

TEXMACO INFRASTRUCTURE & HOLDINGS LTD.

Annual Report 2015-16





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CORPORATE INFORMATION

Directors

S. K. Poddar, *Chairman*
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan*
S.K. Rungta ^
Akshay Poddar
Ms. Jyotsna Poddar
Hemant Kumar, *Executive Director*

CFO

Kishor Kumar Rajgaria@

Company Secretary

Pratik Modi#

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
E-mail: texinfra_cs@texmaco.in

Corporate Office

Birla Lines,
G. T. Karnal Road,
Delhi - 110 007
Phone: (011) 2382 0205

CIN: L70101WB1939PLC009800

* Resigned w.e.f. 31st May 2016

^ Appointed w.e.f. 7th November 2015

@ Appointed w.e.f. 1st August 2015

Appointed w.e.f. 20th August 2015



Report of the Directors

Your Directors have pleasure in presenting the Seventy Sixth Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2016.

Financials

	(₹ in Lakhs)	
	2015-16	2014-15
Operating Profit (PBIDT)	1,353.06	950.86
Less: Interest (Net)	(509.72)	(279.37)
Gross Profit (PBDT)	1,862.78	1,230.23
Less: Depreciation	250.40	247.32
Profit before Taxation	1,612.38	982.91
Less: Current Tax	375.00	190.00
Deferred Tax Liability / (Asset)	(140.66)	(31.79)
Income Tax for earlier year	-	64.37
Profit after Taxation	1,378.04	760.33
Add: Balance brought forward from previous year	7,745.61	7,415.33
	9,123.65	8,175.66
Appropriations		
Proposed Dividend on Equity Shares (Incl. Tax)	306.74	230.05
General Reserve	200.00	200.00
Balance Carried Forward	8,616.91	7,745.61
	9,123.65	8,175.66



Dividend

The Directors have pleasure in recommending payment of a dividend of 20% i.e. ₹ 0.20 per equity shares of the face value of ₹1 each for the year ended 31st March, 2016.

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

Following surrender of land to DDA as per the orders of the District Judge of Delhi, the DDA has constructed boundary wall thus segregating the area retained by the Company and that surrendered to DDA.

The Company thereafter commenced the planning for development of land retained by it and accordingly following studies have been commissioned:-

1. Geotechnical Investigation.
2. Traffic & Transportation Studies.

The report for Geotechnical Investigation has been received while Traffic & Transportation studies are underway.

The Company also issued RFP (Request For Participation) to 12- parties for concept design. 7 – parties including 4- from abroad have participated in the competition. The proposals are presently being studied for shortlisting and negotiations.

Mini Hydro Power Project

The Company's 3 MW Mini Hydrel Power Project located at Neora, District Darjeeling in the State of West Bengal has evacuated 8.98 mU units of power in the year 2015-16 as compared to 8.78 mU units in the year 2014-15. The power generation would have been higher but for the low river discharge during the

crucial months. All the turbines at site are operating satisfactorily.

Further, this year the pattern of rainfall during the monsoon varied that from earlier years and so we therefore, faced peculiar phenomenon of silt deposition in trash rack & desilting chambers causing generation loss otherwise we could have achieved targeted figure of 10 mU generation during this financial year 2015-16. We could only generate 9.56 mU (gross) till March'16.

For Neora Stage - II

DFO, Gorumara Wild Life Division has investigated and surveyed our Upper Stage Neora site and Conservator of Forest has clarified that the project may be considered if the site is re-considered downstream to Westnar – 1 Compartment for which the head will be reduced to nearly 15-20 M instead of 77 M and so the generation we will be able to achieve will be to a maximum of 2.0 MW. Under the circumstances, the Management is not interested to undertake this site at present. However, we are following-up with the forest officials for reconsideration of original site of the river Neora.

We are also looking for other hydro potentials sites for capacity of more than 4.0 – 7.5 MW. The survey work of the site is underway.

Others

The Company's property at Gurgaon has yielded satisfactory returns. 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

The composition of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance as attached to



the Directors' Report.

The Company is in the process of tie-up with various associations/ organizations / 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 2015-16. 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 the 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, 2016 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 Companies Act, 2013 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 Companies Act, 2013, 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, four Board Meetings were held on 22nd May, 2015, 22nd July, 2015, 7th November, 2015, and 3rd February, 2016.

Change in Directors and Key Managerial Personnel

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

Mr. Santosh Kumar Rungta was appointed as an Additional Independent Director w.e.f. 7th November, 2015 and a Resolution recommending his appointment forms a part of the Notice.

During the year, Mr. Kishor Kumar Rajgaria was appointed as a CFO of the Company w.e.f. 1st August, 2015.

During the year, Mr. Ayan Chakrobarty, Company Secretary & Compliance Officer of the Company had resigned w.e.f. 30th June, 2015 and Mr. Pratik Modi was appointed in his place with effect from 20th August, 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 The 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 and 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.

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 Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 2016-17 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 FY 2015-16.

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 Risk Policy document, as approved by the Board of Directors 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 2015-16.

OTHER INFORMATION

Corporate Governance

A separate report on Corporate Governance pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 2.16, 2.25 and 2.12 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, 2016 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

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

Kolkata

Dated: 30th May, 2016

S. K. Poddar

Chairman

ANNEXURE - A

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 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.texmaco.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 (₹ in lakhs) ₹ 1,411.54

4. Prescribed CSR expenditure

2% of the net profit (₹ in lakhs) ₹ 28.23

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 (₹ In Lakhs)	Amount spent on the projects or programs		Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ 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, Vocational Training, Livestock Development, Livelihood	Local Area	28.23	12.95	-	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 Committee

ANNEXURE - B

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

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2016:	As on date of this Report, the Board comprises of 7 Directors comprising of 1 Executive Directors, 3 Independent Directors and 3 Non-executive Directors. The appointment and remuneration of Executive Directors are by virtue of shareholders approval. Components of remuneration to the Executive Director are fixed in line with the Company's policies. The Non-Executive /Independent Directors receive sitting fees of ₹ 20,000/- for attending each meeting of the Board and ₹ 10,000 for attending each Audit Committee and other Committee meetings. They are further extended to receive ₹1,00,000/- each per annum as Directors commission.		
b.	The ratio of remuneration of the Executive Director to the median remuneration of the employees of the Company for the financial year ended March 31, 2016 is as below:			
Sl. No.	Name of Directors/	Designation	Ratio of Remuneration to Median Remuneration of all the employees	Increase in remuneration over previous Financial Year (in %)
(i)	Mr. Hemant Kumar	Executive Director	13:1	15%
(ii)	Mr. Kishor Kumar Rajgaria	Chief Financial Officer	10:1	-
(iii)	Mr. Pratik Modi	Company Secretary	1:1	-
c.	The percentage increase in the median remuneration of employees in the financial year ended March, 2016.			8%
d.	The number of permanent employees on the rolls of Company as at March 31, 2016:			27 Nos.
e.	The explanation on the relationship between average increase in remuneration and Company's performance.			
	<ul style="list-style-type: none">- Median Remuneration and Average Remuneration of employees have increased by 8%.- Average remuneration of employees excluding Key Management Personnel has also increased by 8%, which is based on their performance. The increase in remuneration is in line with the market trends, internal parity and current salary of the employees. In order to ensure that remuneration reflects Company performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance- Remuneration of Key Management Personnel has increased by 15%.			
f.	Remuneration to employees for the year 2015-16 has not exceeded the remuneration paid to any of the Directors.			
g.	The remuneration of the Directors, Key Management Personnel and other employees is in accordance with the Remuneration Policy of the Company provided under the section Report on Corporate Governance which forms part of the Report and Accounts.			
h.	Comparison of remuneration of the each key managerial personnel against the performance of the Company.			