

# **TEXMACO INFRASTRUCTURE & HOLDINGS LTD.**

Annual Report 2014-15



# Contents

Corporate Information	01
Report of the Directors	02
Report on Corporate Governance	27
Auditors' Report	37
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statement	42
Notes to Financial Statements	43
Consolidated Financial Statements	67

# Corporate Information



## Directors

S. K. Poddar, *Chairman*

Utsav Parekh

Dipankar Chatterji

Gautam Khaitan

Akshay Poddar

Ms. Jyotsna Poddar

Hemant Kumar, *Executive Director*

## CFO

Prakash Chandra Kejriwal\*

## Secretary

Ayan Chakrobarty\*\*

## Auditors

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

## Bankers

State Bank of India

\* Upto 31st March 2015

\*\* Appointed w.e.f. 8th November 2014



## Registered Office

Belgharia, Kolkata 700 056

Phone: (033) 2569 1500

Fax : (033) 2541 2448

Website: [www.texinfra.in](http://www.texinfra.in)

Email: [texinfra\\_cs@texmaco.in](mailto:texinfra_cs@texmaco.in)

## Corporate Office

Birla Lines,

G. T. Karnal Road,

Delhi - 110 007

CIN: L70101WB1939PLC009800



# Report of the Directors

Your Directors have pleasure in presenting the Seventy Fifth Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2015.

## Financials

	(Rs. in Lakhs)	
	2014-15	2013-14
<b>Operating Profit (PBIDT)</b>	<b>950.86</b>	<b>1,817.12</b>
Less: Interest (Net)	(279.37)	(368.15)
<b>Gross Profit (PBDT)</b>	<b>1,230.23</b>	<b>2,185.27</b>
Less: Depreciation	247.32	286.57
<b>Profit before Taxation</b>	<b>982.91</b>	<b>1,898.70</b>
Less: Provision for Taxation:		
Current Tax	190.00	255.00
Deferred Tax Liability/(Asset)	(31.79)	(50.89)
Income Tax for earlier year	64.37	14.68
<b>Profit after Taxation</b>	<b>760.33</b>	<b>1,679.91</b>
Add: Balance brought forward from previous year	7,415.33	6,959.04
	<b>8,175.66</b>	<b>8,638.95</b>
<b>Appropriations</b>		
Proposed Dividend on Equity Shares (Incl. Tax)	230.05	223.62
General Reserve	200.00	1,000.00
Balance Carried Forward	7,745.61	7,415.33
	<b>8,175.66</b>	<b>8,638.95</b>





## Dividend

The Directors have pleasure in recommending payment of a dividend of 15% i.e. Re. 0.15 per equity shares of the face value of Re.1 each for the year ended March 31, 2015.

## THE MANAGEMENT DISCUSSION AND ANALYSIS

The Company derives its major income from leased properties, dividend and interest income out of its strategic investment and operation of a Mini Hydro Power Unit in Dist. Darjeeling.

## Real Estate

The Company has surrendered and handed over the possession of the requisite land at its Birla Mills plot to DDA in terms of the Supreme Court order and has retained approx. 40,000 sq. mtrs. of land. The District Judge of Delhi, the executing authority has issued orders on 18th May, 2015 that post acceptance of the surrendered land by DDA the execution proceedings stand closed, being satisfied.

The Company is now in the process of planning for development of retained land in its possession.

## Mini Hydro Power Project

The Company's 3 MW Mini Hydel Power Project located at Neora, District Darjeeling in the State of West Bengal has evacuated 87.80 Lakhs units of power in the year 2014 – 2015 as compared to 94.14 Lakh units in the year 2013-14. The power generation was slightly reduced due to poor monsoon and low river discharge during the year. All the turbines at site are operating satisfactorily.

The Company has been working on expanding its Mini Hydel Power unit at upper reaches being Neora stage II (6 MW), located a few kilometres from the existing project. For Neora stage II the Company has submitted its application to MoEF for Registration and diversion of forest land and has finalised deal for non-forest land of 38.02 acre with private land owners for handing over to Forest Department.

## Others

The Company's property at Gurgaon has yielded satisfactory returns, though for a part of the year, it was not fully leased out. The Company's dividend income was lower during the year due to general poor performance of the corporates.

## 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.

## Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company. The composition of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance as attached to the Directors' Report.

This being the first year of structured implementation for CSR activities, the Company is in the process of tie-up with various associations/ organisations / trust for pursuing the CSR activities as envisaged under the CSR policy of the Company. The process of identifying activities has delayed the CSR spend and the Company could not spend a part of the prescribed amount in the financial year 2014-15. The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving the quality of life of the communities in its operational areas.

As required under Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the report on CSR is enclosed as Annexure A.

## Consolidated Financial Statements

In accordance with Accounting Standard 21 (Consolidated Financial Statement), 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.

### Green Initiative

Your Company has started a sustainability initiative with the aim of going green and minimizing the impact on environment. Your Company has 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, 2015 was 27. There was no employee who was in receipt of remuneration as required to be disclosed under the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure B.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Meetings of the Board

During the year under review, five Board meetings were held on 21st May, 2014, 21st July, 2014, 4th September, 2014, 7th November, 2014 and 3rd February, 2015.

### Change in Directors and Key Managerial Personnel

Mr. Akshay Poddar, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board has recommended his re-appointment.

Ms. Suparna Chakrabortii who was appointed as an Additional Director on 20th March, 2015 has subsequently resigned from the Board of Directors on 30th March, 2015 and

Ms. Jyotsna Poddar was appointed as an Additional Director of the Company with effect from 30th March, 2015.

During the year Mr. Kaushik Sonee, Secretary & Compliance Officer of the Company had resigned and Mr. Ayan Chakrobarty was appointed in his place. Mr. P. C. Kejriwal, CFO of the Company had resigned w.e.f. 31st March, 2015.

### Board Evaluation

The Company has formulated a Policy, for performance evaluation of Independent Directors, Board, Committees and other Directors by fixing certain criteria which was approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation include their functioning as Members of Board or Committees of the Directors.

A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further on the basis of recommendations of the Nomination and Remuneration Committee and the performance review by Independent Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

### Appointment of Directors and Remuneration Policy

The Nomination & Remuneration Committee has approved the criteria to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. To bring diversity, your Company has appointed Ms. Jyotsna Poddar, a woman Director on the Board during the year.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, KMP and other employees of the Company.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set objectives. A copy of the policy is enclosed as Annexure C.

### Declaration by Independent Directors:

All Independent Directors of your Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



## AUDIT COMMITTEE AND AUDITORS

### Composition of Audit Committee

The composition of the Audit Committee is provided in the Report on Corporate Governance as attached to the Directors' Report.

### Statutory Auditors

At the 74th Annual General Meeting held in the year 2014, M/s. K. N. Gutgutia & Co., Chartered Accountants, Statutory Auditors of the Company were re-appointed by the shareholders to hold office as such from the conclusion of 74th Annual General Meeting held in the year 2014 until the conclusion of 77th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting. Under Section 139 of the Companies Act, 2013, the Company is required to place the matter relating to Statutory Auditor's appointment for ratification by members at every Annual General Meeting.

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommends the ratification of their appointment.

### Cost Auditors

Your Company has appointed M/s. DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY 2015-16 in terms of the provisions of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 issued by the Ministry of Corporate Affairs.

### Secretarial Audit Report

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 S. R. Associates & Co., Company Secretaries, as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the F.Y. 2014-15.

The Report of the Secretarial Audit Report is enclosed as Annexure D.

### Whistle Blower Policy

The details on the establishment of Whistle Blower Policy are provided in the Report on Corporate Governance as attached to the Directors' Report.

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has a proper and adequate system of internal

controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The system is commensurate with the size and the nature of operations of the Company.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements.

The Board of Directors on the recommendation of the Audit Committee has approved the Risk Management Policy for the Company in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Risk Policy document has in its scope, the establishment of a process for risk assessment, identification of risks both internal and external, and a detailed process for evaluation and treatment of risks.

The Audit Committee also evaluates the risk management system. The objectives of the Audit Committee pertaining to Risk Management is to monitor and review the risk management plan for the Company including identification therein of elements of risks, if any, and such other related functions.

## DISCLOSURES

- (a) There has been no change in the nature of business of the Company during the year under review.
- (b) There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- (c) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year and the date of this Report.
- (d) **Deposits**  
Your Company has not accepted any Deposits.
- (e) **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013.**

No complaints pertaining to sexual harassment were received during FY 2014-15.

## OTHER INFORMATION

### 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.

### Particulars of Loans, Guarantees and Investments

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of section 186 of the Companies Act, 2013 have been disclosed in the Note nos. 2.14, 2.23, 2.10 respectively to the Financial Statements of the Company.

### Extract of Annual Return

The extract of Annual Return in Form no. MGT 9 as on the financial year ended 31st March, 2015 is enclosed as Annexure E.

### Related Party Transactions

All related party transactions during the financial year were entered in the ordinary course of business and on arm's length basis. All related party transactions are approved by the Audit Committee and Board of Directors. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel which may have a potential conflict of interest with the Company at large and as such disclosure in Form AOC-2 is not required.

The Company has also formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The web link for accessing such policy is [http://texinfra.in/related\\_party\\_transactions\\_policy.pdf](http://texinfra.in/related_party_transactions_policy.pdf).

## DIRECTORS' RESPONSIBILITY STATEMENT U/S 134 (5) OF THE COMPANIES ACT, 2013

Your Directors state:

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That such accounting policies are applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- (c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts of the Company have been prepared on a going concern basis;
- (e) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

**S. K. Poddar**  
Chairman

Kolkata

Dated: 22nd May, 2015





## ANNEXURE - A

### Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Our projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee institutionalized and adopted by the Board of Directors as per the Section 135 of Companies Act, 2013. The policy is available on the website of the Company [www.texinfra.in](http://www.texinfra.in).

Driven by passion to make a difference to society, the Company is committed to upholding the highest standards of corporate social responsibility. The Company has continued its progress on community initiatives with renewed vigour and devotion.

2. **The Composition of the CSR committee**

a) Mr. Hemant Kumar	Chairman
b) Mr. Dipankar Chatterji	Member
c) Mr. Utsav Parekh	Member

3. **Average net Profits of the company for the last three financial years**

Average profit (Rs. in lakhs)	Rs. 1814.25
-------------------------------	-------------

4. **Prescribed CSR expenditure**

2% of the net profit (Rs. in lakhs)	Rs. 36.29
-------------------------------------	-----------

**5. Details of CSR spent during the year :**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs (Rs. In Lakhs)		Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (Rs. in Lakhs)	2) Overheads	
1	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects	Education	Local	13.64	13.64	-	Direct

6. In case the Company has failed to spend the 2% of the average net profit of the last 3 years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board's Report.

The reason for not spending towards CSR activities have been provided in the Directors' Report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company..

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in line with the CSR objectives and Policy of the Company.

**S. K. Poddar**  
Chairman

**Hemant Kumar**  
Chairman of the CSR Committee