 up to the remaining period of his tenure ending on 14th February, 2023.

The Board of Directors are of the opinion that the aforesaid variation in the terms of remuneration of Mr. Shailesh Ramniklal Mehta, Managing Director of the Company, is in the interest of the Company and accordingly, your Directors recommends the resolution set out in Item No. 4 for approval of the members as a Special Resolution.

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

Registered Office:

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By Order of the Board of Directors

Shweta Sultania

Company Secretary & Compliance Officer
Membership No.: ACS 22290

Place : Ahmedabad

Date : 25th July, 2020

DIRECTORS' REPORT

To,
The Members,

Your Directors take pleasure in presenting the 31st Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL PERFORMANCE:

The financial performance of your Company on standalone basis for the Financial Year ended 31st March, 2020 is summarized below:

(₹ in Lakhs)

| Particulars | Financial Year ending | |
|--|------------------------------|------------------------------|
| | 31 st March, 2020 | 31 st March, 2019 |
| Total Revenue | 9576.99 | 11271.19 |
| Profit before Interest, Depreciation & Tax (EBIDTA) | 621.10 | 576.34 |
| Less: Finance Cost | 149.49 | 169.76 |
| Less: Depreciation | 59.64 | 72.68 |
| Profit Before Tax (PBT) | 411.97 | 333.89 |
| Less: Provisions for Taxation Including Deferred Tax | 99.45 | 82.55 |
| Profit for the Year | 312.52 | 251.34 |
| Other Comprehensive Income | (1.91) | 50.51 |
| Total Comprehensive Income for the Year | 310.61 | 301.85 |

The Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

2. PERFORMANCE AT A GLANCE ON STANDALONE BASIS:

During the Financial Year 2019-20, the performance of the Company is satisfactory as compared to the previous year. The Company registered total operating revenue of ₹ 9549.87 lakhs for the year ended 31st March, 2020 as compared to ₹ 11235.36 lakhs in the previous year registering a decline rate of approx. 15%. The Company registered a net profit after tax of ₹ 312.52 lakhs for the year ended 31st March, 2020 as compared to ₹ 251.34 lakhs in the previous year, thereby registering an increase of 24.34% in the Net Profits due to decrease in the cost of raw-materials, finance cost etc. and due to operational efficiency.

3. IMPACT OF COVID-19:

The World Health Organization (WHO) declared Coronavirus (COVID-19) as a pandemic and the said pandemic has resulted into different phases of lockdowns in many countries across the world. COVID-19 is seen having an unexpected impact on people and economies globally.

Due to COVID-19 outbreak, for containing the spread of COVID-19 pandemic in the country, for the well-being of the employees & workers of the Company and also for complying with the directives issued by the Central and State Governments, your Company's operations at the registered office and plant were closed from 24th March, 2020 to 23rd April, 2020. Based on the required permission(s), your Company resumed partially

the production activities w.e.f. 24th April, 2020 followed by further improvement in plant operations w.e.f. 20th May, 2020. The operations at the Company's registered office also resumed w.e.f. 20th May 2020 based on the guidelines issued by Central and State Governments after taking necessary precautionary measures w.r.t. health and safety of employees and workers of the Company for prevention and containment of COVID-19.

As a result of the above pandemic, the profitability of the Company for the financial year ended 31st March, 2020 is impacted. However, the impact is not significant. The impact of Covid-19 pandemic on the business of the Company has been described in detail in the Management Discussion and Analysis Report under the heading 'Overall review of the Company, Texel Industries Limited'.

4. MATERIAL CHANGES AND COMMITMENTS:

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

5. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the financial year 2019-20.

6. DIVIDEND:

In view of the future expansion plan, the Board of Directors have not recommended any dividend on the Equity Share Capital of the Company for the financial year ended 31st March, 2020.

7. TRANSFER TO RESERVES:

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

8. DEPOSITS:

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

9. SHARE CAPITAL:

The Paid-up Equity Share Capital of the Company as on 31st March, 2020 stands at ₹ 52,229,210/- i.e. 52,22,921 Equity Shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

10. EXPANSION PLAN:

During the year under review, the Board of Directors of the Company in their meeting held on 3rd February, 2020 has approved the proposed Expansion Plan of the Company for establishing a Geosynthetic Textile manufacturing unit at Hariyala, Dist: Kheda, Gujarat.

The installed capacity of the new unit is planned for 14,100 metric tonnes p.a. The work on the new project has already commenced during the year under review.

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

11. SUBSIDIARIES & ASSOCIATE COMPANIES:

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

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

12. POLICY FOR DETERMINING MATERIAL SUBSIDIARY:

The Company has a Policy for Determining Material Subsidiary in line with the requirements of Regulations 16(1)(c) and 24

of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended. The said policy is available on the website of the Company viz. www.geotexelin.com and can be downloaded from the weblink: http://www.geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_for_determining_Material_Subsiidiary_141.pdf

13. UPDATE ON SUSPENSION OF TRADING:

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

During the year under review, the Company has received the approval for revocation of suspension in trading of equity shares of the Company w.e.f. 13th November, 2019 vide BSE Notice No. 20191105-26 dated 5th November, 2019.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

15. CORPORATE GOVERNANCE REPORT:

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

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

16. ANNUAL SECRETARIAL COMPLIANCE REPORT:

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

17. EXTRACT OF ANNUAL RETURN:

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

18. RELATED PARTY TRANSACTIONS:

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

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

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

The details of the related party transactions as per Indian Accounting Standard (Ind-As) are mentioned in Note [No. 34] in the notes to the accounts of the Financial Statements.

The Company has a 'Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions'. The said policy is available on the website of the Company viz. www.geotexelin.com and can be downloaded from the weblink: http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Materiality_of_Related_Party_Transactions_and_on_dealing_with_Related_Party_Transactions_142.pdf

19. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & PARTICULARS OF EMPLOYEES:

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

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employee's particulars which is available for inspection by members at the registered office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy of the same, such member may write to the Company Secretary in this regard.

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

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

For details of investments made in shares of Wholly Owned Subsidiary Company (WOS), M/s. Texel Industries (Africa) Limited, please refer Note No. 3 and for loans granted to WOS, please refer Note No. 4 of the Standalone Financial Statements forming part of the Annual Report for F.Y. 2019-20.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Composition of the Board:

Your Company believes that our Board needs to have an appropriate mix of Executive, Non-Executive and Independent

Directors to maintain its independence, and separate its functions of governance and management. As on 31st March, 2020, our Board comprised of 5 members, consisting of 1 Non-Executive-Non-Independent Director, 3 Independent Directors including the Chairman of the Company and 1 Executive Director and none of the directors are disqualified under Section 164 of the Companies Act, 2013.

The Independent Directors constitute 60% of the Board's strength-more than the requirements of the Companies Act, 2013 and the Listing Regulations. 1 out of 5 members is a women Director.

The following is the Composition of the Board as at 31st March, 2020:

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

The relevant details in terms of Sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director proposed to be re-appointed, are provided in the Notice for convening the 31st Annual General Meeting of the Company.

Retirement by rotation and subsequent re-appointment:

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

Reappointment of Managing Director:

Mr. Shailesh Ramniklal Mehta has been re-appointed as a Managing Director of the Company for the period of Three (3) consecutive years w.e.f. 15th February, 2020 pursuant to the special resolution passed at the 30th AGM of the Company held on 10th August, 2019.

Reappointment of Independent Directors:

Mr. Kirit Narotamdas Mehta has been re-appointed as an Independent Director for the second term of five (5) consecutive years with effect from 10th August, 2019 pursuant to the special resolution passed at the 30th AGM of the Company held on 10th August, 2019.

Dr. Christy Leon Fernandez has been re-appointed as an Independent Director for the second term of five (5) consecutive years with effect from 29th September, 2019 pursuant to the special resolution passed at the 30th AGM of the Company held on 10th August, 2019.

Ms. Jasmin Nahidakhtar Vhora has been re-appointed as an Independent Director for the second term of five (5) consecutive years with effect from 13th February, 2020 pursuant to the special resolution passed at the 30th AGM of the Company held on 10th August, 2019.

Board Meeting:

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. Minimum four (4) Board meetings are held every year. Further, additional Board meetings are also convened as per Company's requirements. Agenda along with Notes on Agenda and Agenda papers are circulated to the Directors, in advance, for facilitating meaningful and focused discussions at the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board Meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director of the Company. The Agenda is circulated within the prescribed time period. The Board Agenda includes an Action Taken Report comprising the actions emanating from the Board Meetings and status update thereof. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors for making informed decisions.

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

During the Financial Year ended 31st March, 2020, Board of Directors of the Company met Six (6) times i.e. on 27th May, 2019; 19th June, 2019; 10th August, 2019; 11th November, 2019; 3rd February, 2020 and 20th February, 2020. The maximum gap between two meetings was not more than 120 days:

| Name of Director | No. of Board Meetings Attended/ Held | Attendance at the Last Annual General Meeting held on 10 th August, 2019 |
|------------------------------|--------------------------------------|---|
| Mr. Kirit Narotamdas Mehta | 5/6 | Yes |
| Mr. Shailesh Ramniklal Mehta | 6/6 | Yes |
| Mr. Naresh Ramniklal Mehta | 1/6 | No |
| Dr. Christy Leon Fernandez | 3/6 | No |
| Ms. Jasmin Nahidakhtar Vhora | 4/6 | Yes |

Key Managerial Personnel:

Pursuant to Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company as on 31st March, 2020:

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

Declaration of Independence from Independent Directors:

The Company has received the Declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 read with the applicable Schedule and Rules framed thereunder and as per Regulations 16(1)(b) and 25(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

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

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

Pursuant to the requirements of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered their names in the Data Bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"), the authority notified by the Ministry of Corporate Affairs. The time limit for passing the online proficiency self-assessment for the Independent Directors who are not eligible for claiming the exemption, is one (1) year from the date of inclusion of their names in the Data Bank.

Familiarization Programme for Independent Directors:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors. At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliances required from him under Companies Act, 2013, the Listing Regulations and other applicable statutes, if any.

The details of the familiarization programme for Independent Directors are available on the Company's website at www.geotexelin.com and can be downloaded from the weblink: "[http://www.geotexelin.com/wp-content/uploads/bsk-pdf-manager/Familiarization Programme for Independent Directors 84.pdf](http://www.geotexelin.com/wp-content/uploads/bsk-pdf-manager/Familiarization_Programme_for_Independent_Directors_84.pdf)".

Independent Director's Meeting:

Schedule IV of the Companies Act, 2013 and the Rules framed thereunder mandate that the Independent Directors of the Company has to hold at least one meeting in a year, without the attendance of Non-Independent Directors. At such meetings, the Independent Directors review the performance of (i) Non-Independent Directors and the Board as a whole, (ii) Chairman of the Company after taking into account views of Executives and Non-Executive Directors and (iii) Assess the quality, quantity and timeliness of flow of information between the Company's

management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Pursuant to the exemption provided under the Special Measures implemented by the Ministry of Corporate Affairs under the Companies Act, 2013 vide General Circular No. 11 /2020 dtd. 24th March, 2020 on account of COVID-19 pandemic, if the Independent Directors of a company have not hold their meeting during the financial year 2019-20, the same shall not be viewed as a violation of compliance. During the year under review, no meeting of the Independent Directors of the Company was held due to COVID-19 situation and lockdowns in the country.

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

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

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

The Board has carried the evaluation of its own performance, individual Directors, its Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company and has also evaluated the fulfillment of independence criteria of the Independent Directors as specified under Section 149(6) of the Companies Act, 2013 and under Regulation 25(8) of the SEBI (LODR) Regulations, 2015 and their independence from the management. The evaluation of the working of the Board, its committees, individual directors, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction over the evaluation process.

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

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

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

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

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

22. COMMITTEES OF THE BOARD:

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

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

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

A. AUDIT COMMITTEE:

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

As on 31st March, 2020, the Audit Committee comprise of 4 Directors/Members out of which 3 are Independent Directors. All the Members of the Audit Committee are well qualified, experienced and possess sound knowledge of finance, accounting practices and internal controls. The Company Secretary of the Company acts as the Company Secretary of the Audit Committee.

Meeting and Attendance:

During the Financial Year ended 31st March, 2020, the Audit Committee met Four (4) times i.e. on 27th May, 2019; 10th August, 2019; 11th November, 2019 and 3rd February, 2020. The maximum gap between two meetings was not more than 120 days. The requisite quorum was present at all the Meetings:

- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the

- Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - 8) Approval or any subsequent modification of transactions of the company with related parties;
 - 9) Scrutiny of inter-corporate loans and investments;
 - 10) Valuation of undertakings or assets of the company, wherever it is necessary;
 - 11) Evaluation of internal financial controls and risk management systems;
 - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - 14) Discussion with internal auditors of any significant findings and follow up there on;
 - 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - 18) To review the functioning of the Whistle Blower mechanism;
 - 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - 20) Reviewing the Management letters/ letters of Internal Control weaknesses issued by Statutory Auditors.
 - 21) Review of Management discussion and analysis of financial condition and results of operations;
 - 22) Review of Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - 23) Review of Internal audit reports relating to internal control weaknesses;
 - 24) Review of appointment, removal and terms of remuneration of the Chief internal auditor; and
 - 25) Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (LODR) Regulations, 2015 or any other applicable law.
- B. NOMINATION AND REMUNERATION COMMITTEE:**
- In compliance with Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted the "Nomination and Remuneration Committee" (NRC).
- Nomination and Remuneration Policy:**
- In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company has adopted the Nomination and Remuneration Policy (the "Policy") on the recommendation of the Nomination and Remuneration Committee of the Board. The Policy, inter alia, provides guidelines for the appointment, removal and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel.
- The said policy can be downloaded from the weblink: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination and Remuneration Policy 147.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination_and_Remuneration_Policy_147.pdf)".
- As on 31st March, 2020 the NRC Committee comprise of 4 Directors/Members out of which 3 are the Independent Directors and one is a Non-Executive Director.

Meeting and Attendance:

During the Financial Year ended 31st March, 2020, the Nomination and Remuneration Committee met once (1) on 27th May, 2019 and the requisite quorum was present at the Meeting.

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

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

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

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

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

for newly appointed Key Managerial Personnel and new Senior Management personnel;

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

The detailed terms of reference of the Nomination and Remuneration Committee which is covered under Nomination and Remuneration Policy can be accessed on the Company's website at the weblink: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination and Remuneration Policy 147.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination_and_Remuneration_Policy_147.pdf)".

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

Meeting and Attendance:

During the Financial Year ended 31st March, 2020, the Stakeholders Relationship Committee met once (1) on 3rd February, 2020 and the requisite quorum was present at the Meeting.

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

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

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

- 1) To allot the Equity Shares of the Company, and to supervise and ensure;
- 2) To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto;
- 3) To attend to matters relating dematerialization / rematerialisation of shares / other securities and all matters incidental or related thereto;
- 4) To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc.;
- 5) To consider and resolve grievances of the security holders of the Company, including complaints related to the transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividends;
- 6) To review the measures taken for effective exercise of voting rights by shareholders;
- 7) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 8) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- 9) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;

10) To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal;

11) To attend to matters relating to compliance with the SEBI (LODR) Regulations, 2015 and other statutory requirements concerning the interests of holders of shares and other securities; and

12) To carry out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act, 2013 or SEBI (LODR) Regulations, 2015 or any other applicable law.

Redressal of Investor Grievances:

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

D. FINANCE AND INVESTMENT COMMITTEE:

In order to take the monetary decisions quickly, your company has constituted Finance and Investment Committee ("Committee"). The Minutes of the committee meeting is noted at the subsequent meeting of the Board.

Meeting and Attendance:

During the Financial Year ended 31st March, 2020, the Finance and Investment Committee met once (1) on 10th December, 2019 and the requisite quorum was present at the Meeting.

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

| Name of Members | Designation | Category of Director | No. of Finance and Investment Committee Meeting Attended/Held |
|------------------------------|-------------|----------------------|---|
| Mr. Kirit Narotamdas Mehta | Chairman | Independent Director | 0/1 |
| Mr. Shailesh Ramniklal Mehta | Member | Managing Director | 1/1 |
| Ms. Jasmin Nahidakhtar Vhora | Member | Independent Director | 1/1 |

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

- a) To borrow money;
- b) To Invest funds of the company;
- c) To grant loans or give guarantee or provide security in respect of loans;
- d) To review the adequacy of term debt, fund based and non-fund based borrowings and all banking

arrangements and cash management and to approve any modification, addition and reduction of the same;

- e) To make application for new loans and facilities, negotiate and finalize the terms, acceptance of sanction letters, loan documents, security documents such as mortgage, hypothecation deeds etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers;

- f) To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, Balance Confirmation Letters that may be received from various Banks and Financial Institutions;
- g) To approve the exercise of guarantees as may be required by Banks, Financial Institutions, lenders etc. on any matter pertaining to the working affairs of the Company;
- h) To review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments;
- i) To review and approve from time to time various business arrangements, projects, purchase of equipment's and apparatus for the existing and new business;
- j) To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting parties etc.;
- k) To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/ Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary;
- l) To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the Officials of the

Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, etc. and close the Banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as committee may in its discretion decide for the transactions to be entered into by such officials of the Company; and

- m) To make and submit whether by committee itself or delegate authority to the Officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance etc.

E. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee as per Regulation 21(5) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 500 listed Companies on the basis of market capitalization. However, as good corporate governance, your company has constituted a Risk Management Committee in compliance with Regulation 21(1) of the SEBI (LODR) Regulations, 2015.

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

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

The Composition of the Risk Management Committee is as follow:

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

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

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

The detailed terms of reference of the Risk Management Committee is available on the website of the Company at www.geotexelin.com and can be downloaded from the weblink: "http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Risk_Management_87.pdf".

23. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts, the applicable accounting standards and Schedule III of the Companies Act, 2013 has been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give

a true and fair view of the state of affairs of the company as at the 31st March, 2020 and of the profit and loss of the company for financial year ended 31st March, 2020;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. AUDIT REPORTS AND AUDITORS:

A. STATUTORY AUDITORS:

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

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

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

AUDITOR'S REPORT:

- The Auditors' Report for the Financial Year ended 31st March, 2020 does not contain any qualification, reservations or adverse remark. The Auditors' Report is enclosed with the Financial Statements in this report.
- As regards the comments made in the Auditors' Report, the Board is of the opinion that they are self-explanatory and does not require further clarification.

B. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the

Company has appointed M/s Sandip Sheth & Associates, Practicing Company Secretaries, Ahmedabad, to conduct Secretarial Audit of the Company for the Financial Year ended 31st March, 2020.

The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31st March, 2020 forms an integral part of this report and is annexed as **Annexure – D**.

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

1. As mentioned in point no. 13 above, the company has received revocation of suspension order vide BSE Notice No. 20191105-26 dated 5th November, 2019 for revocation of suspension in trading of equity shares of the Company and subsequently, the trading in the equity shares of the company has resumed w.e.f. 13th November, 2019 on BSE trading platform under Scrip Code: 526638.
2. As mentioned in point no. 13 above, the trading in the securities of the Company was suspended w.e.f. 10th September, 2001. During the suspension period, the Promoters of the Company were not able to convert their physical shares in demat form. However, as on 31st March, 2020, the company has achieved dematerialization of 28.83% of Promoters' shareholding out of total 34.30% of Promoters' shareholding. Further, the company is making all possible efforts to get the pending physical shareholding of Promoters dematerialized.

C. INTERNAL AUDITORS:

The Board of Directors has appointed M/s Pabari & Co, Chartered Accountants (FRN: 144036W), Ahmedabad as the Internal Auditors of the Company for the Financial Year ended 31st March, 2020.

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

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

26. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company for the Financial Year ended 31st March, 2020.

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

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

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

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

29. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

30. BUSINESS RESPONSIBILITY REPORT:

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

31. DIVIDEND DISTRIBUTION POLICY:

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

32. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the 'Act') and Rules made thereunder, your Company has a policy and framework for employees (All female employees on the rolls of the Company including those on deputation, contract, temporary, part time or working as consultants are covered under this Policy) to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

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

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

During the year under review, the Board of Directors of the Company has approved the revised Vigil Mechanism / Whistle Blower Policy ("Policy") in line with the requirements of the SEBI (Prohibition of Insider Trading), Regulations, 2015, as amended. This Policy has been formulated with a view to provide a mechanism / channel for employees, directors and other

stakeholders of the Company to raise concerns of suspected frauds, any violations of legal / regulatory requirements or Code of Conduct for Directors and Senior Management of the Company, incorrect or misrepresentation of any financial statements and reports or any instance(s) of leakage / suspected leakage of UPSI etc.

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

34. COST RECORDS:

The Company has duly prepared and maintained the cost records of the business activities carried out by the Company during the financial year 2019-20 as required pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. However, the appointment of Cost Auditor for undertaking audit of the cost records of the company is not applicable to your Company.

35. RISK MANAGEMENT POLICY:

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

Under the framework, the Company has laid down a Risk Management Policy ("Policy") which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting.

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

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

36. AFFIRMATION AND DISCLOSURE:

All the Members of the Board and the Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – G**.

37. ACCREDITATIONS AND RECOGNITIONS :

Your Company has received the following accreditations and recognitions:

1. **ISO 9001:2015** (Quality Management System Standard)
2. **ISO 14001:2015** (The Environmental Management System Standard)
3. **ISO 45001:2018** (The Occupational Health & Safety Management System Standard)
4. 1st Company in India to obtain ISI license for marking under IS: 15351

5. Carries ISI mark as per BIS standard **IS 15351:2015** for **Agro Textiles Laminated High Density Polyethylene (HDPE)** woven geomembrane for water proof lining.
6. Carries ISI mark as per BIS standard **IS 7903:2017** for **Textiles Tarpaulins made from High Density Polyethylene (HDPE)** woven fabric.
7. Carries ISI mark as per BIS standard **IS 15907:2010** for **Agro Textiles High Density Polyethylene (HDPE)** woven beds for vermiculture.
8. Carries ISI mark as per BIS standard **IS 16190:2014** for **Agro Textiles High Density Polyethylene (HDPE)** laminated woven lay Flat Tube for irrigation purpose.
9. Carries ISI mark as per BIS standard **IS 16627:2017** for **Agro Textiles High Density Polyethylene (HDPE)** laminated woven lay Flat Tube for mains & sub mains of drip irrigation system.

38. ENVIRONMENT AND SAFETY:

- A. **Health & Safety:** The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.
- B. **Environment:** The Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and Pollution

Control Norms as per Gujarat Pollution Control Board guideline is of high concern to the Company.

39. CERTIFICATION FROM MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) read with part B of Schedule II of SEBI (LODR) Regulations 2015, the Certification by Managing Director and CFO has been obtained and the said certification has been placed before the Board Members of the Company for perusal.

40. LISTING FEE:

The Company's Equity Shares are listed with Bombay Stock Exchange (BSE). The Company has paid Listing Fees for the financial year 2020-21 to BSE within the prescribed time period.

41. OTHER DISCLOSURES:

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

42. APPRECIATION:

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

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

For and on behalf of the Board

**Place : Mumbai
Date : 27th June, 2020**

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

“Annexure – A”

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Your Directors have pleasure in presenting the “Management Discussion and Analysis Report” for the Financial Year ended 31st March, 2020.

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

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

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

Texel is having an installed manufacturing capacity of 13,600 metric tonnes (M.T.) of Geo-synthetic products on an annual basis. The practical capacity of the Plant is 9000 M.T. per annum.

During F.Y. 2019-20 the Company achieved the production level of 5443 M.T. The capacity utilization was 60% (approx.) during F.Y. 2019-20 against 96% (approx.) during F.Y. 2018-19.

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

Texel Industries has a strong focus on Research and Development for process improvement, cost reduction and new product development. This is evident in the fact that Texel continuously modifies its production process to enhance the value addition.

During the Financial Year 2019-20 under review, the performance of the Company is satisfactory as compared to the previous year. The revenue from operations has dropped to ₹ 9549.87 lakhs in the current year, against ₹ 11235.36 lakhs in the previous year, at a decline rate of approx. 15% as compared to previous year. But due to decrease in the cost of raw-materials, finance cost etc. and due to operational efficiency, the Net Profits of the Company increased by 24.34% i.e. the Net Profits after Tax on standalone basis for the current year is ₹ 312.52 lakhs, against ₹ 251.34 lakhs in the previous year.

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

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

• **COVID-19 IMPACT ON THE COMPANY**

The outbreak of the COVID-19 pandemic, followed by the lockdowns in the country, has affected the business operations of the Company. The Ministry of Home Affairs vide order No. 40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to restrict the spread of COVID-19 pandemic. As a result of continuous lockdowns, the Company’s operations were suspended from March 24, 2020 to April 23, 2020. On receipt of necessary approvals / permissions and after considering the Advisories & Guidelines issued by Central & State Governments, availability of labour and logistical constraints, your Company resumed partially the production activities w.e.f. April 24, 2020 followed by further improvement in plant operations w.e.f. May 20, 2020. The operations at the registered office of the Company also resumed w.e.f. May 20, 2020.

Due to continuous lockdowns in the country, your Company has suffered the estimated loss of production of around 110 metric tonnes for the month of March, 2020 and around 550 metric tonnes during the 1st quarter of F.Y. 2020-21. As a result of which, the revenue and profitability of the Company is impacted.

The Company is taking all necessary precautionary measures for mitigating the impact of pandemic on the business of the Company and also for complying with all the government advisories and guidelines with respect to containment of Covid-19 pandemic. The Company is focused on maintaining better liquidity position and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly.

Until the Covid-19 pandemic is fully controlled, your Company is focusing on the safety of its employees, workers and the smooth functioning of its manufacturing/production facilities. The agriculture sector is expected to perform well during this challenging scenario on account of governments’ support and is encouraged by the positive monsoon predictions. The demand for Company’s product is good in the market and it is also expected to rise considering favorable monsoon season. However, the Company may face challenges in meeting the demand of its customers in the near future because the production levels are impacted due to non-availability of the required workforce at the production facilities and also due to disturbed supply chain on account of Covid-19 situation.

It is difficult to estimate the future impact of Covid-19 pandemic on the business operations of the Company considering the future spread of Covid-19, government rules & regulations, containment efforts and various relief measures for industries announced / to be announced by the government(s).

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

B. OVERVIEW OF THE GLOBAL ECONOMY:

According to the International Monetary Fund (IMF), global economies are estimated to have grown by 2.9% in 2019, down from 3.6% in 2018 on account of rising geopolitical tensions, notably between the United States and Iran, intensifying social unrest, further worsening of relations between the United States and its trading partners and deepening economic frictions between other countries.

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns and widespread closures to slow the spread of the virus. The health crisis is, therefore, having a severe impact on economic activity globally.

The IMF expects global economic growth to drop sharply in 2020. Worst pandemic situation in many countries, declined consumption & services output, depressed movement in retail, transit stations & workplaces, severe hit to the global labour market, contraction in global trade and weaker inflation etc. on account of the Covid-19 pandemic are expected to adversely affect the global economic growth.

The IMF projects that if COVID-19 is brought under control by the second half of 2020, containment efforts unwounded gradually, monetary stimulus & liquidity facilities availed in time and strong multilateral cooperation extended, global economic growth could jump to 5.8% in 2021, as movement restrictions ease and economic normalization starts to take place with the help of strong policy support.

During 2019, the emerging market and developing economy group of Asia registered growth at 5.5%, down from 6.3% in 2018 due to weakening economic activity in a few emerging markets. In the third quarter of 2019, growth across emerging market economies (including India, Mexico, and South Africa) was weaker than expected at the time of the October World Economic Outlook, largely due to country-specific shocks weighing on domestic demand.

During 2019, the advanced economy group registered growth at 1.7%, down from 2.2% in 2018. The advanced economy group slowed broadly as anticipated. Despite continued job creation, the core consumer price inflation remained muted across advanced economies. The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States).

C. OVERVIEW OF THE INDIAN ECONOMY:

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

According to the International Monetary Fund (IMF), the Indian economy has registered a growth of 4.2% in 2019, much lower than the 6.1% in 2018. The sluggish growth in the manufacturing sector, stressed non-banking financial sector and decline in credit growth caused a sharp drop in domestic demand.

The growth outlook for the Indian economy was optimistic prior to the COVID-19 outbreak. However, this optimism has been changed due to COVID-19 pandemic and the economic impact of the resultant lockdowns. A pragmatic and realistic implementation as well as adoption of various incentives / measures announced by the Central Government has the potential to help the Government's vision to build a USD 5 trillion economy even if the situation at present makes the challenge look daunting and India can also achieve growth in manufacturing sector, more investments in capital goods, lower unemployment, improvement in consumption demand and faster economic growth.

The IMF expects the Indian economic growth to drop sharply in 2020 due to a longer period of lockdown on account of Covid-19 pandemic and slower recovery than anticipated and to grow by 6.0% in 2021 supported by monetary and fiscal reforms, subdued oil prices, liquidity support, improving health of corporates and also by other significant measures taken / to be taken by the Government to mitigate the adverse impact of Covid-19 on domestic demand and help spur economic activity once normalcy is restored.

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

The Union Budget for 2020-21 was announced in Parliament on February 01, 2020. The Budget provides a 16-point action plan for Agriculture, Irrigation and Rural development. Some initiatives taken by the Government of India to boost Agriculture, Irrigation and Rural development which are beneficial to your Company (including others), whether directly / indirectly, are as under:

- Allocated ₹ 1.60 lakh crore for Agriculture, Irrigation & allied activities.
- Agriculture credit target for the year 2020-21 has been set at ₹ 15 lakh crore.
- Government plans to involve youth in Fish Farmer Producer Organisations through fisheries extension.
- Government plans to promote the algae, sea-weed and cage culture (i.e. Aquaculture).

According to the World Economic Outlook, in India, monetary policy & broad-based structural reforms, subsidy-spending rationalization, tax-base enhancing measures, strengthening the governance of public sector banks, the efficiency of their credit allocation & their limited role in financial system and land regulations reforms should be used for strengthening and

overall growth of the economy. India has unveiled liquidity support of 4.5% of total GDP through loans and guarantees for businesses and farmers and equity injections into financial institutions and the electricity sector.

During the year under review, a time-bound Water Conservation Campaign named “Jal Shakti Abhiyan” was launched by the Ministry of Jal Shakti, Department of Drinking Water and Sanitation, Government of India, in two different phases for creating awareness about water conservation and water resources management. Looking to the over-whelming response to the said campaign, the Department of Drinking Water and Sanitation jointly with Department of Rural Development, Department of Water Resources, River Development & Ganga Rejuvenation and Department of Land Resources have planned a wider and more intensive Jal Shakti Abhiyan during the financial year 2020-21 also.

Apart from water conservation and irrigation activities, a number of related activities are taken up under different schemes being implemented by the Ministry of Jal Shakti and Department of Land Resources like rainwater harvesting and grey water management.

As the Government of India is now focusing towards water conservation & harvesting and also planned the development & management of fisheries sector, this could be a turning point for the Company as the Company’s products i.e. Geomembranes and Geo Tanks are designed for water conservation, harvesting and also for aquaculture activities and it can be used in various such applications. This will create huge opportunities for Company’s products in the field of water conservation, water harvesting and aquaculture business.

D. INDUSTRY STRUCTURE AND DEVELOPMENTS:

- **Global Geomembrane Market**

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

Geomembrane helps to prevent contamination from grounds and pollutants in commercial buildings, residential structures, and infrastructures such as metro stations and airports. Growth of the construction sector in India with favorable regulatory norms to improve domestic infrastructure is expected to catalyze the product demand in near future.

With the slowdown in world economic growth, the Geomembranes industry has also suffered a certain impact, but still maintained a relatively optimistic growth. In the past four years, Geomembranes market size has maintained the average annual growth rate of 0.042% from 1700 million USD in 2014 to 2090 million USD in 2019.

Growing use in lining systems, construction & mining sectors, water management activities, solid management and aquaculture systems are augmenting the growth of the global Geomembrane market.

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

- **Asia-Pacific Geomembrane Industry**

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

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

E. OPPORTUNITIES AND THREATS:

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

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

The COVID-19 pandemic is an unprecedented humanitarian challenge for all countries. Lockdowns have given India the time to make an intensive effort to flatten the pandemic’s curve. The crisis, because of the lockdowns following the COVID-19 outbreak, has already caused loss of production for the last week of March 2020 & 1st quarter of F.Y. 2020-21 and still causing loss of Company’s production due to shortage of required work force. As a result of which, profitability of the Company will be affected for the financial year 2020-21.

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

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

The Risk Management and Control Systems are considered to be in balance with your company’s risk profile and appetite, although such systems can never provide absolute assurance, your company’s Risk Management and Control Systems are subject to continuous review and adaptations in order to

remain in balance with its growing business size and changes in its risk profile. Necessary insurance policies are in place to take care of all the assets to minimize losses if any during business operations.

F. PRODUCT-WISE PERFORMANCE:

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

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

- **Geomembranes**

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

During FY 2019-20, due to increase in demand of the product the company registered a growth rate of 0.16% by achieving Annual Sales of ₹ 7064.14 Lakhs in the current year against ₹ 7053.00 Lakhs in the previous year thereby contributing 73.97% to the total turnover of the Company.

- **Tarpaulins**

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

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

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

During FY 2019-20, the Company registered Annual Sales of ₹ 816.68 Lakhs, which is reduced by 58.59% in the current year against ₹ 1972.23 Lakhs in the previous year thereby contributing 8.55% to the total turnover of the Company.

- **Other Products**

Your company is also manufacturing following products, namely:

- Geo Tank - used for aquaculture and water storage;

- Azolla Bed - used for azolla fern cultivation in animal husbandry and dairy industry;
- Vermibed - used for organic farming;
- Grow Bags - used for vegetable cultivation;
- Geo Tube - used as counter weight over the Geomembranes installed in the artificial ponds, to protect Geomembrane flutter during stormy winds for water supply and other purposes connected with Geomembrane;
- Water Proof Membrane – used for preventing the ingress of water into roofs, walls and basements.

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

G. OUTLOOK:

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

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

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

H. RISKS AND CONCERNS:

Risk is an inherent part of any business. Various prominent risks like COVID-19 outbreak, government rules & regulations, rising geopolitical tensions between USA and Iran, frayed relationships among the Organization of the Petroleum Exporting Countries, coalition of oil producers, widespread social unrest, further worsening of relations between USA and its trading partners and deepening economic frictions between other countries will lead to deterioration of global economy growth and will also led to demand recession across the world.

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

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

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

I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

The financial performance of your Company has improved due to operational efficiency. Your Company has achieved better financial performance in the current financial year as compared to the previous financial year. The financial performance of the Company has been summarized in the Directors' Report under the heading 'Financial Performance'.

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

We believe that our employees are the backbone of our organization. We are committed to provide equal opportunities to all our employees and it emphasizes on welfare of its employees and it strives to engage and retain talented workforce at all levels. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment. There exists peaceful and amicable relations with staff and workers at office and plant. As on 31.03.2020, there are total 75 (seventy five) employees working on the pay roll of the Company and there are 242 workers working on contract basis.

Considering the health and safety of the employees and workers of your Company and in line with the advisories, orders and directions issued by both Central and State Governments in order to prevent the spread of the Covid-19 pandemic, operations at the registered office and plant were suspended from March 24, 2020 to April 23, 2020. Based on the necessary permissions/approvals received by your Company and as per the guidelines issued by Central and State Governments, the production activities resumed w.e.f. April 24, 2020 in a phased manner and the work at the registered office also resumed w.e.f. May 20, 2020.

Further, during the lockdown period the Company had adopted 'Work from Home Policy' for its employees. The HR department of the Company is continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of Covid-19 among the employees of the Company through emails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. The Company has also taken necessary steps in order to maintain social distancing which is most essential due to the spread of Covid-19. The Company has a systematic plan to deal with Covid-19 issue.

L. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF:

| Key Financial Ratios | FY 2019-20 | FY 2018-19 | % Change |
|-----------------------------|---------------|---------------|-------------|
| Debtors Turnover Ratio | 7.74 | 7.32 | 5.74 |
| Inventory Turnover Ratio | 4.43 | 5.78 | -23.36 |
| Interest Coverage Ratio | 3.76 | 2.97 | 26.60 |
| Current Ratio | 1.40 | 1.27 | 10.24 |
| Debt Equity Ratio | 0.08 | 0.09 | -11.11 |
| Operating Profit Margin (%) | 20.01 | 15.39 | 30.02 |
| Net Profit Margin (%) | 3.25 | 2.69 | 20.82 |

Interest Coverage Ratio for the financial year 2019-20 improved to 3.76 (times) from 2.97 (times) in the financial year 2018-19 due to lower financial cost for the financial year 2019-20 compared to the financial year 2018-19.

Operating Profit Margin for the financial year 2019-20 improved to 20.01% from 15.39% in the financial year 2018-19 due to efficiencies achieved in the areas of operations during the financial year 2019-20.

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

| Particulars | FY 2019-20 | FY 2018-19 |
|-------------------------|------------|------------|
| Return on Net Worth (%) | 59.47 | 57.79 |

The Return on Net Worth has increased due to increase in the total Comprehensive Income of the Company from ₹ 301.85 Lakhs in the previous Financial Year 2018-19 to ₹ 310.61 Lakhs in the Current Financial Year 2019-20.

N. CONCLUSION:

The Management Discussion and Analysis Report describe the Company's objectives, projections and expectations and contains forward-looking statements within the applicable laws and regulations. Important factors that could make a difference to your Company's operations include the containment measures of Covid-19 pandemic situation, economic conditions affecting demand & supply, price conditions in the domestic market in which your Company operates, changes in the government regulations, tax laws, other statutes and other incidental factors. Your Company's primary focus will be to grow, in terms of quality as well as quantity across the markets and also to achieve profitable growth through a mix of brand led growth, innovation and cost efficiencies. Your Company will tap into new markets for Company's products depending upon local conditions and consumer trends. While we recognize that the global environment is extremely challenging, there are new opportunities emerging to meet consumer needs.

For and on behalf of the Board

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

**Place : Mumbai
Date : 27th June, 2020**

“Annexure – B”

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| Sr. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | Manufacture of Tarpaulin and Geomembrane | 13925 | 82.52 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

a) Category-wise Shareholding:

| Category of Share holder | No. of Shares held at the beginning of the year (As at 01 st April, 2019) | | | | No. of Shares held at the end of the year (As at 31 st March, 2020) | | | | % Change during the year |
|--------------------------|---|------------------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) INDIAN | | | | | | | | | |
| a) Individual/ HUF | 0 | 15,04,022 | 15,04,022 | 28.80 | 13,86,021 | 0 | 13,86,021 | 26.54 | -2.26@ |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total A(1) | 0 | 15,04,022 | 15,04,022 | 28.80 | 13,86,021 | 0 | 13,86,021 | 26.54 | -2.26@ |

| Category of Share holder | No. of Shares held at the beginning of the year (As at 01 st April, 2019) | | | | No. of Shares held at the end of the year (As at 31 st March, 2020) | | | | % Change during the year |
|---|---|------------------|------------------|-------------------|---|------------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) FOREIGN | | | | | | | | | |
| a) NRI-individuals | 0 | 2,84,732 | 2,84,732 | 5.45 | 1,19,451 | 2,85,932 | 4,05,383 | 7.76 | 2.31@ |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks/Fl | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total A(2) | 0 | 2,84,732 | 2,84,732 | 5.45 | 1,19,451 | 2,85,932 | 4,05,383 | 7.76 | 2.31@ |
| Total Shareholding of Promoter (A)=(A)(1)+(A)(2) | 0 | 17,88,754 | 17,88,754 | 34.25 | 15,05,472 | 2,85,932 | 17,91,404 | 34.30 | 0.05# |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) INSTITUTIONS | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/Fl | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | 2,50,000 | 0 | 2,50,000 | 4.79 | 4.79\$ |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| i) Others(specify) | - | - | - | - | - | - | - | - | - |
| Sub Total(B)(1) | - | - | - | - | 2,50,000 | 0 | 2,50,000 | 4.79 | 4.79\$ |
| (2) NON INSTITUTIONS | | | | | | | | | |
| a) Bodies Corp. | 0 | 10,16,345 | 10,16,345 | 19.46 | 96,925 | 6,73,820 | 7,70,745 | 14.76 | -4.70 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 0 | 14,64,622 | 14,64,622 | 28.04 | 1,97,760 | 12,39,212 | 14,36,972 | 27.51 | -0.53 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 0 | 9,52,700 | 9,52,700 | 18.24 | 8,59,950 | 98,850 | 9,58,800 | 18.36 | 0.12 |
| c) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| d) Any Other (specify) | | | | | | | | | |
| i) Non Resident Individuals | - | - | - | - | 850 | 0 | 850 | 0.02 | 0.01 |
| ii) HUF | 0 | 500 | 500 | 0.01 | 14,150 | 0 | 14,150 | 0.27 | 0.26 |
| iii) Clearing Members | - | - | - | - | - | - | - | - | - |
| Sub Total B(2) | 0 | 34,34,167 | 34,34,167 | 65.75 | 11,69,635 | 20,11,882 | 31,81,517 | 60.92 | -4.84 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 0 | 34,34,167 | 34,34,167 | 65.75 | 14,19,635 | 20,11,882 | 34,31,517 | 65.70 | -0.05 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| GRAND TOTAL (A + B + C) | 0 | 52,22,921 | 52,22,921 | 100 | 29,25,107 | 22,97,814 | 52,22,921 | 100 | 0 |

@ Earlier, the shareholding of certain Foreign-Individual Promoter Shareholders were shown in the Indian-Individual Promoter Category in shareholding pattern. Now, when for these folios, KYC was updated/physical folios were dematerialized, the category of such shareholders has been changed from Indian-Individual Promoters to NRI-Individual Promoters.

Due to misdeclaration in the past, some of the folios comprising of 2,650 no. of equity shares belonging to Promoters/Promoter Group was shown in the Public Category in the shareholding pattern. This has come to light, when for these folios, KYC was updated/physical folios were dematerialized and accordingly, these folios have been clubbed in the Promoter/ Promoter Group category on the basis of their PAN Nos.

\$ Earlier, the shareholding of insurance companies was shown in the Bodies Corporate Category in the shareholding pattern. Now, when for these folios, KYC was updated/physical folios were dematerialized, the category has been changed from Bodies Corporate to Insurance Companies.

b) Shareholding of Promoters:

| Sr. No. | Name of share holder | Shareholding at the beginning of the year (As at 01 st April, 2019) | | | Shareholding at the end of the year (As at 31 st March, 2020) | | | % Change during the year |
|---------|-----------------------------------|---|----------------------------------|---|---|----------------------------------|---|--------------------------|
| | | No of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares (of individual promoter) | No of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares (of individual promoter) | |
| 1. | Mr. Bhupendra Ramniklal Mehta | 1,06,691 | 2.04 | 0.00 | 1,06,691 | 2.04 | 0.00 | 0.00 |
| 2. | Mr. Naresh Ramniklal Mehta | 99,801 | 1.91 | 0.00 | 99,801 | 1.91 | 0.00 | 0.00 |
| 3. | Mr. Shailesh Ramniklal Mehta | 74,725 | 1.43 | 0.00 | 74,725 | 1.43 | 0.00 | 0.00 |
| 4. | Mrs. Avani Shailesh Mehta | 10,75,316 | 20.59 | 0.00 | 10,75,316 | 20.59 | 0.00 | 0.00 |
| 5. | Mrs. Muktaben Ramniklal Mehta | 65,276 | 1.25 | 0.00 | 65,276 | 1.25 | 0.00 | 0.00 |
| 6. | Mrs. Sujata Naresh Mehta | 19,150 | 0.37 | 0.00 | 19,650 | 0.38 | 0.00 | 0.01# |
| 7. | Mr. Ramaniklal Vrajlal Mehta | 28,072 | 0.54 | 0.00 | 28,072 | 0.54 | 0.00 | 0.00 |
| 8. | Mrs. Sonal Bhupendra Mehta | 9,460 | 0.18 | 0.00 | 9,460 | 0.18 | 0.00 | 0.00 |
| 9. | Mrs. Harsha Shah | 10,160 | 0.19 | 0.00 | 10,260 | 0.20 | 0.00 | 0.002# |
| 10. | Mr. Shailesh Dwarkadas Shah | 2,781 | 0.05 | 0.00 | 3,831 | 0.07 | 0.00 | 0.02# |
| 11. | Ms. Riddhi Sahil Parikh | 2,100 | 0.04 | 0.00 | 2,100 | 0.04 | 0.00 | 0.00 |
| 12. | Ms. Rishita Pravit Parikh | 2,100 | 0.04 | 0.00 | 2,100 | 0.04 | 0.00 | 0.00 |
| 13. | Mr. Krishnakant G Vakharia | 2,360 | 0.05 | 0.00 | 2,360 | 0.05 | 0.00 | 0.00 |
| 14. | Mrs. Lilaben Krishnakant Vakharia | 1,700 | 0.03 | 0.00 | 1,700 | 0.03 | 0.00 | 0.00 |
| 15. | Mr. Sunil Dwarkadas Shah | 550 | 0.01 | 0.00 | 550 | 0.01 | 0.00 | 0.00 |
| 16. | Ms. Avishi Anuj Sharedalal | 1,880 | 0.04 | 0.00 | 1,880 | 0.04 | 0.00 | 0.00 |
| 17. | Mr. Aman Mehta | 200 | 0.00 | 0.00 | 200 | 0.00 | 0.00 | 0.00 |
| 18. | Mr. Rajendra Bhakta | 2,32,648 | 4.45 | 0.00 | 2,33,648 | 4.47 | 0.00 | 0.02# |
| 19. | Mr. Mahendra Bhakta | 52,084 | 1.00 | 0.00 | 52,084 | 1.00 | 0.00 | 0.00 |
| 20. | Mr. Ashesh Dilipbhai Bhakta | 1,700 | 0.03 | 0.00 | 1,700 | 0.03 | 0.00 | 0.00 |
| 21. | Mr. Dilipbhai Bhikhabhai Bhakta | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0.00 |
| | Total | 17,88,754 | 34.25 | 0.00 | 17,91,404 | 34.30 | 0.00 | 0.05# |

Due to misdeclaration in the past, some of the folios comprising of 2,650 no. of equity shares belonging to Promoters/Promoter Group was shown in the Public Category in the shareholding pattern. This has come to light, when for these folios, KYC was updated/physical folios were dematerialized and accordingly, these folios have been clubbed in the Promoter/ Promoter Group category on the basis of their PAN Nos.

c) Change in Promoter's Shareholding:

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year (As at 01 st April, 2019) | | Date wise Increase/ Decrease in Shareholding during the year | Increase/ Decrease in shareholding | Reason | Shareholding at the end of the year (As at 31 st March, 2020) | |
|---------|-----------------------------|---|----------------------------------|--|------------------------------------|------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1. | Mrs. Sujata Naresh Mehta | 19,150 | 0.37 | N. A. | 500 | Refer Note | 19,650 | 0.38 |
| 2. | Mrs. Harsha Shah | 10,160 | 0.19 | N. A. | 100 | Refer Note | 10,260 | 0.20 |
| 3. | Mr. Shailesh Dwarkadas Shah | 2,781 | 0.05 | N. A. | 1050 | Refer Note | 3,831 | 0.07 |
| 4. | Mr. Rajendra Bhakta | 2,32,648 | 4.45 | N. A. | 1000 | Refer Note | 2,33,648 | 4.47 |

Note:

There is no acquisition/purchase of shares by the Promoters/ Promoters Group of the Company. However, due to misdeclaration in the past, some of the folios comprising of 2,650 no. of equity shares belonging to Promoters/Promoter Group was shown in the Public Category in the shareholding pattern. This has come to light, when for these folios, KYC was updated/physical folios were dematerialized and accordingly, these folios have been clubbed in the Promoter/ Promoter Group category on the basis of their PAN Nos.

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

| Sr. No. | Top 10 Shareholders | Shareholding at the beginning of the year (As at 01 st April, 2019) | | Date wise Increase/ Decrease in Shareholding during the year | Increase/ Decrease in shareholding | Reason | Shareholding at the end of the year (As at 31 st March, 2020) | |
|---------|----------------------------------|---|----------------------------------|--|------------------------------------|------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1. | Skypoint Technical Textile LLP* | 5,00,000 | 9.57 | - | - | - | 5,00,000 | 9.57 |
| 2. | Mr. Ullhas C Paymaster | 3,00,000 | 5.74 | N. A. | 3,000 | Refer Note No. 1 | 3,03,000 | 5.80 |
| 3. | Mr. Mihir Nitin Bhandari | 3,00,000 | 5.74 | - | - | - | 3,00,000 | 5.74 |
| 4. | Mr. Naresh Madhukant Shah | 2,00,000 | 3.83 | - | - | - | 2,00,000 | 3.83 |
| 5. | The New India Assurance Co. Ltd. | 1,25,000 | 2.39 | - | - | - | 1,25,000 | 2.39 |
| 6. | National Insurance Co. Ltd. | 1,25,000 | 2.39 | - | - | - | 1,25,000 | 2.39 |
| 7. | Union Bank Of India | 1,00,000 | 1.91 | - | - | - | 1,00,000 | 1.91 |
| 8. | D D Shah Frangrances Pvt. Ltd. | 80,775 | 1.55 | - | - | - | 80,775 | 1.55 |
| 9. | Mr. Mukesh Chimanlal Patani | 53,850 | 1.03 | N. A. | 3,100 | Refer Note No. 2 | 56,950 | 1.09 |
| 10. | Mr. Khushrooh Pheroze Byramjee | 45,000 | 0.86 | - | - | - | 45,000 | 0.86 |

*Sky Point Technical Textiles Pvt. Ltd. has been converted into Skypoint Technical Textile LLP.

Note:

- There is no acquisition/purchase of shares by Mr. Ullhas C Paymaster. When his physical folios comprising of 3,000 no. of equity shares were dematerialized, his total shareholding was clubbed on the basis of common PAN No.
- There is no acquisition/purchase of shares by Mr. Mukesh Chimanlal Patani. When his physical folio comprising of 3,100 no. of equity shares were dematerialized, his total shareholding was clubbed on the basis of common PAN No.
- Multiple Folios of Top Ten Shareholders are clubbed on the basis of their PAN Nos.

(e) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year (As at 01 st April, 2019) | | Date wise Increase/ Decrease in Shareholding during the year | Increase/ Decrease in shareholding | Reason | Shareholding at the end of the year (As at 31 st March, 2020) | |
|---------|-------------------------|--|----------------------------------|--|------------------------------------|--------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1. | Mr. Shailesh Mehta | 74,725 | 1.43 | - | - | - | 74,725 | 1.43 |
| 2. | Mr. Kirit Mehta | 5,100 | 0.10 | - | - | - | 5,100 | 0.10 |
| 3. | Mr. Naresh Mehta | 99,801 | 1.91 | - | - | - | 99,801 | 1.91 |

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

(Amount in ₹)

| Particulars | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------|-------------|--------------------|
| Indebtedness at the beginning of the Financial Year (As at 01st April, 2019) | | | | |
| i) Principal Amount | 1332111.00 | 14296641.00 | 0.00 | 15628752.00 |
| ii) Interest Due but not paid | 0 | 643168.00 | 0.00 | 643168.00 |
| iii) Interest Accrued but not due | 0 | 0 | 0.00 | 0 |
| Total (i + ii + iii) | 1332111.00 | 14939809.00 | 0.00 | 16271920.00 |
| Change in indebtedness during the Financial Year | | | | |
| i) Addition | 0.00 | 12200000.00 | 0.00 | 12200000.00 |
| ii) Reduction | 343453.00 | 11400000.00 | 0.00 | 11743453.00 |
| Net Change | (343453.00) | 800000.00 | 0.00 | 456547.00 |
| Indebtedness at the end of the Financial Year (As at 31st March, 2020) | | | | |
| i) Principal Amount | 988658.00 | 15096641.00 | 0.00 | 16085299.00 |
| ii) Interest Due but not paid | 0 | 239320.00 | 0.00 | 239320.00 |
| iii) Interest Accrued but not due | 0 | 0 | 0.00 | 0 |
| Total (i + ii + iii) | 988658.00 | 15335961.00 | 0.00 | 16324619.00 |

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

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount (in ₹) |
|---------|--|--|---------------------|
| | | Mr. Shailesh Mehta (Managing Director) | |
| 1. | Gross salary | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 47,61,000/- | 47,61,000/- |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 2,24,104/- | 2,24,104/- |
| | c) Profits 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 - others, specify... | - | - |
| 5. | Others-Performance Bonus | 25,13,430/- | 25,13,430/- |
| | Total (A) | 74,98,534/- | 74,98,534/- |
| | Ceiling as per the Act | 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013. Due to inadequate profit during the F.Y. 2019-20, the remuneration mentioned at Point no. VI A above was paid as per Section II of Part II of Schedule V of the Companies Act, 2013. | |

B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount in ₹ |
|---------|--|---|-----------------------|------------------|--------------------|
| | | Mr. Kirit Mehta | Dr. Christy Fernandez | Ms. Jasmin Vhora | |
| 1. | Independent Directors | | | | |
| | Fee for attending Board / Committee meetings | 50,000/- | 30,000/- | 40,000/- | 1,20,000/- |
| | Commission | - | 4,77,191/- * | - | 4,77,191/- * |
| | Others, please specify | - | - | - | - |
| | Total (1) | 50,000/- | 5,07,191/- | 40,000/- | 5,97,191/- |
| 2. | Other Non-Executive Directors | Mr. Naresh Mehta | | | |
| | Fee for attending Board / Committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | 50,000/- | 5,07,191/- | 40,000/- | 5,97,191/- |
| | Ceiling as per the Act | The total remuneration of Independent Director(s) is within the limit of 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 (excluding sitting fee). | | | |
| | Total Managerial Remuneration (A) + (B) | | | | 80,95,725/- |
| | Overall Ceiling as per the Act | Due to inadequate profit during the F.Y. 2019-20, the remuneration to Managerial Personnel was paid as per Section II of Part II of Schedule V of the Companies Act, 2013 and therefore the ceiling limit is not applicable for F.Y. 2019-20. | | | |

* Commission is for F.Y. 2019-20 which will be paid in F.Y. 2020-21.

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

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount in ₹ |
|---------|--|--------------------------|--------------------------|------------------------|--------------------|
| | | CEO | Ms. Shweta Sultania (CS) | Mr. Vikram Patel (CFO) | |
| 1. | Gross salary | | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | 10,31,136/- | 8,00,664/- | 18,31,800/- |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - |
| | c) Profits 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 | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 5. | Others - Incentive | - | - | 1,02,000/ | 1,02,000/ |
| | Total | - | 10,31,136/- | 9,02,664/- | 19,33,800/- |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

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

**Place : Mumbai
Date : 27th June, 2020**

“Annexure – C”

DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

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

| 1 | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 | Director's Name | Ratio of Remuneration of director to the Median remuneration |
|---|--|---------------------------|--|
| | | Mr. Shailesh Mehta | 19.44 |

Note:

- Median Remuneration for the financial year 2018-19 is Rs 3,34,422/- and financial year 2019-20 is Rs 3,85,802/-.
- The aforesaid details are calculated on the basis of the gross remuneration received by the employees for the financial years 2018-19 & 2019-20.

| 2 | The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial Year 2019-20 | Director's/CFO/CS | % increase in remuneration |
|---|--|--|----------------------------|
| | | 1. Mr. Shailesh Mehta - Managing Director | 2.58 |
| | 2. Mr. Vikram Patel - CFO | 13.00 | |
| | 3. Ms. Shweta Sultania - CS | Nil | |
| 3 | Percentage increase in the median remuneration of employees in the Financial Year 2019-20 | During Financial Year 2019-20, the percentage increase in the median remuneration of employees as compared to previous year was approximately 15.36%. | |
| 4 | Number of permanent employees on the rolls of the Company | There are 75 employees on the pay roll of the Company as on 31 st March, 2020. | |
| 5 | The Average percentile increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average increase in remuneration is 22.79% for Employees. Increase in remuneration of Managerial Personnel during last financial year is disclosed in point no. (2) above. There was no exceptional circumstances for increase in the managerial remuneration. | |
| 6 | Affirmation that the remuneration is as per the Remuneration Policy of the Company | It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company. | |

For and on behalf of the Board

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

**Place : Mumbai
Date : 27th June, 2020**

**“Annexure – D”
FORM NO. MR 3**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2020

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

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

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i.) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii.) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; however there are no instance of any Foreign Direct Investment or External Commercial Borrowing during the period under review;
- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

We further report that, the general laws applicable to the Company under which Company operates during the period under review have been examined and advised the Company strengthen the system.

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

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

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

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

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

requiring compliance thereof by the Company during the financial year.

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- The trading in the securities of the Company has been suspended by the BSE Limited and such suspension is revoked during the reporting period;
- Shareholding of the promoters viz. Mr. Aman Mehta, Mr. Rajendra Bhakta and Mr. Mahendra Bhakta holding 5.47% Equity Shares are yet to be dematerialized.

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

For, Sandip Sheth & Associates
Practicing Company Secretaries
Firm Unique Code: P2001GJ041000
UDIN: A032597B000389811

Prashant Prajapati
Partner
ACS: 32597
CP No.: 12531

Date : 27th June, 2020
Place : Ahmedabad

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

"Annexure – A"

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

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

1. Due to nationwide lockdown as directed by the Central Government, Ministry of Home Affairs in connection with COVID-19 restrictions, we have not visited the premises and have not physically verified the underlying supporting documents as are normally verified; we have reviewed the transactions and conducted our audit on the basis of the various records in soft file, pdf file and software backups and other documents made available for our verification. However we have relied on the information, statements and position furnished and confirmed by the Company and its designated employees and RTA where ever necessary.
2. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
5. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
7. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

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

Prashant Prajapati
Partner

Place : Ahmedabad
Dated : 27th June, 2020

Membership Number: A32597
COP: 12531

“Annexure – E”

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

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

| (A) Conservation of energy | | |
|--|--|--|
| (i) | the steps taken or impact on conservation of energy; | (i) 20 Nos. of 250 watt plant lights were replaced by 150 watt LED lights resulting in saving of 2 kilo watt per hour. (ii) New FRP Cooling Tower was installed for Tape Plant Water Bath resulting in saving of 5 kilo watt per hour. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy; | Not Applicable |
| (iii) | the capital investment on energy conservation equipments; | ₹ 2.70 lakh |
| (B) Technology absorption | | |
| (i) | the efforts made towards technology absorption; | During the year under review: (i) Online Fabric Cutting Machine was installed in Sealing Department. (ii) An upgraded machinery viz. 'Geo Tube Manufacturing Machine' was installed. (iii) Old Extruder Machine was replaced with new machine of latest technology. (iv) Some Web Aligner modifications have been made in Multilayered Geo Composite Resin Coating Machine. (v) 11 kilo watt old H.T. Oil Circuit Breaker (O.C.B.) was replaced by Vacuum Circuit Breaker (V.C.B.). |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution; | (i) Due to Online Fabric Cutting Machine, productivity of Sealing Machine increased and labour cost reduced. (ii) With the installation of upgraded machinery viz. 'Geo Tube Manufacturing Machine', the quality of Geo Tube has improved and the said new machine has capability to boost the production of Geo Tube subject to demand rise in the market. (iii) Due to replacement of Extruder Machine, the quality of Geomembrane has improved. (iv) Due to Web Aligner modifications in Multilayered Geo Composite Resin Coating Machine, the quality of Water Proof Membrane has improved. (v) Due to replacement of old H.T. O.C.B. by V.C.B., electricity/voltage breakdowns reduced to a great extent and electrical parameters are effectively monitored. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | Not Applicable |
| | (a) the details of technology imported; | Not Applicable |
| | (b) the year of import; | Not Applicable |
| | (c) whether the technology been fully absorbed; | Not Applicable |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | Not Applicable |
| (iv) | the expenditure incurred on Research and Development | ₹ 3.98 Lakhs |
| (C) Foreign exchange earnings and outgo | | |
| (i) | Foreign Exchange earnings | ₹ 25.85 Lakhs |
| (ii) | Foreign Exchange outgo | ₹ 79.71 Lakhs |

For and on behalf of the Board

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

**Place : Mumbai
Date : 27th June, 2020**

“Annexure – F”

FORM NO. AOC-1

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

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

Part “A”: Subsidiaries

(Amount in ₹)

| Sr. No. | Particulars | Details |
|---------|--|-----------------------------------|
| 1 | Name of the subsidiary | Texel Industries (Africa) Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not Applicable |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | 1KES = 0.7206 INR |
| 4 | Share Capital | 72,060 |
| 5 | Reserves & Surplus | (1,30,51,518) |
| 6 | Total Assets | 36,17,677 |
| 7 | Total Liabilities | 1,65,97,135 |
| 8 | Investments | 0 |
| 9 | Turnover | 0 |
| 10 | Profit before taxation | (1,00,27,141) |
| 11 | Provision for taxation | 0 |
| 12 | Profit after taxation | (1,00,27,141) |
| 13 | Proposed Dividend | 0 |
| 14 | % of shareholding | 100% |

Part “B”: Associates and Joint Ventures

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

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

For and on behalf of the Board

Kirit Narotamdas Mehta
Chairman & Independent Director
DIN – 00444837

Place : Mumbai
Date : 27th June, 2020

"Annexure – G"

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT
Regulation 34(3) read with Schedule V (D) of the SEBI (LODR), 2015**

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2020.

For and on behalf of the Board

**Place : Ahmedabad
Date : 27th June, 2020**

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Texel Industries Limited Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Texel Industries Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2020, the statement of profit and loss, including statement of other comprehensive income, cash flow statement and statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to point 3 of other disclosures forming part of the standalone Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the audit of Standalone Ind AS Financial Statements

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

Report on Other Legal and Regulatory Requirements

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

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. *The Company has disclosed the impact of pending litigations on its financial position–*
The company has filed Special Civil Application on 18th May, 2016, before Honourable Gujarat High Court for quash and to set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 11, 31, 463/- on late payment of remittance for the period November,1998 to January, 2014, vide its notice dated 25th April, 2016 and to put a stay on the notice of demand dated 25th April, 2016 during Pending admission and hearing of the present petition.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2020.
- f) With respect to the matter to be included in the Auditors’ Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

CA Pankaj Agarwal
Partner

M. No. 443450

UDIN : 20443450AAAAKZ5810

Place : Ahmedabad
Date : 27th June, 2020

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory other than the stocks lying with the third parties, has been partly physically verified by the management during the year. Full verification inventory could not be conducted due to COVID -19 outbreak. However alternate audit procedures were applied for verification of physical presence of the balance inventory. In our opinion, the frequency of verification is reasonable. The discrepancy noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute except of the following:

| Statue | Nature of dues | Amount | Forum where dispute is pending | Assessment Year |
|----------------------|------------------------------|-----------|--------------------------------|-----------------|
| Income Tax Act, 1961 | Penalty under Income Tax Act | 14,61,623 | CIT (Appeals) | 2018-19 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

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

CA Pankaj Agarwal
Partner
M. No. 443450
UDIN : 20443450AAAAKZ5810

Place : Ahmedabad
Date : 27th June, 2020

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

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

Opinion

We have audited the internal financial controls over financial reporting of Texel Industries Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion the company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at 31st March, 2020, 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 ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

CA Pankaj Agarwal
Partner

M. No. 443450

UDIN : 20443450AAAAKZ5810

Place : Ahmedabad
Date : 27th June, 2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

[Amount in ₹]

| Particulars | Notes | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|-------|---------------------------------------|---------------------------------------|
| (I) ASSETS | | | |
| 1. Non Current Assets | | | |
| (a) Property, Plant and Equipment | 2 | 8,78,23,512 | 8,47,79,995 |
| (b) Capital Work in Progress | 2 | 1,46,36,750 | 71,800 |
| (c) Other Intangible assets | 2 | - | 21,000 |
| (d) Financial Assets | | | |
| - Investments | 3 | 69,012 | 69,012 |
| - Loans | 4 | 1,46,16,719 | 38,53,464 |
| - Other Financial Assets | 5 | 1,51,25,369 | 1,31,96,744 |
| (f) Other non-current assets | 6 | 1,00,91,393 | 1,01,023 |
| Total Non Current Assets | | 14,23,62,755 | 10,20,93,037 |
| 2. Current Assets | | | |
| (a) Inventories | 7 | 14,46,97,711 | 16,16,56,268 |
| (b) Financial Assets | | | |
| - Trade Receivables | 8 | 6,35,05,585 | 18,32,78,120 |
| - Cash and cash equivalents | 9 | 55,75,179 | 21,60,600 |
| - Bank balances other than Cash and Cash Equivalents | 10 | 1,36,27,706 | 73,77,702 |
| - Other Financial Assets | 11 | 33,22,997 | 51,62,071 |
| (c) Other Current Assets | 12 | 1,44,72,810 | 1,37,14,775 |
| Total Current Assets | | 24,52,01,988 | 37,33,49,536 |
| Total Assets | | 38,75,64,743 | 47,54,42,573 |
| (II) EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share Capital | 13 | 5,22,29,210 | 5,22,29,210 |
| (b) Other Equity | 14 | 14,95,12,410 | 11,92,92,895 |
| Total Equity | | 20,17,41,620 | 17,15,22,105 |
| 2. Non Current liabilities | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 15 | 12,12,412 | 15,85,299 |
| - Other financial liabilities | 16 | 7,50,000 | 7,50,000 |
| (b) Provisions | 17 | 43,87,042 | 31,22,376 |
| (c) Deferred tax liabilities (Net) | 18 | 40,98,308 | 44,21,873 |
| Total Non Current Liability | | 1,04,47,762 | 98,79,547 |
| 3. Current liabilities | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 19 | 1,47,39,320 | 1,43,43,168 |
| - Trade Payables | 20 | | |
| (i) Total outstanding dues of micro and small enterprise | | 2,67,311 | 15,56,688 |
| (ii) Total outstanding dues of creditors other than micro and small enterprise | | 11,12,89,670 | 22,86,49,361 |
| (b) Other financial liabilities | 21 | 3,72,889 | 7,57,699 |
| (c) Other current liabilities | 22 | 2,93,98,691 | 2,85,64,000 |
| (d) Provisions | 23 | 92,07,772 | 1,09,52,937 |
| (e) Liability For current Tax (Net) | 24 | 1,00,99,708 | 92,17,068 |
| Total Current Liability | | 17,53,75,361 | 29,40,40,921 |
| Total Equity and Liability | | 38,75,64,743 | 47,54,42,573 |
| Significant Accounting Policies and Notes to standalone financial statements. | 1 | | |

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAKZ5810

Place : Ahmedabad
Date : 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| Particulars | Notes | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|-------|--|--|
| REVENUE | | | |
| Revenue from Operations | 25 | 95,49,86,866 | 1,12,35,36,006 |
| Other Income | 26 | 27,11,670 | 35,82,556 |
| TOTAL REVENUE (I) | | 95,76,98,536 | 1,12,71,18,562 |
| EXPENSES | | | |
| Cost of Materials Consumed | 27 | 55,39,97,484 | 66,11,69,346 |
| Purchases of Stock-In-Trade | 28 | 12,45,46,626 | 19,70,98,406 |
| Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 29 | 2,25,406 | (46,97,019) |
| Employees Benefits Expense | 30 | 4,23,54,405 | 3,63,09,724 |
| Finance Costs | 31 | 1,49,48,559 | 1,69,76,348 |
| Depreciation and Amortisation expense | 2 | 59,63,917 | 72,68,270 |
| Other Expenses | 32 | 17,44,65,005 | 17,96,04,222 |
| TOTAL EXPENSES (II) | | 91,65,01,402 | 1,09,37,29,297 |
| PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (I)-(II) | | 4,11,97,134 | 3,33,89,265 |
| Exceptional items | | - | - |
| PROFIT BEFORE TAX | | 4,11,97,134 | 3,33,89,265 |
| Tax Expense | | | |
| Current Tax | | 1,02,69,187 | 94,28,639 |
| Deferred Tax (PL) | | (3,23,565) | (11,73,670) |
| TOTAL TAX EXPENSE | | 99,45,622 | 82,54,969 |
| PROFIT FROM CONTINUING OPERATIONS (III) | | 3,12,51,512 | 2,51,34,296 |
| Profit from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| PROFIT FROM DISCONTINUED OPERATIONS (AFTER TAX) (IV) | | - | - |
| PROFIT FOR THE PERIOD V (III+IV) | | 3,12,51,512 | 2,51,34,296 |
| OTHER COMPREHENSIVE INCOME / (EXPENSES) | | | |
| Items that will not be reclassified to profit or loss | | (1,52,409) | 50,70,910 |
| Income tax relating to items that will not be reclassified to profit or loss | | (38,358) | (19,727) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR (VI) | | (1,90,767) | 50,51,183 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR (V)+(VI) | | 3,10,60,745 | 3,01,85,479 |
| EARNINGS PER EQUITY SHARE (FACE VALUE ₹ 10 EACH) | 33 | | |
| Basic (₹) | | 5.95 | 5.78 |
| Diluted (₹) | | 5.95 | 5.78 |
| Significant Accounting Policies | 1 | | |
| Accompanying Notes are an integral part of the Financial Statements | | | |

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAKZ5810
Place : Ahmedabad
Date : 27th June, 2020

31th Annual Report 2019-20

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| Particulars | | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-------------|---|--|--|
| A | Cash flow form operating activities | | |
| | Net profit/(loss) before tax | 4,11,97,134 | 3,33,89,265 |
| | Adjustment for | | |
| | Depreciation / Amortisation | 59,63,917 | 72,68,270 |
| | Interest expense | 1,49,48,559 | 1,69,76,349 |
| | Interest income | (16,87,548) | (35,82,556) |
| | Operating cash flow before working capital changes | 6,04,22,062 | 5,40,51,328 |
| | (Increase) / Decrease in other current/non-current assets | (2,41,10,442) | (96,10,312) |
| | (Increase) / Decrease in trade receivable | 11,97,72,535 | (5,95,96,112) |
| | (Increase) / Decrease in inventories | 1,69,58,557 | (2,80,49,937) |
| | Increase / (Decrease) in trade payable | (11,86,49,067) | 9,66,16,090 |
| | Increase / (Decrease) in other current/non current liabilities | 1,32,893 | (28,08,703) |
| | Cash generated from operations | 5,45,26,538 | 5,06,02,354 |
| | Income taxes paid (net) | 1,05,82,054 | 1,43,85,500 |
| | Net cash generated by operating activities | 4,39,44,484 | 3,62,16,854 |
| B | Cash flow from investing activities | | |
| | Purchase of fixed assets | (2,35,51,384) | (2,05,80,723) |
| | Investment in Subsidiaries | - | (69,012) |
| | Investment in Non-Current Bank Fixed deposits | 25,09,230 | (47,18,151) |
| | Interest received | 16,87,548 | 35,82,556 |
| | Net cash used in investing activities | (1,93,54,606) | (2,17,85,329) |
| C | Cash flow from financing activities | | |
| | Proceeds from equity | - | - |
| | Proceeds from long-term borrowing | (3,72,888) | (81,81,733) |
| | Proceeds from short-term borrowing | 3,96,152 | 92,63,277 |
| | Change in General Reserves | - | - |
| | Interest paid | (1,49,48,559) | (1,69,76,349) |
| | Net cash generated from / used in financing activities | (1,49,25,295) | (1,58,94,805) |
| | Net (decrease)/increase in cash & cash equivalents (A+B+C) | 96,64,583 | (14,63,280) |
| | Cash and cash equivalents at beginning of the period | 95,38,302 | 1,10,01,582 |
| | Cash and cash equivalents at end of period (Refer Note 9 & 10) | 1,92,02,885 | 95,38,302 |

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

See accompanying notes forming part of the financial statements

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAKZ5810

Place : Ahmedabad
Date : 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

| | Amount in ₹ |
|--|--------------------|
| As at 1st April, 2018 | 5,22,29,210 |
| Changes in equity share capital | - |
| As at 31st March, 2019 | 5,22,29,210 |
| Changes in equity share capital | - |
| As at 31st March, 2020 | 5,22,29,210 |

B. OTHER EQUITY

[Amount in ₹]

| | Securities Premium Account | Capital Redemption Reserve | Capital Reserve | Surplus as per Statement of Profit and Loss | Other Comprehensive income Remeasurement gain/(loss) on defined benefit plans | Total |
|--|----------------------------|----------------------------|--------------------|---|--|---------------------|
| Balance as at 1st April, 2018 | 1,94,99,668 | 33,33,332 | 2,92,29,210 | 3,86,41,378 | (4,28,351) | 9,02,75,237 |
| Profit For The Year | - | - | - | 2,51,34,296 | - | 2,51,34,296 |
| Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | 1,30,00,000 | - | - | - | 1,30,00,000 |
| Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | - | - | 1,30,00,000 | - | 1,30,00,000 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | 50,51,183 | 50,51,183 |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (11,67,821) | - | (11,67,821) |
| Balance as at 31st March, 2019 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 4,96,07,853 | 46,22,832 | 11,92,92,895 |
| Profit For The Year | - | - | - | 3,12,51,512 | - | 3,12,51,512 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | (1,90,767) | (1,90,767) |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (8,41,230) | - | (8,41,230) |
| Balance as at 31st March, 2020 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 8,00,18,135 | 44,32,065 | 14,95,12,410 |

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAKZ5810
Place : Ahmedabad
Date : 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Corporate Information

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

Significant accounting policies followed by the company:

1.1 Basis of preparation

(i) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principal generally accepted in India.

(ii) Basis of Measurement

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

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

(iii) Fair Value Measurement

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have

occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iv) Use of estimates and judgments

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

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

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

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

(i) Property, plant and equipment.

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

(ii) Impairment of Non-Financial Assets.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

inflation, terminal value etc. Which are considered by the management.

(iii) Income Taxes.

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

(iv) Fair value measurement of the financial instruments.

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

(v) Defined benefits plans (Gratuity Benefits).

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

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

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

- (i) The assets / Liability expected to be realised or paid in the company's normal operating cycle.
- (ii) The assets is intended for sales or consumption.
- (iii) The assets / liability held for the purpose of trade or business
- (iv) The Assets / liability is expected to be realised/ settled within 12 month After reporting period.
- (v) The assets is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 month after reporting date.

- (vi) In case of liability, the company does not have an unconditional right to deter settlement of the liability for at least 12 month after the reporting date.

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

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

1.3 Summary of significant accounting policies

(i) Property, Plant and Equipment.

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Capital work in process

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

Impairment of Tangible Assets

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

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

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

(ii) Inventories

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

(iii) Segment Reporting

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

has only single business segment hence the detailed disclosure related to segment reporting is not required to be made.

(iv) Borrowings

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

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

(v) Borrowing costs

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

(vi) Provisions and contingent liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

(vii) Revenue recognition

The revenue from contract with customer is recognised upon transfer of control of promised product or services to the customer in an amount that reflect the consideration, which the company expect to receive in exchange of product or service. The revenue is measured based on the transaction price, which is the consideration, adjusted for discount and other incentives if any. The Amount of consideration to which the company expect to be entitled in exchange for transferring promised goods

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

or service to a customer excluding amounts collected on behalf of third parties (Duties & Taxes on behalf of Government).

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

(i) **Sales of Goods:**

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

(ii) **Interest Income:**

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

(viii) Trade Receivable

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

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

(ix) Employee benefits

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

(i) **Short-term Benefits**

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

(ii) **Post-employment Benefit**

(a) **Defined contribution Plan**

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

(b) **Defined Benefit Plans**

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

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

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

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

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

(x) Foreign currency translation

I. **Functional and presentation currency**

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

II. **Transactions and balances**

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

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

(xi) Earnings Per Share

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(xii) Government Grants

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

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

(xiii) Cash and Cash Equivalents

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

(xiv) Income Tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred

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

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

Other disclosures forming part of the standalone Ind AS Financial Statements

1. Financial Instruments – Disclosure

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

(i) Capital Management

The Company's objective when managing capital is to:

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

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

Disclosures

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

I. Categories of Financial Instruments

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Financial Assets (Measured at Amortized Cost) | | |
| - Trade & Other Receivable | 6,35,05,585 | 18,32,78,119 |
| - Cash & Cash Equivalents | 55,75,179 | 21,60,600 |
| - Other Bank Balances | 1,36,27,706 | 73,77,702 |
| - Loans | 1,46,16,719 | 38,53,464 |
| - Other Financial Assets | 1,84,48,366 | 1,83,58,814 |
| - Investments | 69,012 | 69,012 |
| Total | 11,58,42,567 | 21,50,97,711 |

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Financial Liabilities (Measured at Amortized Cost) | | |
| - Borrowings | 1,59,51,732 | 1,59,28,466 |
| - Trade Payable | 11,15,56,981 | 23,02,06,049 |
| - Other Financial Liabilities | 11,22,889 | 15,07,699 |
| Total | 13,07,09,035 | 24,79,51,904 |

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

II. Fair value measurements

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

III. Fair value hierarchy

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

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

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

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

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

3. World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, Government of India declared lockdown on 23rd March, 2020 and the Company temporarily suspended the operations and manufacturing activities in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till 17th May, 2020. However, the production and supply of goods has commenced as on 24th April, 2020 after obtaining permissions from the appropriate government authorities. The Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as on balance sheet date.

4. Financial Risk Management Framework

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

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Market Risk

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

Currency Risk

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

transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings.

Price Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The loans advanced as at 31st March, 2020 is ₹ 1,46,16,719 (previous year ₹ 38,53,464) which are interest bearing and interest rates are variable.

Liquidity risk

i. Maturities of financial liabilities

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

[Amount in ₹]

| | Less Than 1 Year | 1-3 Years | 3-5 Years | 5 Years and Above | Total |
|---|---------------------|------------------|------------------|----------------------|---------------------|
| As on 31st March, 2020 | | | | | |
| Non-interest bearing | | | | | |
| - Trade Payable | 10,58,43,785 | 11,83,657 | 10,65,053 | 2,43,435 | 10,83,35,930 |
| - Interest accrued but not due on borrowings | 2,39,320 | - | - | - | 2,39,320 |
| - Payables to employees | 32,21,051 | - | - | - | 32,21,051 |
| - Payables on purchase of Property, plant & equipment | 17,99,535 | 2,77,900 | - | - | 20,77,435 |
| - Other liabilities | 3,74,20,964 | - | - | - | 3,74,20,964 |
| Fixed-interest bearing | | | | | |
| -Security deposits | | - | - | 7,50,000 | 7,50,000 |
| -Variable interest rate instruments | 1,45,00,000 | 9,88,660 | - | 5,96,641 | 1,60,85,301 |
| Total | 16,30,24,655 | 24,50,217 | 10,65,053 | 15,90,076 | 16,81,30,001 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| | Less Than 1 Year | 1-3 Years | 3-5 Years | 5 Years and Above | Total |
|---|---------------------|------------------|-----------|----------------------|---------------------|
| As on 31st March, 2019 | | | | | |
| Non-interest bearing | | | | | |
| - Trade Payable | 22,51,22,516 | 21,19,299 | - | 2,43,436 | 22,74,85,251 |
| - Interest accrued but not due on borrowings | 6,43,168 | - | - | - | 6,43,168 |
| - Payables to employees | 27,20,799 | - | - | - | 27,20,799 |
| - Payables on purchase of Property, plant & equipment | 3,09,690 | - | - | - | 3,09,690 |
| - Unclaimed dividend | - | 4,14,246 | - | - | 4,14,246 |
| - Other liabilities | 3,74,71,378 | - | - | - | 3,74,71,378 |
| Fixed-interest bearing | | | | | |
| -Security deposits | - | - | - | 7,50,000 | 7,50,000 |
| -Variable interest rate instruments | 1,37,00,000 | 13,32,111 | - | 5,96,641 | 1,56,28,752 |
| Total | 27,99,67,551 | 38,65,655 | - | 15,90,077 | 28,54,23,283 |

ii. Liquidity risk management

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

5. Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

2 PROPERTY, PLANT AND EQUIPMENT

[Amount in ₹]

| | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|---|-----------------------------------|--------------------|---------------|------------------------------------|-----------------------------------|------------------|------------|------------------------------------|
| | As at 1 st April, 2019 | Additions | Deductions | As at 31 st March, 2020 | As at 1 st April, 2019 | Additions | Deductions | As at 31 st March, 2020 |
| Current Year ended 31st March, 2020 | | | | | | | | |
| TANGIBLE ASSETS | | | | | | | | |
| Freehold Land | 24,03,616 | - | - | 24,03,616 | - | - | - | 24,03,616 |
| Buildings | 4,60,57,687 | 4,91,896 | - | 4,65,49,583 | 2,14,59,734 | 18,46,587 | - | 2,33,06,321 |
| Plant and Equipments | 11,32,78,735 | 77,31,257 | - | 12,10,09,992 | 6,59,53,073 | 19,90,217 | - | 6,79,43,290 |
| Furniture and Fixtures | 79,99,585 | 89,785 | - | 80,89,370 | 46,95,620 | 3,91,229 | - | 50,86,849 |
| Vehicles | 48,05,419 | - | - | 48,05,419 | 21,25,898 | 3,60,864 | - | 24,86,762 |
| Office Equipments | 85,44,810 | 6,94,495 | - | 92,39,305 | 55,61,314 | 9,87,235 | - | 65,48,549 |
| Electric Installations | 86,41,494 | - | - | 86,41,494 | 71,55,712 | 3,87,785 | - | 75,43,497 |
| Total Tangible Assets | 19,17,31,346 | 90,07,433 | - | 20,07,38,779 | 10,69,51,351 | 59,63,917 | - | 11,29,15,267 |
| Total Capital Work-in-Progress | 71,800 | 1,46,36,750 | 71,800 | 1,46,36,750 | - | - | - | 1,46,36,750 |
| INTANGIBLE ASSETS | | | | | | | | |
| Trade Mark | 21,000 | - | 21,000 | - | - | - | - | - |
| Total Intangible Assets | 21,000 | - | 21,000 | - | - | - | - | - |
| TOTAL | 19,18,24,146 | 2,36,44,183 | 92,800 | 21,53,75,529 | 10,69,51,351 | 59,63,917 | - | 11,29,15,267 |

| | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--|-----------------------------------|--------------------|------------|------------------------------------|-----------------------------------|------------------|------------|------------------------------------|
| | As at 1 st April, 2018 | Additions | Deductions | As at 31 st March, 2019 | As at 1 st April, 2018 | Additions | Deductions | As at 31 st March, 2019 |
| Previous Year ended 31st March, 2019 | | | | | | | | |
| TANGIBLE ASSETS | | | | | | | | |
| Freehold Land | 24,03,616 | - | - | 24,03,616 | - | - | - | 24,03,616 |
| Buildings | 3,89,73,718 | 70,83,969 | - | 4,60,57,687 | 2,00,41,349 | 14,18,385 | - | 2,14,59,734 |
| Plant and Equipments | 10,25,54,193 | 1,07,24,542 | - | 11,32,78,735 | 6,21,42,823 | 38,10,250 | - | 6,59,53,073 |
| Furniture and Fixtures | 74,11,187 | 5,88,398 | - | 79,99,585 | 43,03,040 | 3,92,580 | - | 46,95,620 |
| Vehicles | 43,17,145 | 4,88,274 | - | 48,05,419 | 17,25,296 | 4,00,602 | - | 21,25,898 |
| Office Equipments | 69,21,070 | 16,23,740 | - | 85,44,810 | 45,60,495 | 10,00,819 | - | 55,61,314 |
| Electric Installations | 86,41,494 | - | - | 86,41,494 | 69,10,078 | 2,45,634 | - | 71,55,712 |
| Total Tangible Assets | 17,12,22,423 | 2,05,08,923 | - | 19,17,31,346 | 9,96,83,081 | 72,68,270 | - | 10,69,51,351 |
| Total Capital Work-in-Progress | - | 71,800 | - | 71,800 | - | - | - | 71,800 |
| INTANGIBLE ASSETS | | | | | | | | |
| Trade Mark | 21,000 | - | - | 21,000 | - | - | - | 21,000 |
| Total Intangible Assets | 21,000 | - | - | 21,000 | - | - | - | 21,000 |
| TOTAL | 17,12,43,423 | 2,05,80,723 | - | 19,18,24,146 | 9,96,83,081 | 72,68,270 | - | 10,69,51,351 |

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
3. INVESTMENTS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Investment in Wholly owned Subsidiaries: | | |
| Equity Instruments: Unquoted (At Cost) | | |
| Texel Industries (Africa) Limited. | 69,012 | 69,012 |
| 10,000 Equity Shares of KES 10 each fully paid | | |
| Total | 69,012 | 69,012 |

Note: The Company is having investment of Rs 69,012 i.e 10,000 equity shares of its wholly owned subsidiary, Texel Industries (Africa) Limited (TIAL). The Net worth of TIAL remained at Rs - 1,29,79,458) as on 31st March, 2020 while its accumulated losses as on that date. The management has opined that TIAL has not yet commenced its operations and the losses incurred by it are of temporary in nature and the same has been taken at carrying value.

4. LOANS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|------------------------------------|---------------------------------------|---------------------------------------|
| UNSECURED, CONSIDERED GOOD. | | |
| Loans to Related Parties | | |
| To wholly owned subsidiary | 1,46,16,719 | 38,53,464 |
| Total | 1,46,16,719 | 38,53,464 |

5. OTHER NON-CURRENT FINANCIAL ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Security Deposits | 1,29,16,447 | 84,78,592 |
| Fixed Deposits with Bank (Maturity more than twelve Months) | 22,08,922 | 47,18,152 |
| Total | 1,51,25,369 | 1,31,96,744 |

Note:- Total Bank deposits maturity Greater than twelve Months ₹ 22,08,922/- (PY 47,18,151/-) are given as margin against bank guarantee.

6. OTHER NON-CURRENT ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Capital Advances for capital Goods | 96,36,094 | - |
| Balances with Government Revenue Authorities | 4,55,299 | 1,01,023 |
| Total | 1,00,91,393 | 1,01,023 |

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

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Raw Materials | 3,90,85,242 | 5,57,86,329 |
| Work-in-Progress | 5,11,11,370 | 5,00,64,885 |
| Finished Goods | 4,94,68,254 | 5,09,95,009 |
| Stores and Spare parts | 45,81,276 | 46,13,340 |
| Waste / Scrap (valued at net realisable value) | 4,51,570 | 1,96,706 |
| Total | 14,46,97,711 | 16,16,56,268 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

8. TRADE RECEIVABLES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured, Considered Good | 6,35,05,585 | 18,32,78,120 |
| Credit Impaired | - | - |
| | 6,35,05,585 | 18,32,78,120 |
| Less: Allownce for Credit Impaired | - | - |
| | 6,35,05,585 | 18,32,78,120 |
| OTHERS | | |
| Unsecured, Considered Good | - | - |
| Total | 6,35,05,585 | 18,32,78,120 |

Note : The Trade receivable, includes Rs 20,31,925 due from subsidiary company.

9. CASH AND CASH EQUIVALENTS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------|---------------------------------------|---------------------------------------|
| Balances with Banks | | |
| - In Current Account | 55,40,993 | 21,39,141 |
| Cash on Hand | 34,185 | 21,459 |
| Total | 55,75,179 | 21,60,600 |

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Fixed Deposits with Banks (Maturity upto twelve months) | 1,36,27,706 | 73,77,702 |
| Total | 1,36,27,706 | 73,77,702 |

Note: Total Bank deposits maturity less than twelve months ₹ 1,36,27,706/- (PY 73,77,702/-) are given as margin against bank guarantee.

11. OTHER CURRENT FINANCIAL ASSETS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------------|---------------------------------------|---------------------------------------|
| Income Accrued But Not due | 26,73,621 | 47,73,512 |
| Loan to Employees | 6,49,376 | 3,88,559 |
| Total | 33,22,997 | 51,62,071 |

12. OTHER CURRENT ASSETS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Prepaid Expenses | 17,57,249 | 3,53,614 |
| Balances with Government Authorities | 52,34,453 | 3,83,111 |
| Other Short-Term Loans and Advances (including Advances to Suppliers etc.) | 74,81,108 | 1,29,78,050 |
| Total | 1,44,72,810 | 1,37,14,775 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
13. EQUITY SHARE CAPITAL
13.1 Authorised

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| 1,00,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each | 10,00,00,000 | 10,00,00,000 |
| 35,00,000 (PY 35,00,000) Preference Shares of ₹ 10 each | 3,50,00,000 | 3,50,00,000 |
| Total | 13,50,00,000 | 13,50,00,000 |

13.2 Issued, Subscribed and Fully Paid Equity Shares

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| 52,22,921 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid | 5,22,29,210 | 5,22,29,210 |
| Total | 5,22,29,210 | 5,22,29,210 |

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.
- The Board of Directors has not recommended any dividend for the year ended 31st March, 2020.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

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

| | Number of Shares | Amount in ₹ |
|--|---------------------|--------------------|
| As at 1st April, 2018 | 52,22,921 | 5,22,29,210 |
| Changes in equity share capital | - | - |
| As at 31st March, 2019 | 52,22,921 | 5,22,29,210 |
| Changes in equity share capital | - | - |
| As at 31st March, 2020 | 52,22,921 | 5,22,29,210 |

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

| | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|--------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| Equity Shares | | | | |
| Ms. Avani S Mehta | 10,75,316 | 20.59% | 10,75,316 | 20.59% |
| Mr. Mihir Bhandari | 3,00,000 | 5.74% | 3,00,000 | 5.74% |
| Mr. Ulhas Paymaster | 3,03,000 | 5.80% | 3,00,000 | 5.74% |
| Skypoint Technical Textile LLP | 5,00,000 | 9.57% | 5,00,000 | 9.57% |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
14. OTHER EQUITY

[Amount in ₹]

| | Securities Premium Account | Capital Redemption Reserve | Capital Reserve | Surplus as per Statement of Profit and Loss | Other Comprehensive income | Total |
|--|----------------------------|----------------------------|--------------------|---|--|---------------------|
| | | | | | Remeasurement gain/(loss) on defined benefit plans | |
| Balance as at 1st April, 2018 | 1,94,99,668 | 33,33,332 | 2,92,29,210 | 3,86,41,378 | (4,28,351) | 9,02,75,237 |
| Profit For The Year | - | - | - | 2,51,34,296 | - | 2,51,34,296 |
| Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | 1,30,00,000 | - | - | - | 1,30,00,000 |
| Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | - | - | 1,30,00,000 | - | 1,30,00,000 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | 50,51,183 | 50,51,183 |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (11,67,821) | - | (11,67,821) |
| Balance as at 31st March, 2019 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 4,96,07,853 | 46,22,832 | 11,92,92,895 |
| Profit For The Year | - | - | - | 3,12,51,512 | - | 3,12,51,512 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | (1,90,767) | (1,90,767) |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (8,41,230) | - | (8,41,230) |
| Balance as at 31st March, 2020 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 8,00,18,135 | 44,32,065 | 14,95,12,410 |

Notes :

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

15. NON-CURRENT BORROWINGS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|------------------------------|---------------------------------------|---------------------------------------|
| Secured | | |
| Term loans from Banks | | |
| ICICI Bank Ltd. | 6,15,771 | 9,88,658 |
| Total | 6,15,771 | 9,88,658 |
| [Hypothecation of Vehicle] | | |
| Unsecured | | |
| Loans From Related Parties | 3,41,641 | 3,41,641 |
| Loans From Others | 2,55,000 | 2,55,000 |
| Total | 5,96,641 | 5,96,641 |
| | 12,12,412 | 15,85,299 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
Note:

1. ICICI Bank Loan interest rate 8.25% p.a., repayable in 60 monthly EMI of ₹ 36,714 ending on September, 2022., Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under "Current maturity of long term Debts".
2. Loans from related party includes loan payable to Non Executive Director of the Company. No interest is paid towards the said loan.

16. OTHER NON CURRENT FINANCIAL LIABILITIES [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|-----------------|---------------------------------------|---------------------------------------|
| Trade - Deposit | 7,50,000 | 7,50,000 |
| Total | 7,50,000 | 7,50,000 |

17. NON CURRENT PROVISIONS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| For Employees Benefits | | |
| Provision for Gratuity | 31,58,938 | 22,61,876 |
| Provision for Sick Leave | 1,67,074 | 1,72,603 |
| Provision for Leave encashment | 10,61,030 | 6,87,896 |
| Total | 43,87,042 | 31,22,375 |

18. DEFERRED TAX LIABILITIES (NET) [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Deferred tax liabilities (Net) | 40,98,308 | 44,21,873 |
| Total | 40,98,308 | 44,21,873 |

19. CURRENT BORROWINGS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|-------------------|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Intercompany Loan | 1,47,39,320 | 1,43,43,168 |
| Total | 1,47,39,320 | 1,43,43,168 |

Note:-

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

20. TRADE PAYABLES [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Due to Micro and Small Enterprise | 2,67,311 | 15,56,688 |
| Due to Other than Micro and Small Enterprise. | 11,12,89,670 | 22,86,49,361 |
| Total | 11,15,56,981 | 23,02,06,049 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note:-

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| a. Principal and interest amount remaining unpaid | 2,67,311 | 15,56,688 |
| b. Interest due thereon remaining unpaid | 39,166 | 1,81,765 |
| c. Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006 | - | - |
| e. Interest accrued and remaining unpaid | - | - |
| f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

21. OTHER CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Current Maturity of Long Term Debts | 3,72,889 | 3,43,453 |
| Dividend Payable on Preference Shares | - | 4,14,246 |
| Total | 3,72,889 | 7,57,699 |

22. OTHER CURRENT LIABILITIES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Statutory Liabilities | 71,20,625 | 48,68,340 |
| Payable on purchase of property, plant & equipment | 20,77,435 | 3,09,690 |
| Advances From Customer | 2,02,00,632 | 2,33,85,970 |
| Total | 2,93,98,691 | 2,85,64,000 |

23. CURRENT PROVISIONS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity | 20,61,438 | 20,49,582 |
| Provision for Sick Leave | 17,590 | 19,851 |
| Provision for Leave encashment | 1,71,450 | 1,16,668 |
| Provision for Expenses | 69,57,294 | 87,66,836 |
| Total | 92,07,772 | 1,09,52,937 |

24. LIABILITY FOR CURRENT TAX (NET)

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Liability for current tax (Net of Advance Tax and Tax Deducted at Sources.) | 1,00,99,708 | 92,17,068 |
| Total | 1,00,99,708 | 92,17,068 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
25. REVENUE FROM OPERATIONS [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-----------------------------|--|--|
| i Sale of Products | 93,93,71,787 | 1,11,10,93,289 |
| ii Other Operating Revenues | | |
| Sale of Waste & Others | 1,56,15,079 | 1,24,42,717 |
| Total | 95,49,86,866 | 1,12,35,36,006 |

26. OTHER INCOME [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Interest Income on : | | |
| Interest Income on others | 7,83,873 | 31,57,107 |
| Interest on Fixed Deposit with Bank | 9,03,675 | 4,25,449 |
| Export Incentives | 26,507 | - |
| Provision for foreign exchange markup gain | 9,97,615 | - |
| Total | 27,11,670 | 35,82,556 |

27. COST OF MATERIALS CONSUMED [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Opening Stock | 5,57,86,329 | 3,40,42,025 |
| Add : Purchases, Including Incidental Expenses | 53,72,96,397 | 68,29,13,650 |
| Total | 59,30,82,726 | 71,69,55,675 |
| Less : Closing Stock | 3,90,85,242 | 5,57,86,329 |
| Total | 55,39,97,484 | 66,11,69,346 |

28. PURCHASES OF STOCK-IN-TRADE [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--------------|--|--|
| Traded Goods | 12,45,46,626 | 19,70,98,406 |
| Total | 12,45,46,626 | 19,70,98,406 |

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

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Opening Inventories | | |
| Finished Goods | 5,09,95,009 | 2,10,88,893 |
| Process Stock | 5,00,64,885 | 7,50,59,170 |
| Waste/Scrap | 1,96,706 | 4,11,517 |
| | 10,12,56,599 | 9,65,59,580 |
| Closing Inventories | | |
| Finished Goods | 4,94,68,254 | 5,09,95,009 |
| Process Stock | 5,11,11,370 | 5,00,64,885 |
| Waste/Scrap | 4,51,570 | 1,96,706 |
| | 10,10,31,194 | 10,12,56,599 |
| (Increase) / Decrease in Stocks | 2,25,406 | (46,97,019) |
| Less : (Increase) / Decrease in Excise Duty on Stocks | - | - |
| Total | 2,25,406 | (46,97,019) |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

30. EMPLOYEES BENEFIT EXPENSES

[Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|---|---|
| Salaries and Wages | 3,94,76,277 | 3,45,15,112 |
| Contribution to Provident and other Funds | 11,54,206 | 9,01,888 |
| Staff Welfare Expenses | 17,23,922 | 8,92,724 |
| Total | 4,23,54,405 | 3,63,09,724 |

31. FINANCE COSTS

[Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---------------------------|---|---|
| Interest on Borrowing | 15,68,095 | 17,30,109 |
| Interest on Income tax | 8,26,670 | - |
| Interest on Trade payable | 1,25,53,794 | 1,52,46,239 |
| Total | 1,49,48,559 | 1,69,76,348 |

32. OTHER EXPENSES

32.1 Manufacturing Expenses

[Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|---|---|
| Consumption of Stores, Spare Parts and Components and Incidental Expenses | 99,97,952 | 89,56,469 |
| Processing Charges | 4,81,47,492 | 6,12,81,601 |
| Power & Fuel | 2,59,30,529 | 2,60,39,720 |
| Repairs to Buildings | 4,38,600 | 3,72,299 |
| Repairs to Machinery | 6,10,713 | 3,76,730 |
| Total | 8,51,25,286 | 9,70,26,819 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
32.2 Administration, Selling and Distribution Expenses

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Advertisement and Sales Promotion | 36,93,492 | 13,30,579 |
| Insurance | 9,73,463 | 4,74,122 |
| Rates and Taxes | 9,69,026 | 3,67,838 |
| Directors' Sitting Fees | 1,20,000 | 1,00,000 |
| Bank Charges & Commission | 1,39,785 | 2,04,372 |
| Repairs & Maintenance- Computer & Other | 8,90,621 | 6,45,681 |
| Conveyance Exp. | 15,23,440 | 15,95,648 |
| Freight and forwarding | 1,93,63,728 | 2,30,33,582 |
| Legal and professional charges | 1,12,19,953 | 1,22,05,057 |
| Post & Telegram | 2,61,431 | 4,05,883 |
| Printing and stationery | 5,41,461 | 5,62,834 |
| Sales commission | 23,12,797 | 1,30,10,448 |
| Security Charges | 10,07,193 | 9,78,241 |
| Telephone Expenses | 33,008 | 30,682 |
| Site Expense | 1,47,04,593 | 78,90,021 |
| Research & Development Exp. | 3,97,817 | 11,96,718 |
| Foreign Marketing Exp. | 99,19,381 | 35,37,457 |
| Travelling Expenses | 25,24,376 | 51,13,050 |
| Other General & Miscellaneous Expenses | 54,70,486 | 57,99,613 |
| Bad debts/advance written off | 95,85,599 | 4,69,637 |
| Provision for post-sales support & warranties | 35,32,071 | 35,25,940 |
| Loss on Fixed Assets Discarded | 21,000 | - |
| Total | 8,92,04,719 | 8,24,77,402 |

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Payments to Statutory Auditors: | | |
| Audit Fee | 1,00,000 | 1,00,000 |
| Tax Audit Fee | 25,000 | - |
| Certification Charges | 10,000 | - |
| Total | 1,35,000 | 1,00,000 |
| Total | 17,44,65,005 | 17,96,04,221 |

33. EARNINGS PER SHARE:

[Amount in ₹]

| | | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|-----------|--|--|
| Net profit for the year attributable to equity shareholders | In Rupees | 3,10,60,745 | 3,01,85,479 |
| Weighted-average-number of equity shares outstanding | Nos | 52,22,921 | 52,22,921 |
| Basic Earnings Per Share (Face Value of ₹ 10 each) | In Rupees | 5.95 | 5.78 |
| Diluted Earnings Per Share (Face Value of ₹ 10 each) | In Rupees | 5.95 | 5.78 |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

INCOME TAXES EXPENSE

Tax expense recognized in the statement of Profit and Loss

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Current Tax | | |
| Current Tax on taxable income for the year | 1,02,69,187 | 94,28,639 |
| Total current tax expense | 1,02,69,187 | 94,28,639 |
| Deferred tax | | |
| Deferred tax charges/(credit) | (3,23,565) | (11,73,670) |
| MAT Credit (taken)/utilised | - | - |
| Total deferred income tax expense/(benefit) | (3,23,565) | (11,73,670) |
| Total income tax expense | 99,45,622 | 82,54,969 |

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Enacted income tax rate in India applicable to the company | 25.168% | 27.820% |
| Profit Before Tax | 4,11,97,134 | 3,33,89,265 |
| Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India | 1,03,68,495 | 92,88,894 |
| Tax effect of the amount which are not deductible/(taxable) in calculating taxable income | | |
| Permanent Disallowances | 2,22,357 | 40,532 |
| Income not considered for tax purpose | - | - |
| Expenses not allowed for tax purpose | 30,42,897 | 35,82,591 |
| Additional Allowables for tax purpose | (33,64,562) | (34,83,378) |
| Deferred Tax for Current Year | (3,23,565) | (11,73,670) |
| Other | - | - |
| Total Income tax expense/(Credit) | 99,45,622 | 82,54,969 |

Consequent to reconciliation items shown above, the effective tax rate is 24.14% (2018-19: 24.72%)

B) The Movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020

[Amount in ₹]

| | As at 1 st April, 2018 - Deferred Tax Liabilities/ (Asset) | Charge/(Credit) in statement of Profit and Loss | As at 31 st March, 2019 - Deferred Tax Liabilities/ (Asset) | Charge/(Credit) in statement of Profit and Loss | As at 31 st March, 2020 - Deferred Tax Liabilities/ (Asset) |
|---|--|---|--|---|--|
| Depreciation | 74,98,239 | (6,83,257) | 68,14,982 | 1,89,556 | 70,04,538 |
| Provision for Gratuity | (12,98,268) | 42,772 | (12,55,496) | (58,367) | (13,13,863) |
| Provision for Leave Encashment | (2,02,450) | (87,882) | (2,90,332) | (66,335) | (3,56,667) |
| Provision of Bonus | - | (2,46,298) | (2,46,298) | (7,38,919) | (9,85,217) |
| Provision of Warranty | (4,01,978) | (1,99,005) | (6,00,983) | 3,50,500 | (2,50,483) |
| Total Deferred Tax Liabilities/(Asset) | 55,95,543 | (11,73,670) | 44,21,873 | (3,23,565) | 40,98,308 |

Note :

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
34. Details of Related Party Transaction

[Amount in ₹]

| | KMP | Relative of KMP | Entity in which KMP/Relative of KMP having significant influence | Subsidiary |
|--|--------------------------|------------------------|--|------------|
| A) Transaction During the year | | | | |
| Salary & Perquisites to Managing Director | | | | |
| Shailesh R Mehta | 74,98,533 (73,09,996) | - - | - - | - - |
| Salary of KMP | | | | |
| Shweta Sultania | 10,57,573 (5,15,568) | - - | - - | - - |
| Vikram Patel | 9,39,047 (6,92,602) | - - | - - | - - |
| Loan Given to KMP | | | | |
| Vikram Patel | 3,00,000 - | - - | - - | - - |
| Salary Relative of KMP | | | | |
| Avishi Sharedalal | - | 5,32,289 (4,46,889) | - | - |
| Anisha Mehta | - | 1,84,325 (78,788) | - | - |
| Director Sitting Fees | | | | |
| Kirit Mehta | 50,000 (50,000) | - - | - - | - - |
| Dr. Christy Leon Fernandez | 30,000 (40,000) | - - | - - | - - |
| Mrs. Jasmin Nahidakhtar Vhora | 40,000 (10,000) | - - | - - | - - |
| Legal and professional fees | | | | |
| G.P. Kapadia & Co | - | - | 18,00,000 - | - - |
| C R Sharedalal & Co | - | - | 1,00,000 - | - - |
| Mrs. Avani S Mehta | - | 2,08,000 - | - - | - - |
| Risha Aquapruf Infrastructure LLP | | | | |
| Site Expense (Labour Charges) | - | - | 1,41,71,249 (77,46,025) | - - |
| Moneeto Plasti-Feb P. LTD | | | | |
| Sales | - | - | 15,64,634 (53,76,752) | - - |
| Purchase of Raw Material | - | - | 27,31,036 (24,00,454) | - - |
| Anjaneya Enterprise | | | | |
| Job works charges | - | - | 1,09,000 (66,725) | - - |
| Purchase of Raw Material | - | - | 2,04,03,891 (2,13,66,615) | - - |
| Sales | - | - | 1,34,35,049 (1,15,79,604) | - - |
| Risha Infrastructure | | | | |
| Marketing Exp. | - | - | 48,00,000 - | - - |

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| | KMP | Relative of KMP | Entity in which KPM/Relative of KMP having significant influence | Subsidiary |
|---|-------------|-----------------|--|-------------|
| Grow Materials LLC | | | | |
| Purchase of Raw Material | - | - | - | - |
| | - | - | (9,40,888) | - |
| Texel Industries (Africa) Limited. | | | | |
| Sales | - | - | - | 20,31,925 |
| | - | - | - | - |
| Loan Given | - | - | - | 1,02,10,298 |
| | - | - | - | (38,04,422) |
| Interest On Loan | - | - | - | 5,52,957 |
| | - | - | - | (49,042) |
| B) Closing balances | | | | |
| Receivable from | | | | |
| Moneeto Plasti-Feb P. LTD | - | - | - | - |
| | - | - | (16,14,060) | - |
| Anjaneya Enterprise | - | - | 5,18,653 | - |
| | - | - | - | - |
| Texel Industries (Africa) Limited. | - | - | - | 20,31,925 |
| | - | - | - | - |
| Payable to | | | | |
| Anjaneya Enterprise | - | - | - | - |
| | - | - | (2,78,776) | - |
| Moneeto Plasti-Feb P. LTD | - | - | 11,02,350 | - |
| | - | - | - | - |
| Risha Infrastructure | - | - | 8,64,000 | - |
| | - | - | - | - |
| Risha Aquapruf Infrastructure LLP | - | - | 1,48,64,435 | - |
| | - | - | (46,83,562) | - |
| Naresh R Mehta | 4,40,151 | - | - | - |
| | (4,40,151) | - | - | - |
| Shailesh R Mehta | 13,34,380 | - | - | - |
| | (17,44,745) | - | - | - |
| Shweta Sultania | 75,728 | - | - | - |
| | (80,728) | - | - | - |
| Vikram Patel | 82,122 | - | - | - |
| | (85,746) | - | - | - |
| Anisha Mehta | - | 20,900 | - | - |
| | - | (18,178) | - | - |
| Avishi Shairedalal | - | 42,114 | - | - |
| | - | (41,914) | - | - |
| Grow Materials LLC | - | - | 9,40,888 | - |
| | - | - | (9,40,888) | - |
| Loans & Advances - Receivable | | | | |
| Crossland Housing & Const. Limited | - | - | 10,00,000 | - |
| | - | - | (10,00,000) | - |
| Mehta & Dholabhai | - | - | 6,15,209 | - |
| | - | - | (6,15,209) | - |
| Vikram Patel | 2,41,867 | - | - | - |
| | - | - | - | - |
| Texel Industries (Africa) Limited. | - | - | - | 1,46,16,719 |
| | - | - | - | (38,53,464) |

 Figures in brackets relates to previous year ended on 31st March, 2019

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
35. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| 35.1 Claims/disputed liabilities not acknowledged as liability: | | |
| (a) EPF Interest and Damages (The company has filed Special Civil Application on 18 th May, 2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹11,31,463/- on late payment of remittance for November,1998 to January, 2014 vide notice dated 25 th April, 2016 and to stay on the notice of demand dated 25 th April, 2016 during pending admission and hearing of the present petition). | 11,31,463 | 11,31,463 |
| (b) Income Tax demand raised by Income tax Department for Assessemnt year 2018-2019, Against that Appeal has been filed at Commissioner of Income Tax - Appeal. | 14,61,623 | - |
| (c) Bank Guarantee (against 100% margin money in form of deposits) | 1,45,26,552 | 1,14,89,668 |

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

36. DEFINED BENEFIT PLAN

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

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| | Gratuity | Gratuity |
| Present value of obligation as at the beginning | 43,11,458 | 37,51,352 |
| Current service cost | 4,72,115 | 3,36,535 |
| Past Service Cost | - | - |
| Interest cost | 3,35,863 | 2,94,481 |
| Benefits paid | (51,469) | - |
| Actuarial (Gain) / Loss | 1,52,409 | (70,910) |
| Present value of obligation as at the end (Unfunded) | 52,20,376 | 43,11,458 |

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

Not applicable as Gratuity and Leave Liability is unfunded.

III. Reconciliation of fair value of assets and obligation

Not applicable as Gratuity and Leave Liability is unfunded.

IV. Expense recognised during the year

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| | Gratuity | Gratuity |
| Service cost | 4,72,115 | 3,36,535 |
| Interest cost | 3,35,863 | 2,94,481 |
| Actuarial (Gain) / Loss | 1,52,409 | (70,910) |
| Net cost included in 'Employee Benefit Expense' | 9,60,387 | 5,60,106 |

V. Investment Details

Not applicable as Gratuity and Leave Liability is unfunded.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

VI. Actuarial Assumptions for Gratuity [Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|---|---|
| Discount rate (per annum) | 7.79% | 7.85% |
| Expected rate of return on plan assets (per annum) | N.A. | N.A. |
| Rate of escalation in salary (per annum) | 7.00% | 7.00% |

VII. Other disclosures [Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|---|---|
| Present value of obligation as at the end - Gratuity | 52,20,376 | 43,11,458 |
| Surplus/(deficit) - Gratuity | (52,20,376) | (43,11,458) |
| Experience adjustment on plan liability - Gratuity | (1,49,716) | (85,189) |
| Actuarial Loss / (Gain) due to change in assumptions - Gratuity | 3,02,125 | 14,279 |

37. OTHER DISCLOSURES

37.1 Details of imported and indigenous raw material consumed:

| | Year ended 31st March, 2020 | | Year ended 31st March, 2019 | |
|-------------------------|---|-------------|---|-------------|
| | Amount in ₹ | % | Amount in ₹ | % |
| Imported raw material | 26,86,970 | 0.49% | 26,65,661 | 0.40% |
| Indigenous raw material | 55,13,10,514 | 99.51% | 65,85,03,685 | 99.60% |
| Total | 55,39,97,484 | 100% | 66,11,69,346 | 100% |

37.2 Value of import on CIF basis: [Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---------------|---|---|
| Raw material | 26,86,970 | 26,65,661 |
| Capital goods | - | - |
| Others | - | - |

37.3 Earnings in foreign currency: [Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|------------------------------|---|---|
| Export of goods on FOB basis | 17,28,418 | - |
| Others | - | - |

37.4 Foreign currency (USD \$) exposure that are not hedged [Amount in ₹]

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|-------------------|---|---|
| Loans given | 1,46,16,719 | 38,53,464 |
| Advance for Goods | 1,20,519 | - |
| Debtors | 20,31,925 | - |

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

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAKZ5810

Place: Ahmedabad
Date: 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place: Mumbai
Date: 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

INDEPENDENT AUDITOR'S REPORT

To the Members of Texel Industries Limited Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Texel Industries Limited (hereinafter referred to as "the Holding Company"), its wholly owned subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated balance sheet as at 31st March, 2020 the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020 their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to point 3 of Other disclosures forming part of the consolidated Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Management's Responsibility for the Consolidated AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of Holding company or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated Ind AS financial statement of which we are independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Consolidated Financial Statements include the Group's share of net liabilities amounting ₹ 36,17,677 for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, in respect of one wholly owned subsidiary, whose financial statements have not been audited by us. These financial statements and other financial information have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this wholly owned subsidiary,

and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid wholly owned subsidiary, is based solely on the information furnished to us.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the considerations of report of management on separate financial statements as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.
 - (e) On the basis of the written representations received from the directors of Holding company as on 31st March, 2020 taken on record by the Board of Directors of holding company, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its consolidated financial position–
The company has filed Special Civil Application on 18th May, 2016, before Honourable Gujarat High Court for quash and to set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 11,31,463/- on late payment of remittance for the period November, 1998 to January, 2014, vide its notice dated 25th April, 2016 and to put a stay on the notice of demand dated 25th April, 2016 during Pending admission and hearing of the present petition.
 - ii. The Group 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 as the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31st March, 2020.
 - (f) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Group to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

CA Pankaj Agarwal
Partner

M. No. 443450

UDIN : 20443450AAAALA9986

Place : Ahmedabad
Date : 27th June, 2020

Annexure - A to Independent Auditors' Report of even date on the Consolidated Ind AS financial statement of the Texel Industries Limited ("the Company")

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

In conjunction with our audit of the consolidated Ind AS financial statements of Texel Industries Limited as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Texel Industries Limited (hereinafter referred to as the "Holding Company") and its wholly owned subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In or opinion the holding company and its wholly owned subsidiary, in all material respects, have maintained an adequate internal financial controls system over financial reporting and were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the holding company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

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

CA Pankaj Agarwal
Partner

M. No. 443450

UDIN : 20443450AAAAALA9986

Place : Ahmedabad
Date : 27th June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

[Amount in ₹]

| Particulars | Notes | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|-------|---------------------------------------|---------------------------------------|
| (I) ASSETS | | | |
| 1. Non Current Assets | | | |
| (a) Property, Plant and Equipment | 2 | 8,83,07,799 | 8,48,65,279 |
| (b) Capital Work in Progress | 2 | 1,46,36,750 | 71,800 |
| (c) Other Intangible assets | 2 | - | 21,000 |
| (d) Financial Assets | | | |
| - Other Financial Assets | 3 | 1,53,42,294 | 1,31,96,744 |
| (f) Other non-current assets | 4 | 1,00,91,393 | 1,01,023 |
| Total Non Current Assets | | 12,83,78,236 | 9,82,55,846 |
| 2. Current Assets | | | |
| (a) Inventories | 5 | 14,66,86,283 | 16,16,56,268 |
| (b) Financial Assets | | | |
| - Trade Receivables | 6 | 6,14,73,660 | 18,32,78,120 |
| - Cash and cash equivalents | 7 | 58,95,500 | 32,57,762 |
| - Bank balances other than Cash and Cash Equivalents | 8 | 1,36,27,706 | 73,77,702 |
| - Other Financial Assets | 9 | 33,22,997 | 51,62,071 |
| (c) Other Current Assets | 10 | 1,50,80,382 | 1,37,43,366 |
| Total Current Assets | | 24,60,86,528 | 37,44,75,289 |
| Total Assets | | 37,44,64,764 | 47,27,31,135 |
| (II) EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share Capital | 11 | 5,22,29,210 | 5,22,29,210 |
| (b) Other Equity | 12 | 13,59,60,578 | 11,64,30,765 |
| Total Equity | | 18,81,89,788 | 16,86,59,975 |
| 2. Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 13 | 12,12,412 | 15,85,299 |
| - Other financial liabilities | 14 | 7,50,000 | 7,50,000 |
| (b) Provisions | 15 | 43,87,042 | 31,22,376 |
| (c) Deferred tax liabilities (Net) | 16 | 40,98,308 | 44,21,873 |
| Total Non Current Liability | | 1,04,47,762 | 98,79,547 |
| 3. Current liabilities | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 17 | 1,47,39,320 | 1,43,43,168 |
| - Trade Payables" | 18 | | |
| (i) Total outstanding dues of micro and small enterprise | | 2,67,311 | 15,56,688 |
| (ii) Total outstanding dues of creditors other than micro and small enterprise | | 11,15,10,823 | 22,86,61,332 |
| (b) Other financial liabilities | 19 | 3,72,889 | 7,57,699 |
| (c) Other current liabilities | 20 | 2,93,98,799 | 2,87,02,720 |
| (d) Provisions | 21 | 94,38,364 | 1,09,52,937 |
| (e) Liability For current Tax (Net) | 22 | 1,00,99,708 | 92,17,068 |
| Total Current Liability | | 17,58,27,214 | 29,41,91,612 |
| Total Equity and Liability | | 37,44,64,764 | 47,27,31,135 |
| Significant Accounting Policies And Notes To Consolidated Financial Statements. | 1 | | |

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAAA9986

Place : Ahmedabad
Date : 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| Particulars | Notes | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|-------|--|--|
| REVENUE | | | |
| Revenue from Operations | 23 | 95,31,36,338 | 1,12,35,36,006 |
| Other Income | 24 | 21,58,713 | 35,33,514 |
| Total Revenue (I) | | 95,52,95,051 | 1,12,70,69,520 |
| Expenses | | | |
| Cost of Materials Consumed | 25 | 55,44,70,835 | 66,11,69,346 |
| Purchases of Stock-In-Trade | 26 | 12,45,46,626 | 19,70,98,406 |
| Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 27 | (17,63,166) | (46,97,019) |
| Employees Benefits Expense | 28 | 4,87,87,962 | 3,90,56,611 |
| Finance Costs | 29 | 1,49,48,559 | 1,69,76,348 |
| Depreciation and Amortisation expense | 2 | 60,31,193 | 72,68,270 |
| Other Expenses | 30 | 17,76,03,363 | 17,96,70,422 |
| Total Expenses (II) | | 92,46,25,372 | 1,09,65,42,384 |
| Profit Before Exceptional item and Tax (I)-(II) | | 3,06,69,679 | 3,05,27,136 |
| Exceptional items | | - | - |
| Profit Before Tax | | 3,06,69,679 | 3,05,27,136 |
| Tax Expense | | | |
| Current Tax | | 1,02,69,187 | 94,28,639 |
| Deferred Tax (PL) | | (3,23,565) | (11,73,670) |
| Total Tax Expense | | 99,45,622 | 82,54,969 |
| Profit from continuing operations (III) | | 2,07,24,057 | 2,22,72,167 |
| Profit from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit from discontinued operations (after tax) (IV) | | - | - |
| Profit for the period V (III+IV) | | 2,07,24,057 | 2,22,72,167 |
| Other Comprehensive Income / (Expenses) | | | |
| A Items that will not be reclassified to profit or loss | | (1,52,409) | 50,70,910 |
| Income tax relating to items that will not be reclassified to profit or loss | | (38,358) | (19,727) |
| B Items that will be reclassified to profit or loss | | (1,62,248) | - |
| Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income for the year (VI) | | (3,53,015) | 50,51,183 |
| Total Comprehensive Income for the year (V)+(VI) | | 2,03,71,042 | 2,73,23,350 |
| Earnings Per Equity Share (Face Value ` 10 each) | 31 | | |
| Basic (In Rupees) | | 3.90 | 5.23 |
| Diluted (In Rupees) | | 3.90 | 5.23 |
| Significant Accounting Policies | 1 | | |
| Accompanying Notes are an integral part of the Financial Statements | | | |

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAALA9986
Place : Ahmedabad
Date : 27th June, 2020

31st Annual Report 2019-20

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| Particulars | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| A Cash flow form operating activities | | |
| Net profit/(loss) before tax | 3,06,69,679 | 3,05,27,136 |
| Adjustment for | | |
| Depreciation / Amortisation | 60,31,193 | 72,68,270 |
| Interest expense | 1,49,48,559 | 1,69,76,349 |
| Interest income | (11,34,591) | (35,33,514) |
| Operating cash flow before working capital changes | 5,05,14,840 | 5,12,38,241 |
| (Increase) / Decrease in other current/non-current assets | (1,41,43,093) | (57,85,439) |
| (Increase) / Decrease in trade receivable | 12,18,04,460 | (5,95,96,112) |
| (Increase) / Decrease in inventories | 1,49,69,985 | (2,80,49,937) |
| Increase / (Decrease) in trade payable | (11,84,39,885) | 9,66,28,061 |
| Increase / (Decrease) in other current/non current liabilities | 62,626 | (26,69,983) |
| Cash generated from operations | 5,47,68,933 | 5,17,64,830 |
| Income taxes paid (net) | 1,05,82,054 | 1,43,85,500 |
| Net cash generated by operating activities | 4,41,86,879 | 3,73,79,330 |
| B Cash flow from investing activities | | |
| Purchase of fixed assets | (2,40,17,663) | (2,06,66,007) |
| Investment in Subsidiaries | - | - |
| Investment in Non-Current Bank Fixed deposits | 25,09,230 | (47,18,151) |
| Interest received | 11,34,591 | 35,33,514 |
| Net cash used in investing activities | (2,03,73,842) | (2,18,50,644) |
| C Cash flow from financing activities | | |
| Proceeds from equity | - | - |
| Proceeds from long-term borrowing | (3,72,888) | (81,81,733) |
| Proceeds from short-term borrowing | 3,96,152 | 92,63,277 |
| Change in General Reserves | - | - |
| Interest paid | (1,49,48,559) | (1,69,76,349) |
| Net cash generated from / used in financing activities | (1,49,25,295) | (1,58,94,805) |
| Net (decrease)/increase in cash & cash equivalents (A+B+C) | 88,87,742 | (3,66,118) |
| Cash and cash equivalents at beginning of the period | 1,06,35,464 | 1,10,01,582 |
| Cash and cash equivalents at end of period (Refer Note 7 & 8) | 1,95,23,206 | 1,06,35,464 |

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

See accompanying notes forming part of the financial statements

As per our Report of even date attached

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

CA. Pankaj Agarwal
Partner
Membership No. 443450
UDIN : 20443450AAAALA9986

Place : Ahmedabad
Date : 27th June, 2020

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

Shailesh R. Mehta
Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta
Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania
Company Secretary
Membership No.: ACS 22290

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

A. EQUITY SHARE CAPITAL

| | Amount in ₹ |
|--|--------------------|
| As at 1st April, 2018 | 5,22,29,210 |
| Changes in equity share capital | - |
| As at 31st March, 2019 | 5,22,29,210 |
| Changes in equity share capital | - |
| As at 31st March, 2020 | 5,22,29,210 |

B. OTHER EQUITY

[Amount in ₹]

| | Securities Premium Account | Capital Redemption Reserve | Capital Reserve | Surplus as per Statement of Profit and Loss | Other Comprehensive income Remeasurement gain/(loss) on defined benefit plans | Total |
|--|----------------------------------|----------------------------------|--------------------|--|--|---------------------|
| Balance as at 1st April, 2018 | 1,94,99,668 | 33,33,332 | 2,92,29,210 | 3,86,41,378 | (4,28,351) | 9,02,75,237 |
| Profit For The Year | - | - | - | 2,22,72,167 | - | 2,22,72,167 |
| Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | 1,30,00,000 | - | - | - | 1,30,00,000 |
| Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | - | - | 1,30,00,000 | - | 1,30,00,000 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | 50,51,183 | 50,51,183 |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (11,67,821) | - | (11,67,821) |
| Balance as at 31st March, 2019 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 4,67,45,723 | 46,22,832 | 11,64,30,765 |
| Profit For The Year | - | - | - | 2,07,24,057 | - | 2,07,24,057 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | (3,53,015) | (3,53,015) |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (8,41,230) | - | (8,41,230) |
| Balance as at 31st March, 2020 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 6,66,28,550 | 42,69,818 | 13,59,60,578 |

As per our Report of even date attached

For Sunil Poddar & Co.

Chartered Accountants
Firm. Reg. No. 110603W

CA. Pankaj Agarwal

Partner
Membership No. 443450
UDIN : 20443450AAAALA9986

Place : Ahmedabad

Date : 27th June, 2020

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

Shailesh R. Mehta

Managing Director
DIN: 01457666

Vikram Patel

CFO

Kirit N. Mehta

Chairman & Independent Director
DIN: 00444837

Place : Mumbai

Date : 27th June, 2020

Shweta Sultania

Company Secretary
Membership No.: ACS 22290

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Corporate Information

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

SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY:

1.1 Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principal generally accepted in India.

(ii) Principles of Consolidation

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

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

(iii) Basis of Measurement

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

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

(iv) Fair Value Measurement

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

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

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

(iv) Use of estimates and judgments

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(i) Property, plant and equipment.

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

(ii) Impairment of Non-Financial Assets.

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

(iii) Income Taxes.

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

(iv) Fair value measurement of the financial instruments.

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

(v) Defined benefits plans (Gratuity Benefits).

The cost of the defined benefit of gratuity plan and present value of the gratuity obligation are

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

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

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

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

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

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

1.3 Summary of significant accounting policies

1. Property, Plant and Equipment.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Depreciation methods, estimated useful lives and residual value

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

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

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

Capital work in process

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

Impairment of Tangible Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

2. Inventories

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

3. Segment Reporting

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

4. Borrowings

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

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

5. Borrowing costs

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

6. Provisions and contingent liabilities

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

7. Revenue recognition

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

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

(i) Sales of Goods:

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

(ii) Interest Income:

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

8. Trade Receivable

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

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

9. Employee benefits

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

(i) Short-term Benefits

Employee benefit payable wholly within 12 months of rendering services are classified as short term employee

benefit and recognised in the period which the employee renders services. These are recognised at the undiscounted amount of the benefit expected to be paid in exchange for that services.

(ii) Post-employment Benefit

(a) Defined contribution Plan

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

(b) Defined Benefit Plans

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

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

(c) Other Long-term employee Benefits

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

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

10. Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

11. Income tax

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

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

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

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

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

12. Government Grants

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

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

13. Cash and Cash Equivalents

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

14. Earnings Per Share

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

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

Other disclosures forming part of the consolidated Ind AS Financial Statements

1. Financial Instruments – Disclosure

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

(i) Capital management

The group's objective when managing capital is to:

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

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

Disclosures

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
(i) Categories of Financial Instruments

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Financial Assets (Measured at Amortized Cost) | | |
| - Trade & Other Receivable | 6,14,73,660 | 18,32,78,120 |
| - Cash & Cash Equivalents | 58,95,500 | 32,57,762 |
| - Other Bank Balances | 1,36,27,706 | 73,77,702 |
| - Other Financial Assets | 1,86,65,291 | 1,83,58,815 |
| Total | 9,96,62,157 | 21,22,72,399 |

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Financial Liabilities (Measured at Amortized Cost) | | |
| - Borrowings | 12,12,412 | 15,85,299 |
| - Trade Payable | 11,17,78,134 | 23,02,18,020 |
| - Other Financial Liabilities | 11,22,889 | 15,07,699 |
| Total | 11,41,13,435 | 23,33,11,018 |

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

(ii) Fair value measurements

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

(iii) Fair value hierarchy

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

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

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

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

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

3. World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, Government of India declared lockdown on 23rd March, 2020 and the Company temporarily suspended the operations and manufacturing activities in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till 17th May, 2020. However, the production and supply of goods has commenced as on 24th April, 2020 after obtaining permissions from the appropriate government authorities. The Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as on balance sheet date.

4. Financial Risk Management Framework

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

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

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the group's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

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

Price Risk

The group's investments in listed securities, mutual funds, other funds and debentures are susceptible to market price risk arising from uncertainties about future values of the

investment securities. The group manages the price risk through diversification and by placing limits on individual and total equity instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates.

Liquidity risk

i. Maturities of financial liabilities

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

[Amount in ₹]

| | Less Than 1 Year | 1-3 Years | 3-5 Years | 5 Years and Above | Total |
|---|---------------------|------------------|------------------|-------------------|---------------------|
| As on 31st March, 2020 | | | | | |
| Non-interest bearing | | | | | |
| - Trade Payable | 10,59,00,640 | 11,83,657 | 10,65,053 | 2,43,435 | 10,83,92,785 |
| - Interest accrued but not due on borrowings | 2,39,320 | - | - | - | 2,39,320 |
| - Payables to employees | 33,85,349 | - | - | - | 33,85,349 |
| - Payables on purchase of Property, plant & equipment | 17,99,535 | 2,77,900 | - | - | 20,77,435 |
| - Other liabilities | 3,74,21,072 | - | - | - | 3,74,21,072 |
| Fixed-interest bearing | | | | | |
| - Security deposits | - | - | - | 7,50,000 | 7,50,000 |
| - Variable interest rate instruments | 1,45,00,000 | 9,88,660 | - | 5,96,641 | 1,60,85,301 |
| Total | 16,32,45,916 | 24,50,217 | 10,65,053 | 15,90,076 | 16,83,51,262 |

[Amount in ₹]

| | Less Than 1 Year | 1-3 Years | 3-5 Years | 5 Years and Above | Total |
|---|---------------------|------------------|-----------|-------------------|---------------------|
| As on 31st March, 2019 | | | | | |
| Non-interest bearing | | | | | |
| - Trade Payable | 22,51,34,487 | 21,19,299 | - | 2,43,436 | 22,74,97,222 |
| - Interest accrued but not due on borrowings | 6,43,168 | - | - | - | 6,43,168 |
| - Payables to employees | 27,20,799 | - | - | - | 27,20,799 |
| - Payables on purchase of Property, plant & equipment | 3,09,690 | - | - | - | 3,09,690 |
| - Unclaimed dividend | - | 4,14,246 | - | - | 4,14,246 |
| - Other liabilities | 3,76,10,098 | - | - | - | 3,76,10,098 |
| Fixed-interest bearing | | | | | |
| - Security deposits | - | - | - | 7,50,000 | 7,50,000 |
| - Variable interest rate instruments | 1,37,00,000 | 13,32,111 | - | 5,96,641 | 1,56,28,752 |
| Total | 28,01,18,242 | 38,65,655 | - | 15,90,077 | 28,55,73,974 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

ii. Liquidity risk management

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

5. Additional information, as required under schedule III to the companies act, 2013, of entities consolidated as subsidiaries

| | Net Assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|---|---------------------|-----------------------------|--------------------|---|------------------|---|--------------------|
| | As % of consolidated net assets | Amount (in ₹) | As % of consolidated profit | Amount (in ₹) | As % of consolidated other comprehensive income | Amount (in ₹) | As % of consolidated total comprehensive income | Amount (in ₹) |
| PARENT | | | | | | | | |
| Texel Industries Ltd. | | | | | | | | |
| As at 31 st March, 2020 | 107.20% | 20,17,41,620 | 150.80% | 3,12,51,512 | 54.04% | -1,90,767 | 152.47% | 3,10,60,745 |
| As at 31 st March, 2019 | 101.70% | 17,15,22,105 | 112.85% | 2,51,34,296 | 100.00% | 50,51,183 | 110.48% | 3,01,85,479 |
| SUBSIDIARY (FOREIGN) | | | | | | | | |
| Texel Industries (Africa) Ltd. | | | | | | | | |
| As at 31 st March, 2020 | -7.20% | -1,35,51,832 | -50.80% | -1,05,27,455 | 45.96% | -1,62,248 | -52.47% | -1,06,89,703 |
| As at 31 st March, 2019 | -1.70% | -28,62,130 | -12.85% | -28,62,129 | 0.00% | - | -10.48% | -28,62,129 |
| Total As at 31st March, 2020 | 100.00% | 18,81,89,788 | 100.00% | 2,07,24,057 | 100.00% | -3,53,015 | 100.00% | 2,03,71,042 |
| Total As at 31st March, 2019 | 100.00% | 16,86,59,975 | 100.00% | 2,22,72,167 | 100.00% | 50,51,183 | 100.00% | 2,73,23,350 |

6. Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

2 PROPERTY, PLANT AND EQUIPMENT

[Amount in ₹]

| | Gross Block | | As at 31 st March, 2020 | Depreciation / Amortisation | | Net Block As at 31 st March, 2020 | |
|---|--------------------------------------|--------------------|---------------------------------------|-----------------------------|--------------------------------------|--|---------------------|
| | As at 1 st April, 2019 | Additions | | Deductions | As at 1 st April, 2019 | | Additions |
| Current Year ended 31st March, 2020 | | | | | | | |
| TANGIBLE ASSETS | | | | | | | |
| Freehold Land | 24,03,616 | - | 24,03,616 | - | - | - | 24,03,616 |
| Buildings | 4,60,57,687 | 4,91,896 | 4,65,49,583 | 2,14,59,734 | 18,46,587 | 2,33,06,321 | 2,32,43,262 |
| Plant and Equipments | 11,32,78,735 | 77,31,257 | 12,10,09,992 | 6,59,53,073 | 19,90,217 | 6,79,43,290 | 5,30,66,702 |
| Furniture and Fixtures | 80,74,549 | 4,37,495 | 85,12,044 | 46,95,620 | 4,33,078 | 51,28,698 | 33,83,346 |
| Vehicles | 48,05,419 | - | 48,05,419 | 21,25,898 | 3,60,864 | 24,86,762 | 23,18,657 |
| Office Equipments | 85,55,130 | 8,13,064 | 93,68,194 | 55,61,314 | 10,12,662 | 65,73,976 | 27,94,218 |
| Electric Installations | 86,41,494 | - | 86,41,494 | 71,55,712 | 3,87,785 | 75,43,497 | 10,97,997 |
| Total Tangible Assets | 19,18,16,630 | 94,73,712 | 20,12,90,342 | 10,69,51,351 | 60,31,193 | 11,29,82,543 | 8,83,07,799 |
| Total Capital Work-in-Progress | 71,800 | 1,46,36,750 | 1,46,36,750 | - | - | - | 1,46,36,750 |
| INTANGIBLE ASSETS | | | | | | | |
| Trade Mark | 21,000 | - | 21,000 | - | - | - | - |
| Total Intangible Assets | 21,000 | - | 21,000 | - | - | - | - |
| TOTAL | 19,19,09,430 | 2,41,10,462 | 21,59,27,092 | 10,69,51,351 | 60,31,193 | 11,29,82,543 | 10,29,44,549 |

| | Gross Block | | As at 31 st March, 2019 | Depreciation / Amortisation | | Net Block As at 31 st March, 2019 | |
|--|--------------------------------------|--------------------|---------------------------------------|-----------------------------|--------------------------------------|--|--------------------|
| | As at 1 st April, 2018 | Additions | | Deductions | As at 1 st April, 2018 | | Additions |
| Previous Year ended 31st March, 2019 | | | | | | | |
| TANGIBLE ASSETS | | | | | | | |
| Freehold Land | 24,03,616 | - | 24,03,616 | - | - | - | 24,03,616 |
| Buildings | 3,89,73,718 | 70,83,969 | 4,60,57,687 | 2,00,41,349 | 14,18,385 | 2,14,59,734 | 2,45,97,953 |
| Plant and Equipments | 10,25,54,193 | 1,07,24,542 | 11,32,78,735 | 6,21,42,823 | 38,10,250 | 6,59,53,073 | 4,73,25,662 |
| Furniture and Fixtures | 74,11,187 | 6,63,362 | 80,74,549 | 43,03,040 | 3,92,580 | 46,95,620 | 33,78,929 |
| Vehicles | 43,17,145 | 4,88,274 | 48,05,419 | 17,25,296 | 4,00,602 | 21,25,898 | 26,79,521 |
| Office Equipments | 69,21,070 | 16,34,060 | 85,55,130 | 45,60,495 | 10,00,819 | 55,61,314 | 29,93,816 |
| Electric Installations | 86,41,494 | - | 86,41,494 | 69,10,078 | 2,45,634 | 71,55,712 | 14,85,782 |
| Total Tangible Assets | 17,12,22,423 | 2,05,94,207 | 19,18,16,630 | 9,96,83,081 | 72,68,270 | 10,69,51,351 | 8,48,65,279 |
| Total Capital Work-in-Progress | - | 71,800 | 71,800 | - | - | - | 71,800 |
| INTANGIBLE ASSETS | | | | | | | |
| Trade Mark | 21,000 | - | 21,000 | - | - | - | 21,000 |
| Total Intangible Assets | 21,000 | - | 21,000 | - | - | - | 21,000 |
| TOTAL | 17,12,43,423 | 2,06,66,007 | 19,19,09,430 | 9,96,83,081 | 72,68,270 | 10,69,51,351 | 8,49,58,079 |

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
3. OTHER NON-CURRENT FINANCIAL ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Security Deposits | 1,31,33,372 | 84,78,592 |
| Fixed Deposits with Bank (Maturity more than twelve Months) | 22,08,922 | 47,18,152 |
| Total | 1,53,42,294 | 1,31,96,744 |

Note:- Total Bank deposits maturity Greater than twelve Months ₹ 22,08,922/- (PY 47,18,151/-) are given as margin against bank guarantee.

4. OTHER NON-CURRENT ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Capital Advances for capital Goods | 96,36,094 | - |
| Balances with Government Revenue Authorities | 4,55,299 | 1,01,023 |
| Total | 1,00,91,393 | 1,01,023 |

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

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Raw Materials | 3,90,85,242 | 5,57,86,329 |
| Work-in-Progress | 5,11,11,370 | 5,00,64,885 |
| Finished Goods | 5,14,56,826 | 5,09,95,009 |
| Stores and Spare parts | 45,81,276 | 46,13,340 |
| Waste / Scrap (valued at net realisable value) | 4,51,570 | 1,96,706 |
| Total | 14,66,86,283 | 16,16,56,268 |

6. TRADE RECEIVABLES [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured, Considered Good | 6,14,73,660 | 18,32,78,120 |
| Credit Impaired | - | - |
| | 6,14,73,660 | 18,32,78,120 |
| Less: Allownce for Credit Impaired | - | - |
| | 6,14,73,660 | 18,32,78,120 |
| OTHERS | | |
| Unsecured, Considered Good | - | - |
| Total | 6,14,73,660 | 18,32,78,120 |

7. CASH AND CASH EQUIVALENTS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------|---------------------------------------|---------------------------------------|
| Balances with Banks | | |
| - In Current Account | 58,50,789 | 32,36,303 |
| Cash on Hand | 44,710 | 21,459 |
| Total | 58,95,500 | 32,57,762 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Fixed Deposits with Banks (Maturity upto twelve months) | 1,36,27,706 | 73,77,702 |
| Total | 1,36,27,706 | 73,77,702 |

Note: Total Bank deposits maturity less than twelve months ₹ 1,36,27,706/- (PY 73,77,702/-) are given as margin against bank guarantee.

9. OTHER CURRENT FINANCIAL ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------------|---------------------------------------|---------------------------------------|
| Income Accrued But Not due | 26,73,621 | 47,73,512 |
| Loan to Employees | 6,49,376 | 3,88,559 |
| Total | 33,22,997 | 51,62,071 |

10. OTHER CURRENT ASSETS [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Prepaid Expenses | 17,57,249 | 3,53,614 |
| Balances with Government Authorities | 57,61,791 | 4,02,185 |
| Other Short-Term Loans and Advances (including Advances to Suppliers etc.) | 75,61,342 | 1,29,87,567 |
| Total | 1,50,80,382 | 1,37,43,366 |

11. EQUITY SHARE CAPITAL
11.1 Authorised [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| 1,00,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each | 10,00,00,000 | 10,00,00,000 |
| 35,00,000 (PY 35,00,000) Preference Shares of ₹ 10 each | 3,50,00,000 | 3,50,00,000 |
| Total | 13,50,00,000 | 13,50,00,000 |

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

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| 52,22,921 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid | 5,22,29,210 | 5,22,29,210 |
| Total | 5,22,29,210 | 5,22,29,210 |

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.
- The Board of Directors has not recommended any dividend for the year ended 31st March, 2020.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
11.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

| | Number of Shares | Amount in ₹ |
|--|------------------|--------------------|
| As at 1st April, 2018 | 52,22,921 | 5,22,29,210 |
| Changes in equity share capital | - | - |
| As at 31st March, 2019 | 52,22,921 | 5,22,29,210 |
| Changes in equity share capital | - | - |
| As at 31st March, 2020 | 52,22,921 | 5,22,29,210 |

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

| | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|--------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| Equity Shares | | | | |
| Ms. Avani S Mehta | 10,75,316 | 20.59% | 10,75,316 | 20.59% |
| Mr. Mihir Bhandari | 3,00,000 | 5.74% | 3,00,000 | 5.74% |
| Mr. Ulhas Paymaster | 3,03,000 | 5.80% | 3,00,000 | 5.74% |
| Skypoint Technical Textile LLP | 5,00,000 | 9.57% | 5,00,000 | 9.57% |

12. OTHER EQUITY

[Amount in ₹]

| | Securities Premium Account | Capital Redemption Reserve | Capital Reserve | Surplus as per Statement of Profit and Loss | Other Comprehensive income | Total |
|--|----------------------------|----------------------------|--------------------|---|--|---------------------|
| | | | | | Remeasurement gain/(loss) on defined benefit plans | |
| Balance as at 1st April, 2018 | 1,94,99,668 | 33,33,332 | 2,92,29,210 | 3,86,41,378 | (4,28,351) | 9,02,75,237 |
| Profit For The Year | - | - | - | 2,22,72,167 | - | 2,22,72,167 |
| Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | 1,30,00,000 | - | - | - | 1,30,00,000 |
| Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital | - | - | - | 1,30,00,000 | - | 1,30,00,000 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | 50,51,183 | 50,51,183 |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (11,67,821) | - | (11,67,821) |
| Balance as at 31st March, 2019 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 4,67,45,723 | 46,22,832 | 11,64,30,765 |
| Profit For The Year | - | - | - | 2,07,24,057 | - | 2,07,24,057 |
| Add:- Remeasurement gain/(loss) on defined benefit plans | - | - | - | - | (3,53,015) | (3,53,015) |
| Add. Excess / (Short) provision of Income Tax | - | - | - | (8,41,230) | - | (8,41,230) |
| Balance as at 31st March, 2020 | 1,94,99,668 | 1,63,33,332 | 2,92,29,210 | 6,66,28,550 | 42,69,818 | 13,59,60,578 |

Notes :

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
13. NON-CURRENT BORROWINGS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|------------------------------|---------------------------------------|---------------------------------------|
| Secured | | |
| Term loans from Banks | | |
| ICICI Bank Ltd. | 6,15,771 | 9,88,658 |
| Total | 6,15,771 | 9,88,658 |
| [Hypothecation of Vehicle] | | |
| Unsecured | | |
| Loans From Related Parties | 3,41,641 | 3,41,641 |
| Loans From Others | 2,55,000 | 2,55,000 |
| Total | 5,96,641 | 5,96,641 |
| | 12,12,412 | 15,85,299 |

Note:

- ICICI Bank Loan interest rate 8.25% p.a., repayable in 60 monthly EMI of ₹ 36,714 ending on September, 2022, Out of above loans, The EMI falling due within period of one year from reporting date, have been grouped under " Current maturity of long term Debts.
- Loans from related party includes loan payable to Non Executive Director of the Company. No interest is paid towards the said loan.

14. OTHER NON CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|-----------------|---------------------------------------|---------------------------------------|
| Trade - Deposit | 7,50,000 | 7,50,000 |
| | 7,50,000 | 7,50,000 |

15. NON CURRENT PROVISIONS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| For Employees Benefits | | |
| Provision for Gratuity | 31,58,938 | 22,61,876 |
| Provision for Sick Leave | 1,67,074 | 1,72,603 |
| Provision for Leave encashment | 10,61,030 | 6,87,896 |
| Total | 43,87,042 | 31,22,375 |

16. Deferred tax liabilities (Net)

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Deferred tax liabilities (Net) | 40,98,308 | 44,21,873 |
| Total | 40,98,308 | 44,21,873 |

17. CURRENT BORROWINGS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Inter corporate Loan | 1,47,39,320 | 1,43,43,168 |
| Total | 1,47,39,320 | 1,43,43,168 |

Note:-

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
18. TRADE PAYABLES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Due to Micro and Small Enterprise | 2,67,311 | 15,56,688 |
| Due to Other than Micro and Small Enterprise. | 11,15,10,823 | 22,86,61,332 |
| Total | 11,17,78,134 | 23,02,18,020 |

Note:-

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| a. Principal and interest amount remaining unpaid | 2,67,311 | 15,56,688 |
| b. Interest due thereon remaining unpaid | 39,166 | 1,81,765 |
| c. Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006 | - | - |
| e. Interest accrued and remaining unpaid | - | - |
| f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

19. OTHER CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Current Maturity of Long Term Debts | 3,72,889 | 3,43,453 |
| Dividend Payable on Preference Shares | - | 4,14,246 |
| Total | 3,72,889 | 7,57,699 |

20. OTHER CURRENT LIABILITIES

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Statutory Liabilities | 71,20,733 | 50,07,061 |
| Payable on purchase of property, plant & equipment | 20,77,435 | 3,09,690 |
| Advances From Customer | 2,02,00,632 | 2,33,85,969 |
| Total | 2,93,98,799 | 2,87,02,720 |

21. CURRENT PROVISIONS

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity | 20,61,438 | 20,49,582 |
| Provision for Sick Leave | 17,590 | 19,851 |
| Provision for Leave encashment | 1,71,450 | 1,16,668 |
| Provision for Expenses | 71,87,886 | 87,66,836 |
| Total | 94,38,364 | 1,09,52,937 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

22. LIABILITY FOR CURRENT TAX (NET) [Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Liability for current tax (Net of Advance Tax and Tax Deducted at Sources.) | 1,00,99,708 | 92,17,068 |
| Total | 1,00,99,708 | 92,17,068 |

23. REVENUE FROM OPERATIONS [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-----------------------------|--|--|
| i Sale of Products | 93,75,21,259 | 1,11,10,93,289 |
| ii Other Operating Revenues | | |
| Sale of Waste and Others | 1,56,15,079 | 1,24,42,717 |
| Total | 95,31,36,338 | 1,12,35,36,006 |

24. OTHER INCOME [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Interest Income on : | | |
| Interest Income on others | 2,30,916 | 31,08,065 |
| Interest on Fixed Deposit with Bank | 9,03,675 | 4,25,449 |
| Export Incentives | 26,507 | - |
| Provision for foreign exchange markup gain | 9,97,615 | - |
| Total | 21,58,713 | 35,33,514 |

25. COST OF MATERIALS CONSUMED [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Opening Stock | 5,57,86,329 | 3,40,42,025 |
| Add : Purchases, Including Incidental Expenses | 53,77,69,748 | 68,29,13,650 |
| Total | 59,35,56,077 | 71,69,55,675 |
| Less : Closing Stock | 3,90,85,242 | 5,57,86,329 |
| Total | 55,44,70,835 | 66,11,69,346 |

26. PURCHASES OF STOCK-IN-TRADE [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--------------|--|--|
| Traded Goods | 12,45,46,626 | 19,70,98,406 |
| Total | 12,45,46,626 | 19,70,98,406 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Opening Inventories | | |
| Finished Goods | 5,09,95,009 | 2,10,88,893 |
| Process Stock | 5,00,64,885 | 7,50,59,170 |
| Waste/Scrap | 1,96,706 | 4,11,517 |
| | 10,12,56,599 | 9,65,59,580 |
| Closing Inventories | | |
| Finished Goods | 5,14,56,826 | 5,09,95,009 |
| Process Stock | 5,11,11,370 | 5,00,64,885 |
| Waste/Scrap | 4,51,570 | 1,96,706 |
| | 10,30,19,766 | 10,12,56,599 |
| (Increase) / Decrease in Stocks | (17,63,166) | (46,97,019) |
| Less : (Increase) / Decrease in Excise Duty on Stocks | - | - |
| Total | (17,63,166) | (46,97,019) |

28. EMPLOYEES BENEFIT EXPENSES [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Salaries and Wages | 4,58,76,540 | 3,72,61,758 |
| Contribution to Provident and other Funds | 11,82,223 | 9,01,888 |
| Staff Welfare Expenses | 17,29,199 | 8,92,965 |
| Total | 4,87,87,962 | 3,90,56,611 |

29. FINANCE COSTS [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---------------------------|--|--|
| Interest on Borrowing | 15,68,095 | 17,30,109 |
| Interest on Income tax | 8,26,670 | - |
| Interest on Trade payable | 1,25,53,794 | 1,52,46,239 |
| Total | 1,49,48,559 | 1,69,76,348 |

30. OTHER EXPENSES
30.1 Manufacturing Expenses [Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Consumption of Stores, Spare Parts and Components and Incidental Expenses | 99,97,952 | 89,56,469 |
| Processing Charges | 4,81,47,492 | 6,12,81,601 |
| Power & Fuel | 2,59,30,529 | 2,60,39,720 |
| Repairs to Buildings | 4,38,600 | 3,72,299 |
| Repairs to Machinery | 6,10,713 | 3,76,730 |
| Total | 8,51,25,286 | 9,70,26,819 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
30.2 Administration, Selling and Distribution Expenses

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Advertisement and Sales Promotion | 36,93,492 | 13,30,579 |
| Insurance | 10,92,741 | 4,74,122 |
| Rates and Taxes | 9,69,026 | 4,19,656 |
| Directors' Sitting Fees | 1,20,000 | 1,00,000 |
| Bank Charges & Commission | 1,74,819 | 2,19,996 |
| Repairs & Maintenance- Computer & Other | 8,92,050 | 6,45,681 |
| Conveyance Exp. | 15,23,440 | 15,95,648 |
| Freight and forwarding | 1,93,63,728 | 2,30,33,582 |
| Legal and professional charges | 1,15,72,063 | 1,22,29,137 |
| Post & Telegram | 3,89,422 | 4,05,883 |
| Printing and stationery | 5,56,012 | 5,62,834 |
| Sales commission | 23,12,797 | 1,30,10,448 |
| Security Charges | 10,07,193 | 9,78,241 |
| Telephone Expenses | 33,008 | 30,682 |
| Site Expense | 1,47,04,593 | 78,90,021 |
| Research & Development Exp. | 3,97,817 | 11,96,718 |
| Foreign Marketing Exp. | 99,19,381 | 35,37,457 |
| Travelling Expenses | 29,83,548 | 51,13,050 |
| Exchange on A/c. Of Consolidation | 6,47,191 | - |
| Other General & Miscellaneous Expenses | 66,50,319 | 57,74,291 |
| Bad debts/advance written off | 95,85,599 | 4,69,637 |
| Provision for post-sales support & warranties | 35,32,071 | 35,25,940 |
| Loss on Fixed Assets Discarded | 21,000 | - |
| Total | 9,21,41,308 | 8,25,43,602 |

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Payments to Statutory Auditors: | | |
| Audit Fee | 3,01,768 | 1,00,000 |
| Tax Audit Fee | 25,000 | - |
| Certification Charges | 10,000 | - |
| Total | 3,36,768 | 1,00,000 |
| Total | 17,76,03,363 | 17,96,70,421 |

31. EARNINGS PER SHARE:

[Amount in ₹]

| | | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|-----------|--|--|
| Net profit for the year attributable to equity shareholders | In Rupees | 2,03,71,042 | 2,73,23,350 |
| Weighted-average-number of equity shares outstanding | Nos | 52,22,921 | 52,22,921 |
| Basic Earnings Per Share (Face Value of ₹ 10 each) | In Rupees | 3.90 | 5.23 |
| Diluted Earnings Per Share (Face Value of ₹ 10 each) | In Rupees | 3.90 | 5.23 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
INCOME TAXES EXPENSE
Tax expense recognized in the statement of Profit and Loss

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Current Tax | | |
| Current Tax on taxable income for the year | 1,02,69,187 | 94,28,639 |
| Total current tax expense | 1,02,69,187 | 94,28,639 |
| Deferred tax | | |
| Deferred tax charges/(credit) | (3,23,565) | (11,73,670) |
| MAT Credit (taken)/utilised | - | - |
| Total deferred income tax expense/(benefit) | (3,23,565) | (11,73,670) |
| Total income tax expense | 99,45,622 | 82,54,969 |

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Enacted income tax rate in India applicable to the company | 25.168% | 27.820% |
| Profit Before Tax | 3,06,69,679 | 3,05,27,136 |
| Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India | 77,18,945 | 84,92,649 |
| Tax effect of the amount which are not deductible/(taxable) in calculating taxable income | | |
| Permanent Disallowances | 2,22,357 | 40,532 |
| Income not considered for tax purpose | - | - |
| Expenses not allowed for tax purpose | 30,42,897 | 35,82,590 |
| Additional Allowables for tax purpose | (33,64,562) | (34,83,378) |
| Deferred Tax for Current Year | (3,23,565) | (11,73,670) |
| Other | 26,49,550 | 7,96,246 |
| Total Income tax expense/(Credit) | 99,45,622 | 82,54,969 |

Consequent to reconciliation items shown above, the effective tax rate is 32.43% (2018-19: 27.04%)

B) The Movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020

[Amount in ₹]

| | As at 1 st April, 2018 - Deferred Tax Liabilities/ (Asset) | Charge/(Credit) in statement of Profit and Loss | As at 31 st March, 2019 - Deferred Tax Liabilities/ (Asset) | Charge/(Credit) in statement of Profit and Loss | As at 31 st March, 2020 - Deferred Tax Liabilities/ (Asset) |
|---|--|---|--|---|--|
| Depreciation | 74,98,239 | (6,83,257) | 68,14,982 | 1,89,556 | 70,04,538 |
| Provision for Gratuity | (12,98,268) | 42,772 | (12,55,496) | (58,367) | (13,13,863) |
| Provision for Leave Encashment | (2,02,450) | (87,882) | (2,90,332) | (66,335) | (3,56,667) |
| Provision of Bonus | - | (2,46,298) | (2,46,298) | (7,38,919) | (9,85,217) |
| Provision of Warranty | (4,01,978) | (1,99,005) | (6,00,983) | 3,50,500 | (2,50,483) |
| Total Deferred Tax Liabilities/(Asset) | 55,95,543 | (11,73,670) | 44,21,873 | (3,23,565) | 40,98,308 |

Note :

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
32. Details of Related Party Transaction

[Amount in ₹]

| | KMP | Relative of KMP | Entity in which KMP/Relative of KMP having significant influence |
|--|--------------------------|------------------------|--|
| A) Transaction During the year | | | |
| Salary & Perquisites to Managing Director | | | |
| Shailesh R Mehta | 74,98,533 (73,09,996) | - - | - - |
| Salary of KMP | | | |
| Shweta Sultania | 10,57,573 (5,15,568) | - - | - - |
| Vikram Patel | 9,39,047 (6,92,602) | - - | - - |
| Loan Given to KMP | | | |
| Vikram Patel | 3,00,000 - | - - | - - |
| Salary Relative of KMP | | | |
| Avishi Sharedalal | - - | 5,32,289 (4,46,889) | - - |
| Anisha Mehta | - - | 1,84,325 (78,788) | - - |
| Director Sitting Fees | | | |
| Kirit Mehta | 50,000 (50,000) | - - | - - |
| Dr. Christy Leon Fernandez | 30,000 (40,000) | - - | - - |
| Mrs. Jasmin Nahidakhtar Vhora | 40,000 (10,000) | - - | - - |
| Legal and professional fees | | | |
| G.P. Kapadia & Co | - - | - - | 18,00,000 - |
| C R Sharedalal & Co | - - | - - | 1,00,000 - |
| Mrs. Avani S Mehta | - - | 2,08,000 - | - - |
| Risha Aquapruf Infrastructure LLP | | | |
| Site Expense (Labour Charges) | - - | - - | 1,41,71,249 (77,46,025) |
| Moneeto Plasti-Feb P. LTD | | | |
| Sales | - - | - - | 15,64,634 (53,76,752) |
| Purchase of Raw Material | - - | - - | 27,31,036 (24,00,454) |
| Anjaneya Enterprise | | | |
| Job works charges | - - | - - | 1,09,000 (66,725) |
| Purchase of Raw Material | - - | - - | 2,04,03,891 (2,13,66,615) |
| Sales | - - | - - | 1,34,35,049 (1,15,79,604) |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

[Amount in ₹]

| | KMP | Relative of KMP | Entity in which KPM/Relative of KMP having significant influence |
|--|-------------|-----------------|--|
| Risha Infrastructure | | | |
| Marketing Exp. | - | - | 48,00,000 |
| | - | - | - |
| Grow Materials LLC | | | |
| Purchase of Raw Material | - | - | - |
| | - | - | (9,40,888) |
| B) Closing balances | | | |
| Receivable from | | | |
| Moneeto Plasti-Feb P. LTD | - | - | - |
| | - | - | (16,14,060) |
| Anjaneya Enterprise | - | - | 5,18,653 |
| | - | - | - |
| Payable to | | | |
| Anjaneya Enterprise | - | - | - |
| | - | - | (2,78,776) |
| Moneeto Plasti-Feb P. LTD | - | - | 11,02,350 |
| | - | - | - |
| Risha Infrastructure | - | - | 8,64,000 |
| | - | - | - |
| Risha Aquapruv Infrastructure LLP | - | - | 1,48,64,435 |
| | - | - | (46,83,562) |
| Naresh R Mehta | 4,40,151 | - | - |
| | (4,40,151) | - | - |
| Shailesh R Mehta | 13,34,380 | - | - |
| | (17,44,745) | - | - |
| Shweta Sultania | 75,728 | - | - |
| | (80,728) | - | - |
| Vikram Patel | 82,122 | - | - |
| | (85,746) | - | - |
| Anisha Mehta | - | 20,900 | - |
| | - | (18,178) | - |
| Avishi Sharedalal | - | 42,114 | - |
| | - | (41,914) | - |
| Grow Materials LLC | - | - | 9,40,888 |
| | - | - | (9,40,888) |
| Loans & Advances - Receivable | | | |
| Crossland Housing & Const. Limited | - | - | 10,00,000 |
| | - | - | (10,00,000) |
| Mehta & Dholabhai | - | - | 6,15,209 |
| | - | - | (6,15,209) |
| Vikram Patel | 2,41,867 | - | - |
| | | - | - |

 Figures in brackets relates to previous year ended on 31st March, 2019

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

33. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

[Amount in ₹]

| | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| 33.1 Claims/disputed liabilities not acknowledged as liability: | | |
| (a) EPF Interest and Damages (The company has filed Special Civil Application on 18 th May, 2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹11,31,463/- on late payment of remittance for November,1998 to January, 2014 vide notice dated 25 th April, 2016 and to stay on the notice of demand dated 25 th April, 2016 during pending admission and hearing of the present petition). | 11,31,463 | 11,31,463 |
| (b) Income Tax demand raised by Income tax Department for Assesemnt year 2018-2019, Against that Appeal has been filed at Commissioner of Income Tax - Appeal. | 14,61,623 | - |
| (c) Bank Guarantee (against 100% margin money in form of deposits) | 1,45,26,552 | 1,14,89,668 |

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

34. DEFINED BENEFIT PLAN

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

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

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| | Gratuity | Gratuity |
| Present value of obligation as at the beginning | 43,11,458 | 37,51,352 |
| Current service cost | 4,72,115 | 3,36,535 |
| Past Service Cost | - | - |
| Interest cost | 3,35,863 | 2,94,481 |
| Benefits paid | (51,469) | - |
| Actuarial (Gain) / Loss | 1,52,409 | (70,910) |
| Present value of obligation as at the end (Unfunded) | 52,20,376 | 43,11,458 |

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

Not applicable as Gratuity and Leave Liability is unfunded.

III. Reconciliation of fair value of assets and obligation

Not applicable as Gratuity and Leave Liability is unfunded.

IV. Expense recognised during the year

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| | Gratuity | Gratuity |
| Service cost | 4,72,115 | 3,36,535 |
| Interest cost | 3,35,863 | 2,94,481 |
| Actuarial (Gain) / Loss | 1,52,409 | (70,910) |
| Net cost included in 'Employee Benefit Expense' | 9,60,387 | 5,60,106 |

V. Investment Details

Not applicable as Gratuity and Leave Liability is unfunded.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
VI. Actuarial Assumptions for Gratuity

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|--|--|--|
| Discount rate (per annum) | 7.79% | 7.85% |
| Expected rate of return on plan assets (per annum) | N.A. | N.A. |
| Rate of escalation in salary (per annum) | 7.00% | 7.00% |

VII. Other disclosures

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| Present value of obligation as at the end - Gratuity | 52,20,376 | 43,11,458 |
| Surplus/(deficit) - Gratuity | (52,20,376) | (43,11,458) |
| Experience adjustment on plan liability - Gratuity | (1,49,716) | (85,189) |
| Actuarial Loss / (Gain) due to change in assumptions - Gratuity | 3,02,125 | 14,279 |

35. OTHER DISCLOSURES
35.1 Details of imported and indigenous raw material consumed:

| | Year ended 31 st March, 2020 | | Year ended 31 st March, 2019 | |
|-------------------------|---|-------------|---|-------------|
| | Amount in ₹ | % | Amount in ₹ | % |
| Imported raw material | 26,86,970 | 0.48% | 26,65,661 | 0.40% |
| Indigenous raw material | 55,17,83,865 | 99.52% | 65,85,03,685 | 99.60% |
| Total | 55,44,70,835 | 100% | 66,11,69,346 | 100% |

35.2 Value of import on CIF basis:

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---------------|--|--|
| Raw material | 26,86,970 | 26,65,661 |
| Capital goods | - | - |
| Others | - | - |

35.3 Earnings in foreign currency:

[Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|------------------------------|--|--|
| Export of goods on FOB basis | - | - |
| Others | - | - |

35.4 Foreign currency (USD \$) exposure that are not hedged

Amount in ₹]

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-------------------|--|--|
| Advance for Goods | 1,20,519 | - |

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

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached
For Sunil Poddar & Co.

 Chartered Accountants
Firm. Reg. No. 110603W

CA. Pankaj Agarwal

 Partner
Membership No. 443450
UDIN : 20443450AAAALA9986

Place : Ahmedabad
Date : 27th June, 2020

31st Annual Report 2019-20
For and On Behalf of the Board of Director of M/s Texel Industries Limited
Shailesh R. Mehta

 Managing Director
DIN: 01457666

Vikram Patel
CFO

Kirit N. Mehta

 Chairman & Independent Director
DIN: 00444837
Place : Mumbai
Date : 27th June, 2020

Shweta Sultania

 Company Secretary
Membership No.: ACS 22290

OUR JOURNEY

"If you can't fly, then run, if you can't run then walk, if you can't walk then crawl, but by all means, keep moving"
- Martin Luther King Jr.

1989

Texel was Incorporated with the vision of manufacturing high quality HDPE Tarpaulins for the Indian market. Texel is a pioneer in this field in India.

1994

Texel undertook its first expansion and IPO

1995

Texel launched Multilayer Reinforced Geomembranes in the Indian market

2018

Texel's first WOS Texel Industries (Africa) Ltd. was incorporated along with the launch of its new product, the Geotank

2020

Texel is looking forward to its second expansion drive

EXPANSION OVERVIEW

EXISTING FACILITY

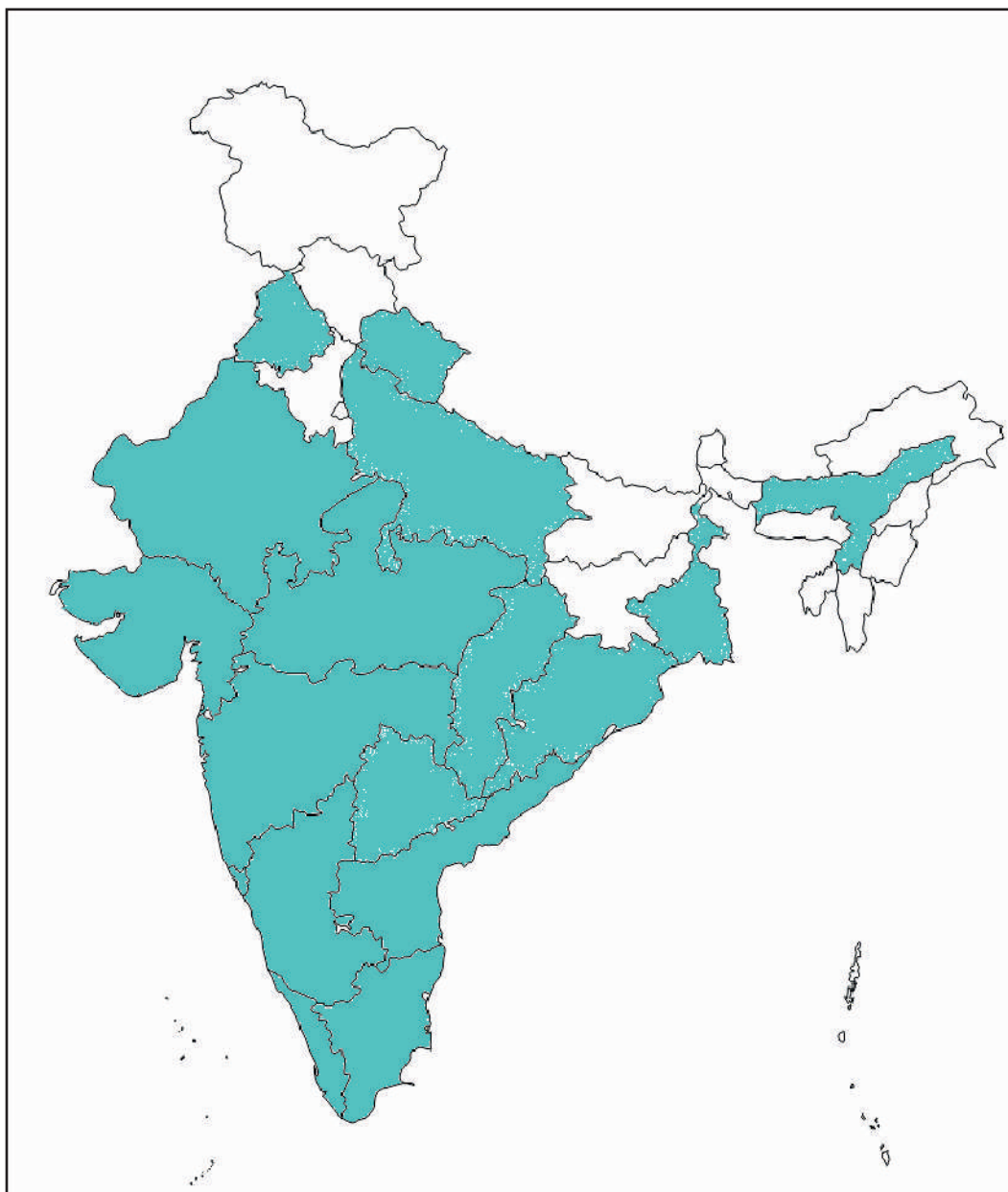
Built in 1994, with 60,000 sq. ft. of manufacturing space with the latest equipment available



UPCOMING FACILITY

Under progress with 150,000 sq. ft. of manufacturing space with state of the art equipment able to service global markets demanding high quality geosynthetic products

OUR FOOTPRINT



55 years of
innovation

50,000
ponds

30,000 lives
uplifted



**CONSERVE WATER,
CONSERVE LIFE**



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

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