

TEXMACO INFRASTRUCTURE & HOLDINGS LTD.

Annual Report 2013-14



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Corporate information

Directors

S. K. Poddar, Chairman

Utsav Parekh

Dipankar Chatterji

Gautam Khaitan

Akshay Poddar

Hemant Kumar, Exec. Director

Secretary

Kaushik Sonee

Auditors

M/s. K. N. Gutgutia & Co., Kolkata

Bankers

State Bank of India

Registered Office

Belgharia, Kolkata 700 056

Phone: (033) 2569 1500

Fax : (033) 2541 2448

Website: www.texinfra.in

Corporate Office

Birla Lines,

G. T. Karnal Road,

Delhi - 110 007



Report of the Directors

Your Directors have pleasure in presenting the Seventy Fourth Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2014.

Financial Results

(Rupees in Lakhs)

	2013-14	2012-13
Operating Profit (PBIDT)	1,817.12	1,697.96
Less: Interest (Net)	(368.15)	(395.11)
Gross Profit (PBDT)	2,185.27	2,093.07
Less: Depreciation	286.57	285.53
Profit before Taxation	1,898.70	1,807.54
Less: Provision for Taxation:		
Current Tax	255.00	235.00
Deferred Tax Liability/(Asset)	(50.89)	(40.50)
Income Tax for earlier year	14.68	1.02
Profit after Taxation	1,679.91	1,614.06
Add: Balance brought forward from previous year	6,959.04	6,768.60
	8,638.95	8,382.66
Appropriations		
Proposed Dividend on Equity Shares (Incl. Tax)	223.62	223.62
General Reserve	1,000.00	1,200.00
Balance Carried Forward	7,415.33	6,959.04
	8,638.95	8,382.66

Dividend

The Directors have pleasure in recommending payment of a dividend of Rs. 0.15 per share for the year ended 31st March, 2014.

The Management Discussion and Analysis

The Company derives its major income from receipt of Rent of leased out properties to blue chip Companies on medium term

basis at Gurgaon, dividend income out of its Strategic Investments and operation of a Mini Hydro Power Unit in Dist. Darjeeling.

Real Estate

Pursuant to the Supreme Court order dated 25th March 2010, your Company could retain 35% of its Industrial Land with a F.A.R. 1.5 times of the normal F.A.R. and surrender the balance land to DDA.

In terms of the decision taken by the screening committee of the DDA, the Company surrendered and DDA has duly taken possession of 52,201 sq. mtrs. land out of 58,951 sq. mtrs. that was required to be surrendered to DDA. The balance area has not yet been surrendered as the 3 nos. residential quarters are not vacated. The application filed by the occupants of the quarters in the court of the District Judge has been dismissed. Our application for issuance of warrant of possession with police help will come up for decision on the next hearing. On issuance of the positive order, we shall obtain the vacant possession of the land occupied by the quarters and hand over the same to DDA so that the process of land surrender to DDA is completed.

The DDA vide its notification no. S.O.1215(E) dated 13th May, 2013 has notified that Industrial plots shall be eligible for Residential (Group Housing) activity within development control norms with required commercial activity upto 15% of permissible F.A.R. on payment of conversion charges as prescribed by Government from time to time.

Mini Hydro Power Project

The Company's 3 MW Mini Hydel Power Plant located on river Neora, District Darjeeling in the State of West Bengal improved its performance with evacuation of 94.14 Lakh units of power in the year 2013-14 against 67.03 Lakh units in the year 2012-13. The unit - 3 is performing at full load operation in monsoon period. The generation would have been still better but for continuing problem of low availability of water in the lean season and transmission line failure. The evacuation problem has been solved by installing ATR of 4.5 MVA during the year. No evacuation problem was noticed since its installation.

The Company has also started preliminary work on the development of Neora Stage II (6 MW) project which is located a few kilometers upstream of the current plant. For Neora Stage

II project, application for FC & LA with proposal of alternative land to WBFDC & Directorate of Forest, Govt. of WB has been submitted for transfer of Forest Land for project activity.

New Hydro Power

As reported your Company, though had pre-qualified for participation in price bid tenders for projects namely ANS Stage-1 Hydro Electric Project (40MW) & Bichlari Hydro Electric Project (45MW) on 'BOOT' basis in Jammu Region of J & K, decided not to pursue said projects based on subsequent geological and viability study carried out by the management which were not encouraging.

We are exploring further possibilities for setting up mini hydel electric projects at new locations.

Human Relations

The Company continues to maintain its excellent record of human relations over the decades. Your Directors appreciate the commitment and dedication of its staff and officers.

Consolidated Financial Statements

In accordance with Accounting Standard 21 (Consolidated Financial Statements), the Group Accounts form part of this Report & Accounts. The Group Accounts also incorporate Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India. The Group Accounts have been prepared on the basis of audited financial statements received from the subsidiaries, as approved by their respective Boards.

Corporate Governance

A separate report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is attached as a separate Annexure and forms a part of this Report.

Directors' Responsibility Statement u/s 217(2AA) of the Company's Act, 1956

Your Directors state:

- (i) that in the preparation of the annual accounts, applicable accounting standards have been followed, along with proper explanations relating to material departures, and the Notes in the Auditors' Report in this regard are self-explanatory;
- (ii) that such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a 'going concern' basis.

The SEBI's guidelines regarding Corporate Governance have been implemented by the Company.

Green Initiative

Your Company has started a sustainability initiative with the aim of going green and minimizing the impact on environment. Your Company has already started sending Annual Report, Notices etc through e-mails to the Shareholders, whose e-mail IDs are registered with their Depository Participants. In case a Shareholder wishes to receive a printed copy, he/

she may please send a request to the Company, which will send a printed copy of the annual report to the Shareholder. Members are requested to support this initiative by registering / updating their email addresses for receiving Annual Report, Notices etc. through e-mail.

Particulars of Employees

The number of employees as at 31st March, 2014 was 28. There was no employee who was in receipt of remuneration as required to be disclosed under Section 217(2A) of the Companies Act, 1956.

Director

Shri S. K. Poddar, Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting. The Board has recommended his re-appointment.

Cost Auditors

Your Company has appointed Cost Auditors M/s. DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'15 in terms of the provisions of Companies Act, 2013 and Companies (cost records and audit) Rules, 2014 issued by the Ministry of Corporate Affairs.

Auditors

The Auditors, M/s. K.N. Gutgutia & Co, Chartered Accountants, retire and are eligible for re-appointment.

For and on behalf of the Board

Place: Kolkata

Dated: 21st May, 2014

S. K. Poddar
Chairman

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy on Code of Governance

The core values of the Company's Corporate Governance are transparency, professionalism, accountability, customer focus, teamwork, quality, fairness and social responsibility. Your Company is committed to fulfill these objectives and enhance the wealth generating capacity, keeping in mind long-term interest of the shareholders, employees and the society. The Company believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against the best practice in the industry.

2. Board of Directors

The Company's Board comprises Six Directors, represents the optimum mix of professionalism, knowledge, and experience. Half of the current strength of the Board is Independent Directors. The category of Directorship, number of meetings attended, attendance at the last Annual General Meeting ('AGM'), Directorships in other Companies, number of Committees in which such Director is a member, are mentioned below:

Name of the Director	Category of Directorship	Director Identification Number (DIN)	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	No. of Chairmanship/ Membership of Board/ Committees in Companies ^	
						Chairman	Member
S.K. Poddar	Chairman	00008654	4	Yes	12	1	1
Hemant Kumar	Executive Director	03599801	4	No	1	0	0
Akshay Poddar+	Non-executive & Non independent	00008686	3	No	10	2	4
Gautam Khaitan	Independent	00021117	2	No	6	2	4
Utsav Parekh	Independent	00027642	3	No	6	2	5
Dipankar Chatterji	Independent	00031256	3	Yes	6	3	3

+ Shri Akshay Poddar is the son of Shri S. K. Poddar.

Excluding Private companies, Companies under Section 25 of the Companies Act, 1956, Foreign Companies and Alternate Directorships.

^ Membership / Chairmanship in Audit Committee and Stakeholders Relationship Committee, including those in the Company.

The Chairman does not have a separate office in the Company, and the Corporate Office of the Company supports the Chairman for discharging his responsibilities. No Director of the Company was a member of more than ten Committees or Chairman of more than five Committees across all the Companies in which he was a Director.

Four Board Meetings were held during the year 2013-2014 on the following dates:-

30th May, 2013	10th August, 2013	11th November, 2013	31st January, 2014
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3. Audit Committee / Sub-Committee

(a) Audit Committee

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and Section 177 of the Companies Act, 2013.

The Audit Committee comprises the following four Directors, and their attendance in the Committee Meetings is given alongside.

Name of the Director	No. of Meetings attended
Utsav Parekh, Chairman	4
Akshay Poddar, Member	3
Gautam Khaitan, Member	1
Dipankar Chatterji, Member	4

Four Audit Committee Meetings were held during the year 2013-2014 on the following dates:-

27th May, 2013	10th August, 2013
11th November, 2013	31st January, 2014

(b) Sub-Committee

The Sub-Committee comprises four Directors namely Shri S. K. Poddar, Shri Akshay Poddar, Shri Dipankar Chatterji and Shri Utsav Parekh.

No Committee Meeting was held during the year 2013-2014.

4. Remuneration of Directors

At present, the Remuneration of Executive Director is fixed by the Board of Directors / Sub-Committee of Directors. Non-executive Directors are eligible for sitting fee and a commission not exceeding 1% of the net profit of the Company for each year, with a present ceiling of Rs.1,00,000/- each per annum. Directors are paid a sitting fee of Rs.20,000/- each for attending Board Meeting and Rs.10,000/- each for attending Committee / Sub-committee Meeting.

The Board of Directors at its Meeting held on 31st January, 2014 has constituted a Nomination and Remuneration Committee w.e.f. 1st April, 2014 to formulate the criteria for determining qualifications, attributes and independence of a Director and to recommend / review remuneration for the Directors.

The details of the payment made during the year 2013-14 are as follows :

i) Non-executive Directors

Name of the Director	Sitting Fee (Rs.) for the year	Commission (Rs.) for the year	Total (Rs.)	No. of Shares held in the Company
S. K. Poddar	80,000	1,00,000	1,80,000	54,01,620
Akshay Poddar	1,00,000	1,00,000	2,00,000	3,33,552
Utsav Parekh	1,10,000	1,00,000	2,10,000	Nil
Gautam Khaitan	50,000	1,00,000	1,50,000	Nil
Dipankar Chatterji	1,00,000	1,00,000	2,00,000	Nil

The details of the remuneration paid to the Executive Director during the year 2013-14 are given below:

ii) Executive Director

Name of the Director	Designation	Salary (Rs.)	Perquisites and Allowances # (Rs.)	Sitting Fees (Rs.)	Retirement Benefits (Rs.)
Hemant Kumar	Executive Director	22,20,000	10,53,247	N.A.	As per Company's Rules

Perquisites and Allowances include House Rent Allowance, LTA, Medical Benefits, Contribution to P.F., Superannuation Fund, Ex-gratia etc.

The Remuneration paid to Executive Director is decided by the Board of Directors.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises the following three Directors and their attendance in the Committee Meeting is given alongside.

Name of the Director	No. of Meetings attended
Utsav Parekh, Chairman	1
Akshay Poddar, Member	1
Gautam Khaitan, Member	0

The grievances received are dealt by the Stakeholders' Relationship Committee / Registrar & Share Transfer Agent of the Company / Compliance Officer.

In order to provide quick service to Investors, the Board has delegated certain powers to few Senior Executives to deal with various matters including transfer of Shares, transmission of Securities, etc. The Company has no transfers pending at the close of the financial year.

A meeting of the Stakeholders Relationship Committee was held on 31st January, 2014.

Shri Kaushik Sonee, Secretary is the Compliance Officer of the Company.

During the year, 23 complaints were received from the shareholders, which were resolved within a reasonable time period.

6. Internal Control System

The Internal Control system of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency. The findings of the internal audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

7. General Body Meetings

Details of date, time and venue of the Annual General Meetings (AGMs) and Extra Ordinary General Meeting (EOGM) held in last three years are given below:-

Financial Year	Date and time of the AGMs	Date and time of the EOGM	Venue	No. of Special Resolutions approved at the AGMs
2012-2013	14th September, 2013 at 4.30 P.M.	-	K.K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata - 700 056	-
2011-2012	29th August, 2012 at 4.30 P.M.	-	G. D. Birla Sabhagar, 29 Ashutosh Chowdhury Avenue, Kolkata - 700 019	-
2010-2011	1st September, 2011 at 4.30 P.M.	7th July, 2010 at 3.30 P.M.	Birla Building, 9/1 R. N. Mukherjee Road, Kolkata -700 001	4

8. Disclosure

There are no materially significant related-party transactions made by the Company with its Promoters, Directors or Management, Subsidiaries, Associates etc. that may have potential conflict with the interests of the Company at large. Transactions carried out with the related parties are disclosed in Note No. 2.28 of Audited Financial Statements.

During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to Capital Market.

The Company has complied with applicable requirements under Clause 49 of the Listing Agreement with the Stock Exchange(s). The Company has already initiated the process of implementing the non-mandatory recommendations as a good Corporate Governance practice.

9. Reconciliation of Share Capital Audit

A Qualified practicing Chartered Accountant carried out Quarterly Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and total number of shares in dematerialised form held with NSDL and CDSL.

10. Means of Communication

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as taken on record and approved respectively by the Board of Directors of the Company are published generally in local English and Vernacular newspapers namely The Financial Express and Aajkal / Ekdin. It is also sent immediately to all the Stock Exchanges with which the Shares of the Company are listed. These results are also posted on Company's website www.texinfra.in. The official news release and other related information, if any, are displayed on the aforesaid website of the Company. These are not sent individually to the shareholders. Management Discussion & Analysis Report forms part of the Annual Report.

11. General Shareholder Information

AGM : Date, Time & Venue

On 4th September, 2014 at 3:30 P.M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056

Financial Calendar

1st April, 2014 to 31st March, 2015

First Quarter Result – Last week of July.

Second Quarter Results – Second week of November.

Third Quarter Results – Last week of January.

Results for the year ending 31st March, 2015-

By Last week of May 2015.

Date of Book Closure

Listing on Stock Exchanges From 30th August, 2014 to 4th September, 2014 (both days inclusive).

Listing on Stock Exchanges

1. National Stock Exchange of India Limited, Mumbai.
2. BSE Limited, Mumbai.
3. The Calcutta Stock Exchange Limited, Kolkata.

The Company has paid listing fees for the period

1st April, 2014 to 31st March, 2015.

Dividend Payment Date

Mid September, 2014

CIN of Company

L70101WB1939PLC009800

Stock Code – Physical

National Stock Exchange – TEXINFRA

BSE – 505400

Calcutta Stock Exchange – 30044

Demat ISIN No. for CDSL/NSDL – INE 435C01024