



TEXMACO INFRASTRUCTURE & HOLDINGS LTD.

Annual Report 2018-19



CONTENTS

Corporate Information	001
Report of the Board of Directors	002
Report on Corporate Governance	022
Independent Auditors' Report (Standalone)	033
Balance Sheet (Standalone)	040
Statement of Profit and Loss (Standalone)	041
Statement of Cash Flow (Standalone)	042
Notes on Financial Statements (Standalone)	045
Independent Auditors' Report (Consolidated)	080
Balance Sheet (Consolidated)	086
Statement of Profit and Loss (Consolidated)	087
Statement of Cash Flow (Consolidated)	088
Notes on Financial Statements (Consolidated)	091

CORPORATE INFORMATION

Directors

Mr. S. K. Poddar, *Chairman*
Mr. Utsav Parekh
Mr. S. K. Rungta
Mr. D. R. Kaarthikeyan
Mr. Kalpataru Tripathy®
Mr. Akshay Poddar
Ms. Jyotsna Poddar
Mr. N. Suresh Krishnan

Manager

Mr. Sirajuddin Khan

Chief Financial Officer

Mr. Kishor Kumar Rajgaria

Company Secretary

Mr. Pratik Modi

Auditor

Messrs. G. P. Agrawal & Co.

Banker

State Bank of India

@Appointed w.e.f. 30th July 2018

Registered Office

Belgharia, Kolkata 700 056
Phone: (033) 2569 1500
Fax: (033) 2541 2448
Website: www.texinfra.in
Email: texinfra_cs@texmaco.in

Corporate Office

Birla Mills Compound, G. T. Karnal Road,
Delhi – 110 007
Phone: (011) 2382 0205

Subsidiaries

Macfarlane & Company Limited
High Quality Steels Limited

Fellow Subsidiaries

Topflow Buildcon Private Limited
Snowblue Conclave Private Limited
Startree Enclave Private Limited

Registrar & Share Transfer Agent

Messrs. Karvy Fintech Private Limited
Karvy Selenium Tower B , Plot No.
31& 32, Gachibowli Financial District,
Nanakramguda, Hyderabad: 500032
Phone: 040-6716 2222
E-mail: einward.ris@karvy.com

CIN

L70101WB1939PLC009800

Reports of the Board of Directors

Dear Shareholders,

Your Directors have pleasure in presenting the 79th Annual Report along with the Audited Financial Statements of the Company for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particular	2018-19	2017-18
Operating Profit (PBIDT)	617.45	943.98
Less: Interest (Net)	(635.05)	(454.74)
Gross Profit (PBDT)	1252.50	1398.72
Less: Depreciation	270.57	255.63
Profit before Taxation	981.93	1143.09
Less: Tax Expenses		
Current Tax including tax related to earlier years	311.87	330.53
Deferred Tax	(28.34)	(151.93)
Profit after Taxation	698.40	964.49

DIVIDEND

The Directors have pleasure in recommending payment of a dividend of 20% i.e. ₹ 0.20/- per Equity Share of face value of ₹ 1 /-each for the year ended 31st March, 2019.

THE MANAGEMENT DISCUSSION AND ANALYSIS

Your Company continues to derive its major income from leased properties, income from strategic investments and operations of a Mini Hydro Power Unit in District Darjeeling, West Bengal.

REAL ESTATE

Conversion for Delhi Birla Mills Land

The formal notification for the Industrial to Residential land conversion has been formally issued by the Ministry of Housing and Urban Affairs (MOUD) on 3rd July 2018. Formalities for Birla Mills land conversion will be carried out at a later time after receipt of demand note from DDA.

Development at Birla Mills

The Company in the meantime has submitted site layout plans with North Delhi Municipal Corporation for preliminary layout approval to facilitate the development of design by the architect/ consultant. The approval process is currently under evaluation. Simultaneously, the company is moving forward with the detailed design development with appointment of critical design consultants.

The Company has also appointed a Consultant for conducting preliminary environmental studies at site.

MINI HYDRO POWER PROJECT

Your Company's 3 MW Mini Hydel Power Project located on the river Neora, District- Darjeeling, West Bengal could evacuate 8.09 MU (net) against 3.29 MU of the previous year.

Generation has been stopped since 14th October 2018 due to failure of a portion of Flume & Overflow Channel. Repair work of the Flume, Overflow Channel & Forebay is underway and is expected to be completed by the end of May, 2019.

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 slightly lower during the year due to non-receipt of dividend against some of the long-term investments.

HUMAN RELATIONS

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

RISK AND CONCERNS

Your Company operates in an era of stringent regulatory and financial compliances.

This exposes us to several risks on account of adverse changes to the economy. Your Company is well equipped to address the external and internal risk through a robust risk management framework integrated to our long-term strategic plans.

SIGNIFICANT FINANCIAL RATIOS

As per the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the significant financial ratios are given below:

Particulars		2018-19	2017-18
Net Profit Margin*	%	27.44	39.97
Operating Profit Margin	%	38.57	47.37
Debtors turnover®	Times	12.06	17.84
Stock Turnover	Times	76.35	107.06
Debt Equity Ratio#	Times	0.07	0.06
Current Ratio	Times	17.55	19.94
Interest Coverage Ratio	Times	4.93	6.14
Return on Net Worth	%	1.91	2.08

*Decrease in margin is on account of higher expenses on repair of plant and employee cost to strengthen the base

@Higher Trade receivables as at 31st March 2019 was on account of delay receipt of some Rental payment.

#Higher Inventories as at 31st March 2019 was on account of purchases of spares/stores towards preventive maintenance and smooth running of plant

SUBSIDIARIES / ASSOCIATES

The Company has 2 subsidiaries, 3 fellow subsidiaries, 3 associates and 1 fellow associate as on 31st March 2019. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ('Act'). There has been no material change in the nature of the business of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries and associates in Form AOC 1 is attached to the Financial Statement of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the Financial Statement of the Company, consolidated Financial Statement along with the relevant documents and separate Audited Financial Statement in respect of the subsidiaries, are available on the website of the Company <http://www.texinfra.in/investor>.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company is having a Corporate Social Responsibility Committee which was constituted in the year 2014 by the Board of Directors of the Company. The composition of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance which forms a part of the Reports of the Board of Directors.

The Company has tied-up with various associations/ organizations / trust for pursuing the CSR activities as envisaged under the CSR policy of the Company and has identified the area of health and education as its major CSR activity. The Company could not spend a part of the prescribed amount in the financial year 2018-19. 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**.

GREEN INITIATIVE

Your Company has diligently embraced a sustainability initiative with the aim of going green and minimizing the adverse impact on environment. Your Company had been sending Annual Report(s), Notice(s), 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, after which a printed copy of the Annual Report will be sent to the Shareholder. Shareholders are requested to support this initiative by registering / updating their email addresses for receiving Annual Report, Notices, etc. through e-mail. The Company has also followed the Standardised Norms for transfer of securities in physical mode in case of Non-availability of transferor's PAN or Signature.

PARTICULARS OF EMPLOYEES

The Number of Employees as at 31st March 2019 was 33. In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('Act') read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B**.

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 C**.

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

Disclosures relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are enclosed as **Annexure D**.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Meetings of the Board

During the year under review, four Board Meetings were held on 15th May 2018, 30th July 2018, 3rd November 2018 and 4th February 2019.

Change in Directors and Key Managerial Personnel

Mr. Saroj Kumar Poddar (DIN: 00008654) retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The terms and conditions of his appointment are enumerated in the Notice calling the Annual General Meeting for the approval of the Shareholders.

During the year, Mr. Dipankar Chatterji, an Independent Director of the Company has resigned due to his other obligations with effect from 15th May 2018 and Mr. Kalpataru Tripathy, an eminent lawyer, was appointed as an Independent Director for a period of 5 (Five) years with effect from 30th July 2018. Mr. Santosh Kumar Rungta, Independent Director of the Company, on completion of his tenure of 3 years as an Independent Director vacated the office and being eligible was re-appointed for a further period of 5 years i.e. from 6th November 2018 to 5th November 2023.

Board Evaluation

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

A structured questionnaire, formulated through discussions within the Board, has been used for this purpose. Further, on the basis of distinguished 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 the individual Directors. Furthermore, the evaluation of the Independent Directors was performed by the entire Board of Directors. The evaluation criteria comprised of assessing the various parameters including performance of the Directors, expertise/skills, contribution to the strategic planning, etc.

Further, the Board of Directors ensured that the evaluation of Directors was carried out without the participation of the Director who was subject to evaluation.

Criteria for Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee had 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 of eminent Qualified Professionals, entrepreneurs with diverse backgrounds and experience in business, governance, education and public service.

Your Company has a well defined Remuneration Policy for Directors, KMP and other Employees of the Company. The Nomination and Remuneration Committee periodically reviews the policy to ensure that it is aligned with the requirements under the applicable laws. During the year, there has been no change in the policy.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The policy is available on our website at the link http://www.texinfra.in/pdf/Remuneration_Policy.pdf.

Declaration by Independent Directors

All Independent Directors of your Company have given declarations that they meet the criteria of independence as laid down under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company took on record the declarations submitted by the Independent directors after undertaking due assessment of their independence from the Management.

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 Report of the Board of Directors.

Statutory Auditors

At the 77th Annual General Meeting held in the year 2017, M/s G. P. Agarwal & Co., Chartered Accountants, the Statutory Auditors

of the Company, were appointed by the shareholders to hold office as such from the conclusion of the 77th Annual General Meeting till the conclusion of the 82nd Annual General Meeting of the Company.

Cost Auditors

Your Company has re-appointed M/s. DGM & Associates, Cost Accountants, for conducting the Cost Audit for Financial Year 2019-20 in terms of the provisions of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditor

Your Company has appointed M/s S. R. & Associates, Company Secretaries, as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the Financial Year 2018-19 in terms of the provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

The Secretarial Audit Report in Form MR – 3 is enclosed as **Annexure E**.

Whistle Blower Policy

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

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 also evaluates the risk management system and periodically 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 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

During the year, the Company has not accepted any Deposits under the Companies Act, 2013.

(e) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013

No complaints pertaining to sexual harassment were received during Financial Year 2018-19.

(f) Disclosure with respect to compliance of Secretarial Standards

The Company has complied with the necessary requirements of the Secretarial Standards issued by the Institute of Company Secretaries of India relating to Board Meetings, General Meetings and Committee Meetings.

OTHER INFORMATION

Extract of Annual Return

The extract of Annual Return in Form no. MGT - 9 as on the financial year ended 31st March, 2019 is enclosed as **Annexure F**.

Corporate Governance

A separate report on Corporate Governance pursuant to the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure G** 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. 14, 41 and 4 respectively to the Financial Statements of the Company.

Related Party Transactions

All related party transactions are reported to and approved by the Audit Committee and the Board of Directors. 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/pdf/RELATED_PARTY_TRANSACTION_POLICY.pdf.

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

Your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the accounting policies as adopted 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) 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) the annual accounts of the Company have been prepared on a going concern basis;
- (e) 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) 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

13th May, 2019
Kolkata

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 Section 135 of the Companies Act, 2013. The policy is available on the website of the Company www.texinfra.in. Driven by passion to make a difference to society, your Company is committed to upholding the highest standards of CSR. Your Company has continued its progress on community initiatives with renewed vigour and devotion.

2. The Composition of the CSR committee:

- | | | |
|----|---|----------|
| a) | Mr N. Suresh Krishnan, Non-Executive Director | Chairman |
| b) | Mr Utsav Parekh, Independent Director | Member |
| c) | Mr Kalpataru Tripathy, Independent Director | Member |

3. Average Net Profits of the Company for the last three financial years:

Average profit (₹ in Lakhs)	₹ 1278.24
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4. Prescribed CSR Expenditure:

2% of the Net Profit (₹ in Lakhs)	₹ 25.56
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5. Details of CSR spent during the year:

(1)	(2)	(3)	(4)	(5)	(6)		(7)
Sl. 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	Local Area	25.56	25.17		Direct
	Total			25.56	25.17		

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 Company's spend during the year was slightly short of 2% of the average net profit of last 3 years due to deferment of certain expenses. The Company's spend during the Financial Year 2017-18 on CSR activities was higher than the prescribed requirement.

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.

ANNEXURE - B

Particulars of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name	Designation	Age (Years)	Remuneration (₹)	Qualification(s)	Experience (Years)	Date of Commencement of Employment	Previous Employment

Top Ten Employees in terms of Remuneration drawn / Employed throughout the year and in receipt of remuneration aggregating ₹1,02,00,000 or more

1. Agarwala Gaurav	CEO (Neora Hydro)	46	84,73,643	BSBA, Boston	21	30-05-2005	Animark Enterprise Pvt Limited
2. Khan Sirajuddin	Manager & VP	60	53,63,087	MBA	39	16-10-2017	Zuari Global Limited
3. Singh Randhir Bahadur	Deputy General Manager -Projects	49	32,61,808	M.Tech	24	01-12-2017	Zuari Infracore India Limited
4. Rajgaria Kishor Kumar	CFO	50	32,29,270	FCA, FCS & FCMA	26	01-08-2015	Hindustan Engineering & Industries Limited
5. Samavedam Venkata Giridhar	AVP (Projects)	39	32,12,174	Ms in Civil Engineering	13	27-06-2016	AECOM India
6. Gambhir Raj Kumar	Chief Manager – Accounts & Finance	44	24,38,399	CA	17	08-08-2016	Ansal Properties & Infrastructure
7. Mitra Ranjan	Chief Executive Officer	64	12,58,908	B.E.E.	42	01-01-2017	NHPC
8. Singh Garima	DY Manager Project	31	11,56,913	B.ARCH, MBEM	7	18-01-2016	Cushman & Wakefield India Pvt. Limited
9. Jerath Ajay®	Manager – Admin	48	10,89,271	BCOM	25	06-11-2017	D. S. Const. Limited
10. Sharma Anshul®	SR Manager – HR & Admin	38	10,69,817	MBA, LLB	15	03-09-2018	Simon India Limited

®Employed for a part of the Financial Year.

Notes:

1. Remuneration as shown above includes Salary, House Rent, LTA, Medical Benefits, Bonus, Contribution to Provident Fund, Superannuation Fund, etc., as per the Company's rules;
2. Mr Gaurav Agarwala is related to Mr S. K. Poddar, Non - Executive Chairman;
3. Employees named above are Whole-time / contractual employees of the Company;
4. Other terms and conditions are as per the Company's rules.