

# TEXMACO INFRASTRUCTURE & HOLDINGS LTD.

Annual Report 2011-12





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# Corporate Information

## Directors

Shri S. K. Poddar, Chairman  
Shri Utsav Parekh  
Shri Dipankar Chatterji  
Shri Gautam Khaitan  
Shri Akshay Poddar  
Shri Hemant Kumar, Executive Director

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## Secretary

Shri Amit Dhanuka

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## Auditors

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

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## Bankers

State Bank of India

## Registered Office

Belgharia, Kolkata 700 056

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## Corporate Office

Birla Lines,  
G. T. Karnal Road,  
Delhi - 110 007

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## Regional Offices

New Delhi  
Mumbai  
Chennai

# Report of the Directors

Your Directors have pleasure in presenting the Seventy Second Annual Report of the Company along with the Audited Accounts of the Company for the year ended 31st March, 2012.

## Financial Results

Rs. in Lakhs

	2011-2012	2010-2011
<b>Operating Profit (PBIDT)</b>	<b>2,210.79</b>	<b>1,340.63</b>
Less: Interest (Net)	(200.69)	(33.62)
<b>Gross Profit (PBDT)</b>	<b>2,411.48</b>	<b>1,374.25</b>
Less: Depreciation	299.21	312.98
<b>Profit before Taxation</b>	<b>2,112.27</b>	<b>1,061.27</b>
Provision for Taxation:		
Current Tax	270.00	210.00
Deferred Tax Liability/(Asset)	(50.33)	87.11
Income Tax for earlier years	–	3.36
<b>Profit after Taxation</b>	<b>1,892.60</b>	<b>760.80</b>
Add: Balance brought forward from previous year	6,098.15	5,785.16
	<b>7,990.75</b>	<b>6,545.96</b>
<b>Appropriations</b>		
Proposed Dividend on Equity Shares (Incl.Tax)	222.15	147.81
General Reserve	1,000.00	300.00
Balance Carried Forward	6,768.60	6,098.15
	<b>7,990.75</b>	<b>6,545.96</b>

## Dividend

The Directors have pleasure in recommending payment of a dividend of 15% (Rs.0.15 per share) for the year ended 31st March, 2012.

## THE MANAGEMENT DISCUSSION AND ANALYSIS

### Renaming of the Company

Following the restructuring of Texmaco Limited post demerger of the Heavy Engineering and Steel Foundry businesses to Texmaco Rail & Engineering Ltd, the company is focussed on its core business of Real Estate Development, Hydro Power & other Infrastructure Development and Investments decided to re-name itself as "Texmaco Infrastructure & Holdings Ltd". Govt. of India-Ministry of Corporate Affairs, Registrar of Companies, West Bengal has approved the change of name of the company and has issued Fresh Certificate of Incorporation consequent with change of Name dated 20th Feb, 2012.

### Real Estate

In terms of the order of the Hon'ble Supreme Court of India, consequent upon the closure of erstwhile Birla Textiles, the company was required to surrender about 60% of its Industrial Land to DDA to keep it green. DDA at the meeting of its Screening Committee held on Feb 27, 2012 has decided the matter and has submitted the Area map showing the area to be surrendered and that to be retained in the Court of the Distt. Judge, Delhi who is nominated by the Hon'ble Supreme Court for executing its Order. It is expected that the process of land surrender will be completed shortly and thereafter the company can commence its efforts for development of its land in Delhi.

### Mini Hydro Power Project

The company's 3 MW Mini Hydel Power Project located at Neora, District Darjeeling in the State of West Bengal evacuated 55.47 Lakh units of power in the year 2011 – 2012 against

48.95 Lakh units in the year 2010-11. The entire power generated was sold to the West Bengal State Electricity Board in terms of Power Selling Agreement entered into with them. The generation was lower than expected due to low availability of water in the lean season and excessive deposition of silt in the desilting chamber. The continued problem of high voltage transmission line of SEB and breakdown of MIV of Unit #3 were other bottlenecks. Adequate measures have been taken this year so as to achieve a higher generation.

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

### New Hydro Power Project

Based on the experience gained in successfully implementing Neora Hydro Power Project, the Company is expanding its activities in Hydro Power Sector. The Company has participated in pre-qualification tender for projects namely ANS Stage-1 Hydro Electric Project (40MW) & Bichlari Hydro Electric Project (45MW) on 'BOOT' basis in Jammu Region of J & K. The pre-qualification bids are presently under evaluation and the Company is hopeful to qualify to submit the price bids.

The Company is also considering participation in tenders for setting up of Hydro Power Projects in Meghalaya and is exploring opportunities in other States also.

### 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.

## Employees Stock Option Scheme (ESOS)

Details of Employees Stock Option granted pursuant to Employees Stock Option Scheme 2007 (ESOS 2007), as also the disclosure in compliance with Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure 'A' to this Report. During the year, the Committee of Directors of the Company at its Meeting held on 21st October, 2011 has allotted 2,43,500 Equity Shares of the Company to its eligible employees, pursuant to exercise of 2,43,500 Options by the eligible employees under Texmaco Employees Stock Option Scheme, 2007 and consequently the Paid up Share Capital of the Company stands increased from Rs. 12,71,83,090/- to Rs. 12,74,26,590/- w.e.f 21st October, 2011. Under ESOS 2007, 3,75,000 Options were granted to the employees of the Company, out of which employees had exercised 2,43,500 Options and the Scheme thereafter, stands closed on the balance options having not exercised and surrendered by certain eligible employees.

## 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 COMPANIES 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. An Audit Committee of the Board and Shareholders' / Investors' Grievance and Share Transfer Committee have been constituted and are functioning in keeping with the given guidelines.

## Green Initiative

Your Company has started a sustainability initiative with the aim of going green and minimizing the impact on environment. The Company has issued a notice dated 20th December, 2011 in respect of the same to the Shareholders to opt for paperless compliances i.e. receipt of Annual Reports, Notices and communications etc. through e-mails.

In order to conserve paper and minimize the impact in our environment, your Company is publishing only the Statutory disclosures in the print version of the Annual Report, prepared in compliance with the Section 219 of the Companies Act, 1956 and Clause 32 of the Listing Agreement. However full Annual Report is available on our website [www.texinfra.in](http://www.texinfra.in).

## Particulars of Employees

The number of employees as at 31st March, 2012 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.

## Directors

Shri Hemant Kumar, was appointed as an Additional Director w.e.f. 2nd September, 2011 by the Board.

Shri S. K. Poddar and Shri Akshay Poddar, Directors, retires by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

## Auditors

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

For and on behalf of the Board

Place: Kolkata

Dated: 25th May, 2012

**S.K. Poddar**

*Chairman*

# Enclosure to the Report of the Directors

## Annexure – A Employees Stock Option Scheme (ESOS)

Disclosure in Compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999

Sl. No	Nature of Disclosure	Particulars
a)	Option Granted	3,75,000
b)	The Pricing Formula	The exercise price was determined by averaging the daily closing price of the Company's equity shares during the 7 days immediately preceding the date of grant and discounted it by 30%. Exercise Price : Rs 22.59 per option
c)	Option Vested	3,75,000
d)	Option exercised	2,43,500
e)	The total number of share arising as a result of excise of option	2,43,500
f)	Option lapsed	1,31,500
g)	Variation of terms of options	Nil
h)	Money realised by exercise of option	Rs. 55,00,665
i)	Total number of option in force	Nil
j)	Employee - wise details of option in force	N.A.
	i) Senior Management Personnel	
	ii) Any other employee who receives a grant in any one year of option amounting to 5 % or more of the option granted during the year	
	iii) Identified employees who were granted option, during any one year, equals to or exceeding 1% of the issued capital of the Company at the time of grant	
k)	Diluted Earning Per Share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	Rs. 1.49
l)	Difference between the employees compensation cost computed using the intrinsic value of the stock options and the employees compensation cost that would have been recognised if the fair value of the option has been used. The impact of the difference on the profit and on the EPS of the Company	N.A.
m)	Weighted average exercise price and weighted average fair values of the option granted for option whose exercise price either equals or exceeds or is less than the market price of the stock	N.A.
n)	A description of the method and significant assumption used during the year to estimate the fair value of option, including the following weighted - average information	N.A.
	i) Risk free Interest rate (%)	
	ii) Expected life (No. of Years )	
	iii) Expected volatility (%)	
	iv) Dividend yield (%)	
	v) The price of the underlying share in market at the time of option granted	



# 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 AGM, Directorships in other Companies, number of Committees in which such Director is a member, are mentioned below :-

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	No. of Chairmanship/ Membership of Board/ Committees in other Companies	Chairman	Member
Shri S.K. Poddar	Chairman	4	Yes	12	1		1
Shri Hemant Kumar*	Executive Director	3	N.A.	0	0		0
Shri Akshay Poddar+	Non- Executive & Non-Independent	4	Yes	11	3		3
Shri Gautam Khaitan	Independent	1	No	11	3		3
Shri Utsav Parekh	Independent	3	No	6	0		4
Shri Dipankar Chatterji	Independent	3	Yes	6	2		2

\* Appointed w.e.f. 2nd September, 2011.

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

# excluding Private companies, Companies under Section 25 of the Companies Act, 1956 and Foreign Companies.

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. None of the Directors of the Company is a member of more than ten committees or Chairman of more than five committees across all the Companies in which he is a Director.

Five Board Meetings were held during the year 2011-2012 on the following dates:-

16th April, 2011 23rd May, 2011 22nd July, 2011 21st October, 2011 6th February, 2012

### 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.

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

Name of Directors	No. of Meetings attended
Shri Utsav Parekh, Chairman	3
Shri Dipankar Chatterji, Member	2
Shri Gautam Khaitan, Member	2
Shri Akshay Poddar, Member	3

Four Audit Committee Meetings were held during the year 2011-2012 on the following dates:-

22nd May, 2011, 20th July, 2011, 21st October, 2011, 6th February, 2012

#### (b) Sub-Committee

The Sub-Committee comprises the following four Directors and

their attendance in the Committee Meeting is given alongside.

Name of Directors	No. of Meetings attended
Shri S. K. Poddar, Member	1
Shri Utsav Parekh, Member	1
Shri Dipankar Chatterji, Member	0
Shri Akshay Poddar, Member	0

Committee met for one time during the year on 21st October, 2011.

### 4. Remuneration of Directors

The Company has not set up a Remuneration Committee. 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 details of the payment made during the year 2011-12 are as follows.

#### i) Non- Executive Directors

Name of the Directors	Sitting fee for the year (Rs.)	Commission for the year (Rs.)	Total (Rs.)	No. of Shares held in the Company
Shri S. K. Poddar	90,000	1,00,000	1,90,000	27,39,257
Shri Utsav Parekh	1,10,000	1,00,000	2,10,000	Nil
Shri Dipankar Chatterji	80,000	1,00,000	1,80,000	Nil
Shri Gautam Khaitan	40,000	1,00,000	1,40,000	Nil
Shri Akshay Poddar	1,20,000	1,00,000	2,20,000	1,39,820

The details of the remuneration paid to the Executive-Director during the year 2011-12 are given below:

**ii) Executive Director**

Name of the Director	Designation	Salary (Rs.)	Perquisites and Allowances # (Rs.)	Sitting Fees (Rs.)	Retirement Benefits
Shri Hemant Kumar	Executive Director	12,58,334	7,04,557	Nil	As per Company's Rule

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

The Remuneration paid to Executive Director is decided by Board of Directors, subject to the approval of the Shareholders.

## 5. Investors'/Shareholders' Grievance Committee

The Investors' / Shareholders' Grievances Committee comprises the following three Directors and their attendance in the Committee Meeting is given alongside.

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

The grievances received are dealt with at the Investors' / Shareholders' Grievances Committee meetings.

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 Investors'/Shareholders' Grievance Committee was held on 6th February, 2012.

Shri Amit Dhanuka, Secretary is the Compliance Officer of the Company. During the year, 51 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 and time of the Annual General Meetings (AGM) and Extra-Ordinary General Meeting (EGM) held in last three years are given below. All the AGMs & EGM were held at Birla Building, 9/1, R. N. Mukherjee Road, Kolkata – 700 001.

Annual General Meetings for Financial Year	Date and time of the AGMs	Date and time of the EGM	No. of Special Resolutions passed at the AGMs
2010-2011	1st September, 2011 at 4.30 P.M.	7th July, 2010 at 3.30 P.M.	4
2009-2010	12th August, 2010 at 2.30 P.M.	-----	1
2008-2009	23rd July, 2009 at 2.30 P.M.	-----	2

Whether Special Resolutions-

A Were put through Postal Ballot last year Yes

During the year ended 31st March, 2012, the following Resolution was passed by the Shareholders of the Company through Postal Ballot:

Postal Ballot Notice dated 21st October, 2011 in respect of the following matter:

- Special Resolution: Section 17 of the Companies Act, 1956 for alteration of the object Clause of the Memorandum of Association of the Company.

Ms. Sudhanya Roy Choudhury, Practising Company Secretary was appointed as Scrutinizer. Based on the Scrutinizers' Report the following result of the Postal Ballot was declared on 1st December, 2011.

Total Votes	Total Valid Votes cast	Total Valid Votes cast in favour of the resolution	Total Valid Votes cast against the resolution
66349203	65313354	65312344	1010
B Are proposed to be conducted through postal ballot		No	

## 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 Annual Report.

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. 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 29th August, 2012 at 4:30 P.M., at G. D. Birla Sabhagar, 29 Ashutosh Chowdhury Avenue, Kolkata - 700 019

### Financial Calendar

1st April to 31st March

First Quarter Results – Last week of July.

Second Quarter Results – First week of November.

Third Quarter Results – Last week of January 2013.

Results for the year ending 31st March, 2013.

By Last week of May 2013.

### Date of Book Closure

From 23rd August, 2012 to 29th August, 2012, both days inclusive.

### Listing on Stock Exchanges

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

The Company has paid listing fees for the period 1st April, 2012 to 31st March, 2013.

### Dividend Payment Date

Early September, 2012.

### Stock Code – Physical

National Stock Exchange	TEXINFRA
Bombay Stock Exchange	505400
Calcutta Stock Exchange	30044
Demat ISIN No. for CDSL/NSDL	INE 435C01024

High / Low market prices of the Company's Equity Shares of Re.1/- each traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited during the period April 2011 to March 2012 are furnished here after:

Period	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2011	35.55	31.40	35.50	31.50
May, 2011	33.60	25.75	33.70	25.50
June, 2011	34.30	26.15	34.40	31.40
July, 2011	35.90	31.20	39.00	31.70
August, 2011	33.00	27.55	33.00	27.80
September, 2011	34.90	28.40	35.00	28.55
October, 2011	35.00	29.50	33.45	29.50
November, 2011	31.10	24.40	31.20	26.40
December, 2011	32.70	20.50	32.75	20.20
January, 2012	31.00	24.00	29.40	24.15
February, 2012	32.30	27.20	32.30	27.25
March, 2012	31.90	24.65	31.90	24.10

**Note:** There was no trading during the year on The Calcutta Stock Exchange Ltd., Kolkata.

### Registrar & Transfer Agent (RTA)

M/s Karvy Computershare Private Limited.  
 Karvy House, 21, Avenue 4, Street No.1, Banjara Hills,  
 Hyderabad-500034  
 Phone: 040-23312454, 23420818.  
 Fax No.040-23311968, 23420814  
 E Mail: jayaramannv@karvy.com

### Share Transfer System

Request for transfer of shares held in physical form may be lodged with Karvy Computershare Private Limited at Hyderabad or may also be sent to Company Secretary at the Registered office of the Company at Kolkata. Share transfers are registered and returned within 30 days from the date of lodgment, provided documents are complete in all respects.

### Distribution of Shareholding and Shareholding Pattern as on 31st March, 2012.

No. of Equity Shares held	Folios	%	Shares (Rs.)	%
Upto 5000	33,952	98.13	1,22,48,788	9.61
5001 to 10000	305	0.88	23,12,002	1.81
10001 to 20000	152	0.44	21,60,927	1.70
20001 to 30000	56	0.16	13,92,202	1.09
30001 to 40000	22	0.06	7,41,225	0.58
40001 to 50000	16	0.05	7,23,441	0.57
50001 to 100000	36	0.10	25,23,128	1.98
100001 and above	62	0.18	10,53,24,877	82.66
<b>Grand Total</b>	<b>34,601</b>	<b>100.00</b>	<b>12,74,26,590</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2012.

Category	No. of Shares	%
Promoters	6,83,66,800	53.65
Banks, Insurance Cos., and FIs	35,20,091	2.76
Mutual Funds and U.T.I.	2,14,54,898	16.84
Corporate Bodies	1,21,46,703	9.53
NRI / OCB/FIIs	23,83,280	1.87
Indian Public	1,79,87,790	14.12
Others	15,67,028	1.23
<b>Total</b>	<b>12,74,26,590</b>	<b>100.00</b>

### Dematerialisation of Shares as on 31st March 2012 and Liquidity.

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 12,57,83,908 Equity Shares of the Company representing 98.71% of the Company's Equity Share Capital are dematerialised as on 31st March, 2012.

#### Code of Conduct and Ethics:

The Company has adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the code, and a declaration to this effect, signed by the Whole Time Director, is attached to this report.

The Company has voluntarily adopted the Model Code of Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to, inter-alia, prevent insider trading in the shares of the Company.

#### Location of the Plants

##### Plant Locations

The Company's Plant is located at Neora, Dist.: Darjeeling, W.B.

#### Address for Correspondence

Shareholders may contact Shri Amit Dhanuka, Secretary at the Registered Office of the Company for any assistance.

Telephone No : (033) 2569-1500

E-mail : amit.dhanuka@texmaco.in

Shareholders holding Shares in Electronic mode should address all their correspondence to their respective Depository Participants.

#### Investor Education and Protection Fund (IEPF)

Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March, 2004 to the IEPF.

Information in respect of such unclaimed Dividend, when due for transfer to the said Fund, is given below:

Financial year ended	Date of declaration of Dividend	Last date for claiming un-paid Dividend	Due date for transfer to IEPFund
31.03.2005	26.07.2005	02.09.2012	02.10.2012
31.03.2006	28.07.2006	04.09.2013	04.10.2013
31.03.2007	18.07.2007	23.08.2014	23.09.2014
31.03.2008	11.08.2008	16.09.2015	16.10.2015
31.03.2009	23.07.2009	28.08.2016	28.09.2016
31.03.2010	12.08.2010	17.09.2017	17.10.2017
31.03.2011	01.09.2011	06.10.2018	06.11.2018

Shareholders who have not so far encashed the dividend warrant (s) are requested to seek issue of Duplicate warrant(s) by writing to the Company's Registrar & Transfer Agent M/s Karyv Computershare Private Limited immediately.

Shareholders are requested to note that no claims shall lie against the Company for the said fund in respect of any amounts which is unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment, and no payment shall be made in respect of any such claims.



## 12. CEO / CFO Certification

The CEO and the CFO of the Company has given a certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement, which is attached with this Report.

## 13. Retirement of Directors by rotation and re-appointment:

Shri S. K. Poddar and Shri Akshay Poddar are due for retirement by rotation and are eligible for re-appointment in the next Annual General Meeting. Brief particulars regarding the Directors are given here below :-

### Shri S. K. Poddar:

Shri Saroj Kumar Poddar, aged 67 years, a gold medalist in B. Com (Hons) from Calcutta University, and recipient of the Rashtriya Samman from the Central Board of Direct Taxes, is the Chairman of Poddar Heritage Enterprises. The Group of Companies have now been re-positioned under a unified corporate banner 'ADVENTZ'.

Under Shri Poddar, the group has promoted various projects including Joint Ventures with leading International Corporations. The most notable of these ventures are Gillette India Ltd – a Joint Venture with The Gillette Company of U.S.A, Hettich India Private Ltd – a Joint Venture with the Hettich Group of Germany and Texmaco UGL Rail Private Ltd – a Joint Venture with the United Group of Australia. Shri Poddar is the Chairman of these Joint Ventures.

Besides above, Shri Poddar is the Chairman of Zuari Industries Limited, Chambal Fertilisers & Chemicals Limited, Chambal Infrastructure Ventures Limited, Simon India Limited, Texmaco Rail & Engineering Limited, Zuari Cement Limited (a unit of Ciments Francais) and Adventz Investments and Holdings Limited and also on the Board of Zuari Fertilisers & Chemicals Limited, Zuari Holdings Limited and Gulbarga Cement Limited. He is also on the Advisory Board of one of the most reputed global corporate financial investment banking - Indian arm of Messrs N M Rothschild & Sons.

Shri Poddar is involved with art, culture and sports. A keen

collector of contemporary Indian art, Poddars also promote young cricketers to go abroad for training and practice. The family is currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum to be named after Shri Poddar's father - in - law, the late Dr. K. K. Birla as 'K K Birla Academy', will be fully funded by the family and is scheduled to be commissioned in the coming years. The total turnover of the group is around US \$ 3 billion.

Having served as President of FICCI and International Chamber of Commerce in India, Shri Poddar has been appointed by Govt. of India on Board of Trade (the highest body on trade) and also on the Indian Institute of Science, Bangalore. Shri Poddar has also served as a member of the Board of Governors of the IIT, Kharagpur and on the local Board of the Reserve Bank of India for 10 years each. Shri Poddar is the serving Chairman of India-Saudi Arabia Joint Business Council and a Member of the Indo-French CEO Forum.

Names of the other Companies in which Shri Saroj Kumar Poddar is a Director

Sl. No.	Names of the company
1	Chambal Fertilisers and Chemicals Limited
2	Chambal Infrastructure Ventures Limited
3	Gillette India Limited
4	Gulbarga Cement Limited
5	Zuari Fertilizers & Chemicals Limited
6	Adventz Investments and Holdings Limited
7	Simon India Limited
8	Texmaco Rail & Engineering Limited
9	Zuari Cement Limited
10	Zuari Industries Limited
11	Zuari Holdings Limited
12	Lionel India Limited
13	Hettich India Private Limited
14	Mining Consultants (India) Private Limited
15	Adventz Finance Pvt. Ltd.
16	Texmaco UGL Rail Private Limited



Shri Poddar is also a member on the various committees of the following other Companies:

Name of the Company	Committee	Position
Zuari Cement Limited	Audit	Chairman
Gillette India Limited	Audit	Member

#### Shri Akshay Poddar:

Shri Akshay Poddar, aged 36, a Hons. graduate in Accounting & Finance from London School of Economics & Political Science, University of London hails from the renowned Poddar Family of Kolkata and part of the Promoters of “Adventz” group which has diverse interests in Fertilizers, Agri inputs, Heavy Engineering, Process Engineering, Furniture, Sugar, Consumer Products, Real Estate, Investments, etc. The Group companies include Zuari Industries Limited, Zuari Holdings Ltd., Texmaco Rail & Engineering Ltd., Paradeep Phosphates Ltd., Gobind Sugar Mills Ltd, Style Spa Furniture Limited, Indian Furniture Products Limited, Adventz Investments and Holdings Limited, Adventz Securities Enterprises Limited, Lionel India Limited and Simon India Limited. The Joint Venture companies promoted by the group are Gillette India Limited (with Gillette Co of U.S.A), Hettich India Pvt. Ltd. (with Hettich of Germany) and Texmaco UGL Rail Pvt. Ltd (with UGL of Australia). Shri Poddar is a Board Member of Gillette India Ltd, and also of the other major group companies. Internationally, Shri Poddar is on the Board of CFCL Technologies Limited.

Shri Poddar is currently serving as an Executive Committee Member of Indian Chamber of Commerce and is also on the Board of Young Presidents Organisation (YPO), Calcutta Chapter, member of Young Leaders Forum (YLF) and The Indus Entrepreneurs (TIE). He is also the Past President of Entrepreneurs’ Organization, Kolkata Chapter and presently a Committee Member.

Shri Poddar is actively involved in social work and is Trustee of various Charitable Trusts which run schools for the underprivileged children and provide help to the needy people. His hobbies include travelling, Formula One racing, Football, cricket, movies and reading books.

Names of the other Companies in which Shri Akshay Poddar is a Director

Sl. No.	Names of the company
1	Gobind Sugar Mills Ltd.
2	Gillette India Limited
3	Adventz Securities Enterprises Limited
4	Adventz Investments and Holdings Limited
5	Syndak Teatech Limited
6	Lionel Edwards Limited
7	Paradeep Phosphates Limited
8	Style Spa Furniture Limited
9	Texmaco Rail & Engineering Limited
10	Zuari Holdings Limited
11	Zuari Industries Limited
12	Adventz Finance Private Limited
13	Abhishek Holdings Private Limited
14	Adventz Investment Co. Private Limited
15	Adventz Securities Trading Private Limited
16	Greenland Trading Private Limited
17	Indrakshi Trading Co. Private Limited

Shri Poddar is also a member on the various committees of the following other Companies:

Name of the Company	Committee	Position
Paradeep Phosphates Limited	Audit	Chairman
Gobind Sugar Mills Limited	Audit	Member
Adventz Securities Enterprises Limited	Shareholders’ / Investors Grievance Committee	Chairman
Texmaco Rail & Engineering Limited	Shareholders’ / Investors Grievance Committee	Chairman
Adventz Investments and Holdings Limited	Shareholders’ / Investors Grievance Committee	Member
Gillette India Limited	Shareholders’ / Investors Grievance Committee	Member



## Certificate

To the Members of  
**Texmaco Infrastructure & Holdings Limited (Formerly Texmaco Limited)**

We have examined the compliance of the conditions of Corporate Governance by Texmaco Infrastructure & Holdings Limited for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year 31st March, 2012, no investor grievances are pending against the Company as on date, as per the records maintained by the Company and presented to the Investors' / Shareholders' Grievance Committee.

We further state that such compliance is neither assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **K. N. Gutgutia & Co.**  
Chartered Accountants  
Registration No. 304153E

**P. K. Gutgutia**  
Partner

Membership No.6994

Place : Kolkata  
Dated : 25th May, 2012

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## Declaration by the Whole Time Director

To the Members of  
**Texmaco Infrastructure & Holdings Limited (Formerly Texmaco Limited)**  
Belgharia, Kolkata-700056

In compliance with the requirements of Clause-49 of the Listing Agreement with Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct and Ethics as adopted by the Board of Directors of the Company.

For **Texmaco Infrastructure & Holdings Limited**

Place : Kolkata  
Dated : 25th May, 2012

**Hemant Kumar**  
*Director*

## CEO and CFO Certification

We, Hemant Kumar, Whole-Time Director and P. C. Kejriwal, Chief Financial Officer certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Texmaco Infrastructure & Holdings Limited**

Place : Kolkata  
Dated: 25th May, 2012

**Hemant Kumar**  
*Whole - Time Director*

**P.C. Kejriwal**  
*Chief Financial Officer*



## Financial section

## Auditors' Report

To  
The Members of  
**Texmaco Infrastructure & Holdings Limited**  
(Formerly Texmaco Limited)

We have audited the attached Balance Sheet of **TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED** as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the Cash flow Statement for the year ended on that date both annexed thereto. These financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments as stated above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from site office not visited by us.
  - (iii) The Balance Sheet and, the Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the Accounting Policies and Notes annexed thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - (b) in the case of the Statement of Profit and Loss, Profit for the year ended on that date, and
    - (c) in the case of the Cash flow Statement, of the Cash flows for the year ended on that date.

For **K. N. Gutgutia & Co.**  
*Chartered Accountants*  
Firm Registration No. 304153E

6C, Middleton Street,  
Kolkata - 700 071  
Dated: 25th May, 2012

**P. K. Gutgutia**  
*Partner*  
Membership No. 6994

## Annexure to the Auditors' Report

(Referred to in Paragraph (1) of our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year the Company has not disposed off any substantial / major part of fixed assets which may affect the going concern.
- ii) The Company has no inventory and hence para (a) to (c) of clause (ii) of the order is not applicable to the Company.
- iii) (a) The Company has neither granted nor taken any loan secured/ unsecured from Companies covered in the register maintained under section 301 of the Companies' Act, 1956 (1 of 1956).
- (b) As stated above sub-clause (b) to (g) of Clause (iii) of the Companies (Auditor's Report) order 2003 are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub clause (a) & (b) of Clause (v) of the Companies (Auditor's Report) Order, 2003, is not applicable since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company during the year.
- vi) The Company has not received any fixed deposit from the public and hence Clause (vi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies' Act, 1956 for any of the products of the Company except for generation of hydro-electric power in respect of its unit Neora Hydro. We have broadly reviewed the books of account and records maintained by the company pursuant to the rules prescribed by the central government for the maintenance of cost records and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix) (a) According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2012 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there were no dues of Sales Tax, Income Tax, Customs, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of disputes.

- x) There are no accumulated losses of the Company as on 31st March 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures the Company has no dues to any financial institution, bank or debenture holders and hence Clause (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures, and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit Fund company or nidhi / mutual benefit fund / society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its associate company from a bank which is not prejudicial to the interest of the Company.
- xvi) According to the information and explanations given to us, no term loans were raised and hence application for the purposes for which they were raised does not arise.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix) During the year covered by our audit report, the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. N. Gutgutia & Co.**  
*Chartered Accountants*  
Firm Registration No. 304153E

6C, Middleton Street,  
Kolkata - 700 071  
Dated: 25th May, 2012

**P. K. Gutgutia**  
*Partner*  
Membership No. 6994

## Balance Sheet As at 31st March 2012

	Note No.	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	1,274.28	1,271.84
(b) Reserves and surplus	2.2	23,495.26	21,797.40
		24,769.54	23,069.24
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	2.3	326.32	376.65
(b) Other Long term liabilities	2.4	1,098.06	1,097.56
(c) Long-term provisions	2.5	11.83	9.83
		1,436.21	1,484.04
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2.6	-	278.85
(b) Trade payables	2.7	24.82	20.95
(c) Other current liabilities	2.8	245.83	169.50
(d) Short-term provisions	2.9	245.51	267.45
		516.16	736.75
<b>Total</b>		<b>26,721.91</b>	<b>25,290.03</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.10		
(i) Tangible assets		12,849.85	12,676.62
(ii) Capital work-in-progress		299.70	57.28
		13,149.55	12,733.90
(b) Non-current investments	2.11(a)	6,069.99	6,070.09
(c) Long-term loans and advances	2.12	52.27	52.12
		19,271.81	18,856.11
<b>(2) Current assets</b>			
(a) Current investments	2.11(b)	4,006.95	5,284.72
(b) Trade receivables	2.13	3.16	6.30
(c) Cash and bank balances	2.14	42.44	43.95
(d) Short-term loans and advances	2.15	3,256.12	1,098.95
(e) Other current assets	2.16	141.43	-
		7,450.10	6,433.92
<b>Total</b>		<b>26,721.91</b>	<b>25,290.03</b>
Accounting Policies & Notes on Accounts	1 & 2		

Notes referred to above form an integral part of the Balance Sheet  
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

*Chartered Accountants*

Firm Registration No: 304153E

**P. K. Gutgutia**

*Partner*

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**

*Secretary*

**S. K. Poddar**  
**Akshay Poddar**  
**Gautam Khaitan**  
**Utsav Parekh**  
**Dipankar Chatterji**  
**Hemant Kumar**

*Directors*



## Statement of Profit and Loss For the year ended 31st March 2012

	Note No.	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>I. Revenue from operations</b>	2.17		
Sale of products		197.68	184.97
Sale of services		1046.17	1012.48
		<b>1243.85</b>	<b>1197.45</b>
Other operating revenues	2.17	34.98	1.43
<b>Total</b>		<b>1278.83</b>	<b>1198.88</b>
<b>II. Other income</b>	2.18	1469.63	466.37
<b>III. Total Revenue (I + II)</b>		<b>2748.46</b>	<b>1665.25</b>
<b>IV. Expenses:</b>			
Cost of material consumed (incl. services)		10.34	–
Purchases of Stock-in-Trade		–	10.48
Employee benefit expense	2.19	95.32	62.37
Finance costs	2.20	5.99	41.27
Depreciation and amortization expenses	2.10	299.21	312.98
Other expenses	2.21	225.33	176.88
<b>Total expenses</b>		<b>636.19</b>	<b>603.98</b>
<b>V. Profit before tax (III-IV)</b>		<b>2112.27</b>	<b>1061.27</b>
<b>VI. Tax expense:</b>			
(1) Current tax		270.00	210.00
(2) Deferred tax		(50.33)	87.11
(3) Income Tax for Earlier Year		–	3.36
<b>VII. Profit for the period from continuing operations (V-VI)</b>		<b>1892.60</b>	<b>760.80</b>
<b>VIII. Earnings per equity share: (Par value of Re 1/- each)</b>			
(1) Basic		1.49	0.60
(2) Diluted		1.49	0.59
Accounting Policies & Notes on Accounts	1 & 2		

Notes referred to above form an integral part of the Statement of Profit & Loss  
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

*Chartered Accountants*

Firm Registration No: 304153E

**P. K. Gutgutia**

*Partner*

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**  
*Secretary*

**S. K. Poddar**  
**Akshay Poddar**  
**Gautam Khaitan**  
**Utsav Parekh**  
**Dipankar Chatterji**  
**Hemant Kumar**

*Directors*

## Cash Flow Statement For the year ended 31st March 2012

(Rs. in Lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit before Taxation & Exceptional Items	2112.27	1061.27
Adjustments for:		
Depreciation	299.21	312.98
Interest Paid	5.99	41.27
Employee Compensation Expenses under ESOP	(25.16)	(18.79)
Interest Received	(274.58)	(74.89)
Income From Investments	(1116.50)	(320.45)
Profit on Sale Of Investments-Current (Net)	-	(14.27)
Profit on Sale Of Investments-Long Term (Net)	(38.23)	-
Profit on Sale Of Fixed Assets (Net)	(3.55)	(32.34)
	(1152.82)	(106.49)
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	<b>959.45</b>	<b>954.78</b>
(Increase)/Decrease in Trade & Other Receivables	(236.84)	3375.78
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in Trade Payables	86.67	(60.05)
	(150.17)	3315.73
<b>Cash Generated from Operations</b>	<b>809.28</b>	<b>4270.51</b>
Direct Taxes Paid	(288.21)	(449.43)
Cash Flow before Exceptional Items	521.07	3821.08
Exceptional Items	-	-
<b>Net Cash from Operating Activities</b>	<b>521.07</b>	<b>3821.08</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(715.56)	(140.15)
Sale of Fixed Assets	4.25	43.71
(Purchase)/Sale of Investments	1316.10	(2751.31)
Loan to Body Corporates	(2000.00)	-
Interest Received	133.15	170.17
Income From Investments	1116.50	320.45
<b>Net Cash used in Investing Activities</b>	<b>(145.56)</b>	<b>(2357.13)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt/(Payment) of Long Term Borrowings	-	(88.80)
Receipt/(Payment) of Short Term Borrowings	(278.85)	-
Proceeds from issue of ESOP	55.01	-
Interest Paid	(5.99)	(41.27)
Dividend Paid	(147.19)	(1,335.40)
<b>Net Cash used in Financing Activities</b>	<b>(377.02)</b>	<b>(1,465.47)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(1.51)</b>	<b>(1.52)</b>
Cash and Cash Equivalents at the beginning of the period	43.95	45.47
Cash and Cash Equivalents at the end of the period	42.44	43.95

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standard) Rules, 2006.

(2) Previous year's figures are regrouped/rearranged wherever necessary.

Notes referred to above form an integral part of the Cash Flow Statement

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration No: 304153E

**P. K. Gutgutia**

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**  
Secretary

**S. K. Poddar**  
**Akshay Poddar**  
**Gautam Khaitan**  
**Utsav Parekh**  
**Dipankar Chatterji**  
**Hemant Kumar**

Directors

# Notes to Accounts

## 1. ACCOUNTING POLICIES

### General

The Financial Statements of Texmaco Infrastructure & Holdings Limited (or the Company) have been prepared and presented under the historical cost convention on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises Accounting Standards notified by the Central Government of India under section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India. The Financial Statements are rounded off to the nearest Rupees lakhs.

### Fixed Assets

Fixed Assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of Fixed Assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective Assets. Borrowing costs directly attributable to acquisition or construction of those fixed Assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

The Company assesses at each balance sheet date 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 profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the Asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost

### Depreciation

Depreciation has been provided on straight line method except in respect of a unit (Neora Hydro) having a Gross assets Valuing Rs 2,567.69 Lakhs (Previous Year Rs 2,565.42 Lakhs ) where Written Down method has been followed in accordance with the rates in Schedule XIV of the Companies Act, 1956.

### Investments

Investments are either classified as current or long term based on management's intention at the time of purchase. Current Investment are stated at lower of cost and fair value.

Long term Investments are considered "at Cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reason for the reduction is no longer exist.

### Recognition of Income and Expenditure

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of Sales Tax, Service Tax, VAT, trade discounts, rebates. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis

### Employee Benefits

- (1) The company's contribution to provident fund, employees' state insurance scheme are charged on accrual basis to Statement of Profit & Loss.
- (2) **Leave :**  
Leave liability is accounted for based on actuarial valuation at the end of year.

## Notes to Accounts

### (3) Gratuity:

Year-end accrued liabilities on account of gratuity payable to employees are provided on the basis of actuarial valuation.

### Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

### Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

### Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized

### Borrowing Cost

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets is being capitalised till the date of commercial use of the qualifying assets. Other interests on borrowings are recognised as an expense in the period in which they are incurred

### Segment Reporting

- a) Based on the organisational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Real Estate, Hydro Power and Others.
- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.
- c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

### Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

### Government Grant

Grants from the government are recognized when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Revenue grants/subsidies are recognized in the Statement of Profit & Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital Grants are credited to Reserve & Surplus of the Company.

# Notes to Accounts

## 2. NOTES ON ACCOUNTS

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
17,00,00,000 Equity shares at par value of Re. 1/- each	1700.00	1700.00
3,00,00,000 6% Preference Share at par value of Rs.100/-each	300.00	300.00
	2000.00	2000.00
<b>Issued, Subscribed and Paid Up Capital</b>		
12,74,26,590 (12,71,83,090) Equity shares at par value of Re. 1/- each fully paid	1274.27	1271.83
Add: Forfeited Shares	0.01	0.01
	<b>1274.28</b>	<b>1271.84</b>

### Notes:

- The Company has only one class of shares referred to as equity shares having a par value of Re 1/-.Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.However, no such preferential amounts exist currently.The distribution will be in proportion to the number of equity shares held by the shareholders.
- Reconciliation of number of Issued,Subscribed and Paid-up Capital**

Particulars	31.03.2012		31.03.2011	
	No. of Equity Share	Amount (Rs. In Lakhs)	No. of Equity Share	Amount (Rs. In Lakhs)
Number of Shares at the beginning of the year	127183090	1271.83	127183090	1271.83
Add: Equity shares issued during the year-ESOP	243500	2.44	0	0
Number of Shares at the end of the year	127426590	1274.27	127183090	1271.83

During the year 365000 equity shares were granted to employees of the company under ESOP at a Grant Price of Rs 22.59 (including Rs 21.59 as premium per shares). Out of this 243500 equity shares were exercised by the employees of the company and balance of 121500 equity shares were lapsed.

- Paid-up amount of Forfeited Shares is Rs. 500/-.
- Issued,Subscribed and Paid-up Capital of the company is excluding 9960 No's of Equity Shares lying in abeyance -NSDL-Transit case.(9960 Nos. of Equity Shares)
- The name of Shareholders holding more than 5% of Equity shares**

Sl. No.	Name of Shareholders	% of holding	No. of Equity Shares held
1	Zuari Investments Limited	22.73%	28963900
2	Adventz Investments and Holdings Limited	6.50%	8285698
3	Zuari Industries Limited	6.44%	8207712
4	Duke Commerce Limited	6.06%	7726464

## Notes to Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve		
Balance as per last Account	415.07	415.07
Security Premium Reserve		
Balance as per last Account	-	18,846.35
Less: Transferred to Texmaco Rail & Engineering Limited	-	(16,523.33)
Less: Transfer to General Reserve	-	(2,323.02)
Add: On issue of ESOP	52.57	-
	52.57	-
Share Options Outstanding Account		
Balance as per last Account	25.16	60.77
Less: Deferred Employees Compensation Expenses	(25.16)	(35.61)
	-	25.16
State Capital Investment Subsidy		
Balance as per last Account	250.00	265.00
Less: Transferred to Texmaco Rail & Engineering Limited	-	(15.00)
	250.00	250.00
State Interest Subsidy		
Balance as per last Account	96.66	96.66
	96.66	96.66
General Reserve		
Balance as per last Account	14,912.36	27,569.82
Add: Transfer of Equity Right Share Premium	-	2,323.02
Less: Transferred to Texmaco Rail & Engineering Limited	-	(15,280.48)
	14,912.36	14,612.36
Add: Transferred from Statement of Profit and Loss	1,000.00	300.00
	15,912.36	14,912.36
Surplus		
Balance as per last Account	6,098.15	5,785.16
Add: Profit after Tax as per Statement of Profit and Loss	1,892.60	760.80
	7,990.75	6,545.96
Less: Appropriation		
Proposed Dividend		
On Equity Shares	191.14	127.18
Tax on Dividend	31.01	20.63
Transfer to General Reserve	1,000.00	300.00
	1,222.15	447.81
	6,768.60	6,098.15
<b>Total (2.2)</b>	<b>23,495.26</b>	<b>21,797.40</b>

## Notes to Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.3 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Assets/Liability is recognised as per AS 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standard) Rules, 2006 The Deferred Tax Assets & Liabilities comprises of Tax effect of following timing differences:		
<b>Deferred Tax Assets</b>		
Items u/s 43B and u/s 40(a)(i)(a) of I.T Act	261.84	250.86
<b>Deferred Tax Liabilities</b>		
Depreciation	(588.16)	(627.51)
<b>Net Deferred Tax (Liability)/ Assets</b>	<b>(326.32)</b>	<b>(376.65)</b>
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Unsecured		
- Advance against sale of land	400.00	400.00
Others		
- Security Deposits	698.06	697.56
<b>Total (2.4)</b>	<b>1,098.06</b>	<b>1,097.56</b>
<b>2.5 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
- For Leave	1.57	1.12
- For Gratuity	6.33	4.78
Others		
- For Contingency	3.93	3.93
<b>Total (2.5)</b>	<b>11.83</b>	<b>9.83</b>
<b>2.6 SHORT-TERM BORROWINGS</b>		
Unsecured		
Loans and advances from Related party		
- From Body Corporates (Texmaco Rail & Engineering Limited)	-	278.85
<b>Total (2.6)</b>	<b>-</b>	<b>278.85</b>
<b>2.7 TRADE PAYABLES</b>		
Others	24.82	20.95
<b>Total (2.7)</b>	<b>24.82</b>	<b>20.95</b>

### Notes

The Company on the basis of information available to it, has not able to verify the status of vendors under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given

## Notes to Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.8 OTHER CURRENT LIABILITIES</b>		
Unpaid Dividend on Preference Shares	0.25	0.25
Unpaid Dividend on Equity Shares	26.83	26.21
<b>Other payable</b>		
TDS and other taxes payable	3.73	1.11
Liabilities for Expenses	54.52	125.23
Amount Due to Employee	4.45	3.88
PF, ESI amount payable	0.75	-
Others Misc. Payable	14.35	1.98
Preference Share Capital Redeemed	5.75	5.76
Advance from Customer (Deposit against order)	3.63	5.08
Temporary Book Overdraft	29.89	-
Amount received from Subsidiary Company (High Quality Steels Limited)	101.68	-
<b>Total (2.8)</b>	<b>245.83</b>	<b>169.50</b>

**Note:** There is no amount due and outstanding to be credited to the Investor Education and Protection Fund

<b>2.9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
- For Leave	3.95	2.96
- For Gratuity	19.41	15.82
Others		
- Proposed Dividend	191.14	127.18
- Tax on Dividend	31.01	20.63
- Income Tax (Net of Advance Tax)	-	100.86
<b>Total (2.9)</b>	<b>245.51</b>	<b>267.45</b>

**Note:** The Company accounts for gratuity liability based on actuary valuation



# Notes to Accounts

## 2.10 FIXED ASSETS

(Rs. in Lakhs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/11 *	Additions during the year	Sales/ Adjustments	As on 31/03/12	As on 01/04/11	During The Year	Sales/ Adjustments	As on 31/03/12	As on 31/03/12	As on 31/03/11
<b>Tangible Assets</b>										
Land	3,736.70	360.05	-	4,096.75	-	-	-	4,096.75	3,736.70	
Buildings*	9,627.28	-	1.18	9,626.10	1,150.55	228.67	0.84	8,247.72	8,476.73	
Plant & Machinery*	858.65	0.62	-	859.27	443.26	57.80	-	358.21	415.39	
Electrical Machinery	8.10	-	0.20	7.90	4.86	0.30	0.19	2.93	3.24	
Office Equipments	13.55	3.29	2.57	14.27	11.33	1.77	2.45	3.62	2.22	
Furniture & Fittings*	45.44	16.60	4.51	57.53	14.96	2.49	4.28	44.36	30.48	
Vehicles	33.41	92.58	-	125.99	21.55	8.18	-	96.26	11.86	
<b>Total</b>	<b>14,323.13</b>	<b>473.14</b>	<b>8.46</b>	<b>14,787.81</b>	<b>1,646.51</b>	<b>299.21</b>	<b>7.76</b>	<b>12,849.85</b>	<b>12,676.62</b>	
CWIP (Capital Work in Progress)	57.28	242.42	-	299.70	-	-	-	299.70	57.28	
<b>Grand Total</b>	<b>14,380.41</b>	<b>715.56</b>	<b>8.46</b>	<b>15,087.51</b>	<b>1,646.51</b>	<b>299.21</b>	<b>7.76</b>	<b>13,149.55</b>	<b>12,733.90</b>	
Previous Year	13942.37	460.16	22.12	14380.41	1344.30	312.98	10.77	12733.90		

Note:

1) Rs 3391.81 lakhs (including Rs 51.08 lakhs for the year) expense incurred for development of land of Birla Textile Capitalised.

2) \* includes assets held in co-ownership with others at Kolkata and Delhi. (Refer note number 2.27)

## Notes to Accounts

			2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.11</b>	<b>(a) NON-CURRENT INVESTMENTS</b>			
A)	Non-Current Investments- At Cost			
	TRADE INVESTMENTS			
	Investment in Equity Instruments (Unquoted)			
	Fully paid-up Shares held in:-			
	Quantity	F.V.		
	15000 (15000)	10	MSTC Limited	0.75 0.75
	OTHER INVESTMENTS			
	a) Investment in Equity Instruments (Quoted)			
	Fully paid-up Shares held in:-			
	Quantity	F.V.		
	2557941 (2557941)	10	Zuari Industries Limited	4,766.84 4,766.84
	6187 (6187)	1	Calcutta Stock Exchange Limited	123.74 123.74
	106864 (106864)	10	Chambal Fertilisers & Chemicals Limited	45.63 45.63
	35529 (35529)	10	Upper Ganges Sugar & Ind. Limited	24.04 24.04
	4100 (4100)	10	New India Retailing & Investment Limited	1.78 1.78
	b) Investment in Equity Instruments (Unquoted)			
	Fully paid-up Shares held in:-			
	7500 (7500)	10	Birla Buildings Limited	0.75 0.75
	120 (120)	10	Elgin Mills Limited (5% 'B' Cumulative Pref. Shares)	0.01 0.01
	3500 (3500)	10	Taparia Limited	0.40 0.40
	15000 (15000)	10	Birla Constructions Limited	1.50 1.50
	c) Investment in Equity Instruments of Subsidiary Companies (Unquoted)			
	Fully paid-up Shares held in:-			
	Quantity	F.V.		
	1209010 (1209010)	2.50	High Quality Steels Limited	30.23 30.23
	139265 (139265)	5	Macfarlane & Co. Limited Ordinary Shares	2.80 2.80
	16551 (16551)	1	Deferred Shares	0.08 0.08

## Notes to Accounts

			2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.11</b>	<b>(a) NON-CURRENT INVESTMENTS (Contd.)</b>			
	<b>d) Investment in Equity Instruments of Associates Companies</b>			
	Fully paid-up Shares held in:-			
	<b>Quantity</b>	<b>F.V.</b>		
	54599300 (54599300)	1 Texmaco Rail & Engg. Limited (Quoted)	545.99	545.99
	525450 (525450)	100 Lionel India Limited (Unquoted)	525.45	525.45
	<b>e) Investment in Government and Trust Securities (Unquoted)</b>			
	<b>Quantity</b>	<b>F.V.</b>		
	- (100)	100 12% Tamil Nadu Loan, 2011	-	0.10
<b>B)</b>	<b>Non-Current Investments- At Cost less provision for other than temporary diminution</b>			
	<b>TRADE INVESTMENTS</b>			
	Investment in Equity Instruments (Unquoted)			
	Fully paid-up Shares held in:-			
	<b>Quantity</b>	<b>F.V.</b>		
	1499 (1499)	100 Wagon India Limited	1.50	1.50
		Less: Provision for Diminution in value of Investments	(1.50)	(1.50)
			-	-
	<b>OTHER INVESTMENTS</b>			
	Investment in Equity Instruments (Unquoted)			
	Fully paid-up Shares held in:-			
	<b>Quantity</b>	<b>F.V.</b>		
	76700 (76700)	10 APV Texmaco Limited	5.61	5.61
		Less: Provision for Diminution in value of Investments	(5.61)	(5.61)
			-	-
	- (21000)	10 Leas Communications Limited	-	2.10
		Less: Provision for Diminution in value of Investments	-	(2.10)
			-	-
	- (1000)	10 Chandausi Rice Mills Limited	-	0.10
		Less: Provision for Diminution in value of Investments	-	(0.10)
			-	-
	<b>Total of Non-Current Investments (A+B) (2.11(a))</b>		<b>6,069.99</b>	<b>6,070.09</b>
	Aggregate amount of Quoted Investments		5,508.02	5,508.02
	Aggregate amount of Unquoted Investments		561.97	562.07
	Market Value of of Quoted Investments		45,718.04	54,191.48
	Aggregate Provision for diminution in value of Investments		(7.11)	(9.31)

## Notes to Accounts

			2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.11 (b) CURRENT INVESTMENTS - AT LOWER OF COST AND FAIR VALUE</b>				
<b>CURRENT INVESTMENTS -At lower of cost and fair value</b>				
Investments in Mutual Fund				
<b>Quantity</b>	<b>F.V.</b>			
- (47847158)	10	Birla Sunlife ST Series VII	-	4,784.72
1562135.226 (-)	10	Birla Sunlife Savings-Instl. Daily	1,563.20	-
9993903.720 (-)	10	BSL Interval Income Fund - Qty - Series -1 Payout	1,000.00	-
5280976.000 (-)	10	BSL Fixed Term Plan Series EW Growth	528.10	-
- (50000000)	10	SBI Mutual Fund SDF	-	500.00
77895.72600 (-)	1000	SBI Premier Liquid Fund	915.65	-
<b>Total of Current Investments</b>			<b>4,006.95</b>	<b>5,284.72</b>
<b>Notes: (2.11(b))</b>				
Aggregate amount of Quoted Current Investments			-	-
Market Value of Quoted Investments			-	-
Aggregate amount of Unquoted Investments			4,006.95	5,284.72
Aggregate amount of written down on Current investments			-	-
<b>Total Investments</b>			<b>10,076.94</b>	<b>11,354.81</b>

### 2.12 LONG TERM LOANS AND ADVANCES

Unsecured Considered Good		
Security Deposits	52.27	52.12
<b>Total (2.12)</b>	<b>52.27</b>	<b>52.12</b>

### 2.13 TRADE RECEIVABLES

More than six months from the due date		
Unsecured, considered good	-	-
Others	3.16	6.30
<b>Total (2.13)</b>	<b>3.16</b>	<b>6.30</b>

**Notes:** In the opinion of the management trade receivables have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated.

## Notes to Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.14 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
Current Accounts	13.05	14.81
Saving A/c with Post office	0.06	0.06
Cash on hand	0.88	1.34
	13.99	16.21
<b>Other bank balances</b>		
Term Deposit of more than twelve months maturity	1.62	1.53
Unpaid Dividend Account	26.83	26.21
	28.45	27.74
<b>Total (2.14)</b>	<b>42.44</b>	<b>43.95</b>

<b>2.15 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
<b>Other loans and advances</b>		
Loan to Body Corporates	2,000.00	-
Advance to Parties	68.91	67.41
Advance to Employee	4.41	1.07
Other Advances	418.47	207.48
Prepaid Expenses	0.06	0.06
Balances with Government Deptt	24.43	0.43
Advance Payment of FBT(Net of Provision)	(0.20)	(0.20)
Income Tax(Net of Advance Tax)	740.04	822.70
<b>Total (2.15)</b>	<b>3,256.12</b>	<b>1,098.95</b>

**Note:**

In the opinion of management, loans & advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated

<b>2.16 OTHER CURRENT ASSETS</b>		
Interest Receivables	141.43	-
<b>Total (2.16)</b>	<b>141.43</b>	<b>-</b>

## Notes to Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.17 REVENUE FROM OPERATIONS</b>		
Sale of products	197.68	184.97
Sale of services	1,046.17	1,012.48
	1,243.85	1,197.45
Other operating revenues	34.98	1.43
<b>Total (2.17)</b>	<b>1,278.83</b>	<b>1,198.88</b>

### Notes:

- 1 Other operating income includes income from sale of carbon credit Rs. 34.96 lakhs

<b>2.18 OTHER INCOME</b>				
Interest Income				
From Bank		0.09		0.08
From Others		274.49		74.81
Dividend - Income from Long Term Investments				
Trade	13.50		11.75	
Others	663.79	677.29	117.74	129.49
Dividend - Income from Current Investments		439.21		190.96
Net gain on Sale of Current Investments		-		14.27
Net gain on Sale of Non-Current Investments		38.23		-
Miscellaneous Receipts and Income		6.82		4.00
Sundry Credit Balance Adjusted		0.51		-
Profit on sale of Fixed Assets (Net)		3.55		32.34
Provision & Excess Liabilities Written Back		29.44		20.42
<b>Total (2.18)</b>		<b>1,469.63</b>		<b>466.37</b>

### Notes:

- 1 Details of Income disclosed on Net basis

SI No	Particulars	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
1	Profit on sale of Fixed Assets		
	Profit	3.55	33.52
	Loss	-	1.18
	Net	3.55	32.34

## Notes to Accounts

		2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.19 EMPLOYEES BENEFITS EXPENSE</b>			
Salaries, Wages and Bonus		103.38	66.02
Contribution to provident and other funds			
Provident Fund, Pension Fund and ESI		7.42	2.44
Gratuity		5.14	-
Expenses on ESOP		(25.16)	(18.79)
Staff Welfare Expenses		4.54	12.70
<b>Total (2.19)</b>		<b>95.32</b>	<b>62.37</b>
<b>2.20 FINANCE COSTS</b>			
Interest Expenses			
Banks		4.88	-
Others		1.11	41.27
<b>Total (2.20)</b>		<b>5.99</b>	<b>41.27</b>
<b>2.10 DEPRECIATION AND AMORTIZATION EXPENSES</b>			
For the Year		299.21	312.98
<b>Total (2.10)</b>		<b>299.21</b>	<b>312.98</b>
<b>2.21 OTHER EXPENSES</b>			
Power and Fuel		5.73	4.73
Rent		4.12	4.44
Repairs to buildings		28.42	14.70
Repairs to machinery		17.11	15.69
Repairs to others		2.09	2.09
Insurance		5.18	5.21
Rates and Taxes excluding taxes on Income		37.49	52.02
Freight, Packing and Transport (Net)		0.87	-
Selling Agents Commission		-	0.11
Selling Expenses		7.78	-
Director's Sitting Fees		4.40	5.10
Director's Commission		5.00	5.50
Payments to the Auditor			
Auditors' Remuneration	2.25		2.21
For Taxation Matters	0.80		-
For Quarterly Review	0.75		0.11
For Other Services	0.52		-
For Re-imbursment of Expenses	0.25	4.57	-
Miscellaneous Expenses		97.56	64.38
Expenses related to previous year		5.01	0.59
<b>Total (2.21)</b>		<b>225.33</b>	<b>176.88</b>

## Notes to Accounts

### 2.22

The Company has agreed to continue with the charge on its property at Kamala Nagar, Delhi in favour of the Bank from where credit facilities were availed for working capital for its Heavy Engineering and Steel Foundry businesses demerged to Texmaco Rail & Engineering Limited (TexRail), an associate company under a Court approved scheme effective from 01.04.2010. It being a requirement of the Bank, during the initial years of the operations of TexRail after demerger, the Company has also given a Corporate Guarantee to the bank in support of the charge against the said working capital facilities to the extent of Rs 50 crore.

### 2.23

Pursuant to the Supreme Court order dated 25th March, 2010 the Company could retain 35% of its Industrial Land with a F.A.R., 1.5 times of normal and surrender the balance Land to DDA. The Company is in process of identifying the area required to be surrendered to DDA and have moved an application in the Court of Dist. Judge, Delhi who is the Authority nominated by the Hon'ble Supreme Court for executing orders of Supreme Court

### 2.24

As per the Agreement with Chambal Fertilizers & Chemicals Limited, when they took over the assets and liabilities of Baddi Unit from 01-10-99, Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) is liable to pay wages and salary in respect of excess workers/ staff taken over by them over and above the required one to run the Baddi Unit. The Company incurred an expenditure of Rs. 51.08 lakhs (previous year Rs 53.25 lakhs) by way of Legal Expenses and payment of dues and ex-gratia to the ex-employees for obtaining vacant possession of the residential quarters unauthorized occupied by them even after cessation of their employment. These expenses have been shown as expenses on Land and Capitalised under the head "Land".

### 2.25

In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.

### 2.26

Balance of debtors and loans and advances are subject to confirmation from respective parties.

### 2.27

Following assets (company's share) are held under co ownership with other companies

(Rs. in Lakhs)

Assets	2011-12			2010-11		
	Original Cost	Accumulated Depreciation	WDV	Original Cost	Accumulated Depreciation	WDV
Building	77.01	18.32	58.69	77.01	17.18	59.83
Plant & Machinery	37.26	20.68	16.58	37.36	18.47	18.89
Furniture & Fittings	0.51	0.51	-	0.51	0.51	-



## Notes to Accounts

### 2.28 RELATED PARTY DISCLOSURE

(a) Name of the related parties and relationship:

	Relationship	Parties where control Exist 2011-12	Parties where control Exist 2010-11
A	Subsidiaries	High Quality Steels Limited (99.87% of the Capital held by the Company)	High Quality Steels Limited (99.87% of the Capital held by the Company)
		Macfarlane & Company Limited (71.27% of the Capital held by the Company)	Macfarlane & Company Limited (71.27% of the Capital held by the Company)
B	Associates	Lionel India Limited (50.00% of the Capital held by the Company)	Lionel India Limited (50.00% of the Capital held by the Company)
		Texmaco Rail & Engineering Limited (30.00% of the Capital held by the Company)	Texmaco Rail & Engineering Limited (30.04% of the Capital held by the Company)
C	Key Management Personnel	Shri Hemant Kumar (Executive Director)	–

(b) Related Party Transactions

(Rs. in Lakhs)

Transactions	Key Management Personnel	Associate	Subsidiaries	Grand Total
Shri Hemant Kumar (Executive Director)	19.63 (–)	– (–)	– (–)	19.63 (–)
<b>Purchase of Goods/ Services</b>				
High Quality Steels Limited	– (–)	– (–)	3.50 (–)	3.50 (–)
Lionel India Limited	– (–)	0.37 (–)	– (–)	0.37 (–)
<b>Dividend Received</b>				
Texmaco Rail & Engineering Limited	– (–)	546.00 (–)	– (–)	546.00 (–)
<b>Loans/ Advance Received</b>				
High Quality Steels Limited	– (–)	– (–)	207.00 (–)	207.00 (–)
<b>Balance Outstanding at year end</b>				
Texmaco Rail & Engineering Limited	– (–)	– (–)	– (278.85)	– (278.85)
High Quality Steels Limited	– (–)	– (–)	101.68 (–)	101.68 (–)

**Note:** Figures given in brackets are for previous year.

## Notes to Accounts

### 2.29 EMPLOYEES BENEFIT OBLIGATION

#### Employee Benefits

Defined benefits Plans – As per Actuarial valuation as on March 31, 2012

(Rs. in Lakhs)

	Unfunded Gratuity 2011-12	Unfunded Gratuity 2010-11	Unfunded Leave 2011-12	Unfunded Leave 2010-11
<b>I Change of Benefit Organisation</b>				
Liability at the beginning of the year	20.60	1575.24	4.08	118.82
Transferred to Texmaco Rail & Engineering Limited	----	(1537.60)	----	(114.03)
Interest cost	1.75	1.70	0.35	0.34
Current Service Cost	2.09	1.34	0.13	0.39
Past Service Cost (Non Vested Funds)	----	----	----	----
Past Service Cost (Vested Funds)	----	----	----	----
Benefits Paid	----	(1.86)	----	----
Actuarial (Gain)/Loss on obligation	1.30	(18.22)	0.96	(1.44)
Curtailments and Settlements	----	----	----	----
Plan Amendment	----	----	----	----
Liability at the end of the year	25.74	20.60	5.52	4.08
<b>II Fair Value of Plan Assets</b>				
Fair value of Plan Assets at the beginning of the year	----	1497.84	----	----
Transferred to Texmaco Rail & Engineering Limited	----	(1497.84)	----	----
Expected Return on Plan Assets	----	----	----	----
Contributions	----	1.86	----	----
Benefit Paid	----	(1.86)	----	----
Actuarial (Gain)/Loss on Plan Assets	----	----	----	----
Fair Value of Plan Assets at the end of the year	----	----	----	----
Total Actuarial (Gain)/Loss to be Recognised	----	----	----	----
<b>III Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	----	----	----	----
Actuarial (Gain)/Loss on Plan Assets	----	----	----	----
Actual Return on Plan Assets	----	----	----	----
<b>IV Amount Recognised in the balance sheet</b>				
Liability at the end of the year	25.74	20.60	5.52	4.08
Fair Value of Plan Assets at the end of the year	----	----	----	----
Difference	----	20.60	----	4.08
Unrecognised Past Service Cost	----	----	----	----
Amount Recognised in the Balance Sheet	----	20.60	----	4.08

## Notes to Accounts

### 2.29 EMPLOYEES BENEFIT OBLIGATION

#### Employee Benefits

Defined benefits Plans – As per Actuarial valuation as on March 31, 2012 (Contd.)

(Rs. in Lakhs)

	Unfunded Gratuity 2011-12	Unfunded Gratuity 2010-11	Unfunded Leave 2011-12	Unfunded Leave 2010-11
<b>V Expenses Recognised in the Income Statement</b>				
Current Service Cost	2.09	1.34	0.13	0.39
Interest Cost	1.75	1.70	0.35	0.34
Expected Return on Plan Assets	----	----	----	----
Net Actuarial (Gain)/Loss to be Recognised	1.30	(18.22)	0.96	(1.44)
Past Service Cost/(Non Vested Benefit) Recognised	----	----	----	----
Past Service Cost/(Vested Benefit) Recognised	----	----	----	----
Effect of Curtailment or settlement	----	----	----	----
Curtailments and Settlements	----	----	----	----
Expenses Recognized in the Profit and Loss Account	5.14	15.18	1.44	(0.71)
<b>VI Balance Sheet Reconciliation</b>				
Opening Net Liability	20.60	77.40	4.08	118.82
Transferred to Texmaco Rail & Engineering Limited	–	(39.76)	–	(114.03)
Expense as above	5.14	(15.18)	1.44	(0.71)
Employers Contribution	----	(1.86)	----	----
Effect of Curtailment or settlement	----	----	----	----
Benefits paid	----	----	----	----
Amount Recognised in the Balance Sheet	25.74	20.60	5.52	4.08
<b>VII Actuarial Assumption</b>				
Discount Rate Current	8.25%	8.25%	8.25%	8.25%
Rate of Return on Plan Assets	----	---	----	----
Salary Escalation Current	5.00%	5.00%	5.00%	5.00%

## Notes to Accounts

### 2.30 INFORMATION ABOUT SEGMENT WORKING IS GIVEN BELOW:

(Rs. in Lakhs)

	2011-12				2010-2011			
	Real Estate	Mini Hydro	Others	Total	Real Estate	Mini Hydro	Others	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
<b>Revenue (Net of Excise Duty and Cess)</b>								
External Sales	1,046.17	197.68	-	1,243.85	1,012.48	184.97	-	1,197.45
Internal-Segment Sales				-				-
<b>Total Revenue</b>	<b>1,046.17</b>	<b>197.68</b>		<b>1,243.85</b>	<b>1,012.48</b>	<b>184.97</b>	<b>-</b>	<b>1,197.45</b>
<b>Result</b>								
Segment Result	905.86	(39.74)	977.56	1,843.68	825.55	(114.50)	316.60	1,027.65
Unallocated Corporate Expenses								-
<b>Operating Profit/(Loss)</b>				<b>1,843.68</b>				<b>1,027.65</b>
Finance Costs				(5.99)				(41.27)
Interest Income				274.58				74.89
<b>Total Profit/(Loss) before Tax</b>				<b>2,112.27</b>				<b>1,061.27</b>
Provision for Current Tax				(270.00)				(210.00)
Provision for Deferred Tax				50.33				(87.11)
Income Tax for earlier year								(3.36)
<b>Profit/(Loss) from ordinary activities</b>				<b>1,892.60</b>				<b>760.80</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,892.60</b>				<b>760.80</b>
<b>Other Information</b>								
Segment assets	11,844.77	331.67	4,168.83	16,345.27	11,202.81	250.19	2,424.94	13,877.94
Unallocated Corporate assets								-
<b>Total assets</b>				<b>16,345.27</b>				<b>13,877.94</b>
Segment liabilities	1,040.84	26.85	336.22	1,403.91	536.11	28.04	1,132.17	1,696.32
Unallocated corporate liabilities								
<b>Total Liabilities</b>				<b>1,403.91</b>				<b>1,696.32</b>
Capital expenditure	53.22	4.45	657.88	715.55	373.29	1.19	85.68	460.16
Depreciation	127.40	161.27	10.54	299.21	127.15	181.40	4.43	312.98
Non-cash expenses other than depreciation				-				-

Note : The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

### 2.31 EARNING PER SHARE – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC/DILUTED EARNING PER SHARE

		2011-12	2010-11
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator	Rs in Lakhs	1892.60	760.80
Weighted average number of Equity share outstanding used as denominator for Basic earning per share	Number	12,74,26,590	12,71,83,090
Weighted average number of Equity share on account of Employees Stock Option Scheme	Number	-	3,65,000
Weighted average number of Equity share used as denominator for Diluted Earning per Share	Number	12,74,26,590	12,75,48,090
(A) Basic Earning per share ( face value of Re 1/- each)	Rs.	1.49	0.60
(B) Diluted Earning per share ( face value of Re 1/- each)	Rs.	1.49	0.59

## Notes to Accounts

### 2.32 PARTICULARS OF PURCHASE/SALE OF GOODS AND SERVICES

Particulars	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
Purchase of Trading Goods		
Cotton Yarn	-	10.48
Sale of Finished Goods		
Sale of Hydro Power	197.68	174.46
Services Rendered		
Rent	1046.17	1012.48
Sale of Trading Goods		
Cotton Yarn	-	10.51

### 2.33 AMOUNT REMITTED DURING THE YEAR ON ACCOUNT OF DIVIDEND (AS CERTIFIED BY THE MANAGEMENT)

Particulars	2011-12	2010-11
Number of Non-resident Shareholders	17	17
Number of Equity Shares held	14840	14840
Dividend remitted (Rs. in Lakhs)	0.01	0.13
Year of Dividend Paid	2010-11	2009-10

### 2.34 DETAILS OF EXPENSES RELATED TO PREVIOUS YEAR

Particulars	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
(i) Dividend	-	0.01
(ii) Interest for Income Tax	5.01	0.58
	5.01	0.59

### 2.35

The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous years figure has been regrouped/reclassified wherever necessary to correspond with the current year's classifications/disclosure.

### 2.36

Figures below Rs. 500/- have been omitted for rounding off and above Rs. 500/- have been rounded off to the next Rs. 1000/-.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration No: 304153E

**P. K. Gutgutia**

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

Amit Dhanuka  
Secretary

S. K. Poddar  
Akshay Poddar  
Gautam Khaitan  
Utsav Parekh  
Dipankar Chatterji  
Hemant Kumar

Directors

## Statement Pursuant to Section 212 of the Companies Act, 1956 Related to its subsidiary companies

1.	<b>Name of the Subsidiary Companies</b> :	<b>High Quality Steels Limited</b>	<b>Macfarlane &amp; Company Limited</b>
2.	Financial year of the Subsidiary Companies ended on :	31st March, 2012	31st March, 2012
3.	Shares of the Subsidiaries held by Texmaco Infrastructure & Holdings Limited on the above date		
	a) Number and Face Value :	1209010 Equity Shares of Rs. 2.50 each fully paid.	139265 Ordinary Shares of Rs. 5/- each fully paid and 16551 Deferred Shares of Re. 1/- each fully paid.
	b) Extent of holding :	99.87%	71.27 %
4.	Net aggregate amount of profits/(losses) of the Subsidiaries so far as they concern members of the Holding Company		
	a) For the said financial year of the subsidiaries		
	i) dealt with in the accounts of the Holding Company :	NIL	NIL
	ii) not dealt with in the accounts of the Holding Company :	Rs.2,317,905	Rs.714,845
	b) For the previous financial years of the subsidiary since it become the Holding Company's subsidiary		
	i) dealt with in the accounts of the Holding Company :	NIL	NIL
	ii) not dealt with in the accounts of the Holding Company :	Rs.12,970,464	Rs.6,888,011
5.	As the financial year of the Subsidiary Companies coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.		

S. K. Poddar  
Akshay Poddar  
Gautam Khaitan  
Utsav Parekh  
Dipankar Chatterji  
Hemant Kumar

} *Directors*

Place :Kolkata

Dated: 25th May, 2012

Amit Dhanuka

Secretary

## Particulars of Subsidiary Companies

Particulars of Subsidiary Companies as required by General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Company Affairs, Government of India, issued under Section 212(8) of the Companies Act, 1956 for the Financial Year 2011-12 are as follows :-

(Rs. in Lakhs)

	Name of the Subsidiary Companies	High Quality Steels Limited	Macfarlane & Company Limited
(a)	Share Capital (Equity & Deferred)	30.27	10.00
(b)	Reserves and Surplus (Net of Debit Balance of Profit & Loss Account)	153.08	106.71
(c)	Total Assets (Fixed Assets + Current Assets+ Deferred Tax Assets+ Loans & Advances)	360.37	78.50
(d)	Total Liabilities (Current Liabilities & Provisions)	177.03	35.17
(e)	Details of Investments (Excluding Investment in Subsidiary Companies)		
	- Equity/ Preference Share	-	-
	- Government Securities	-	0.04
	- Mutual Funds	-	73.39
(f)	Turnover	397.11	20.91
(g)	Profit/(Loss) before Taxation	35.92	14.03
(h)	Provision for Taxation	12.71	4.00
(i)	Profit/(Loss) after Taxation	23.21	10.03
(j)	Proposed Dividend ( including Dividend Tax)	-	-

# Auditors' Report on the Consolidated Financial Statements

To  
The Board of the Directors of  
**Texmaco Infrastructure & Holdings Limited**  
(Formerly Texmaco Limited)

1. We have audited the attached consolidated balance sheet of Texmaco Infrastructure & Holdings Limited as at 31st March, 2012 and also the consolidated Statement of Profit and Loss and the consolidated Cash Flow statement for the year ended on that date annexed thereto. These statements are the responsibility of the Texmaco Infrastructure & Holdings Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 130.45 lakhs as at 31st March, 2012, the total revenue of Rs. 20.91 lakhs and cash flows amounting to Rs 2.62 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
4. We report that the consolidated financial statements have been prepared by the Texmaco Infrastructure & Holdings Limited's management in accordance with the requirements of Accounting Standards (AS) 21 and Consolidated financial statement,(AS) 23 Accounting for investments in Associates as notified by Companies(Accounting Standards) Rules, 2006.  
  
Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) in the case of the consolidated Balance Sheet, of the state of affair of Texmaco Infrastructure & Holdings Limited's as at 31st March, 2012.
  - b) in the case of the consolidated Statement of Profit and Loss, profit for the year ended on that date; and
  - c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **K. N. Gutgutia & Co.**  
*Chartered Accountants*  
Firm Registration No. 304153E

6C, Middleton Street,  
Kolkata - 700 071  
Dated: 25th May, 2012

**P. K. Gutgutia**  
*Partner*  
Membership No. 6994



## Consolidated Balance Sheet As at 31st March 2012

	Note No.	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	1274.28	1271.84
(b) Reserves and surplus	2.2	39284.10	34,784.08
		40,558.38	36,055.92
<b>(2) Minority Interest</b>			
		34.07	31.14
<b>(3) Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	2.3	308.02	356.48
(b) Other Long term liabilities	2.4	1108.60	1,106.06
(c) Long-term provisions	2.5	54.41	34.43
		1,471.03	1,496.97
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	2.6	-	278.85
(b) Trade payables	2.7	108.86	306.92
(c) Other current liabilities	2.8	195.88	216.80
(d) Short-term provisions	2.9	245.51	192.82
		550.25	995.39
<b>Total</b>		<b>42,613.73</b>	<b>38,579.42</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.10		
(i) Tangible assets		12896.91	12723.67
(ii) Capital work-in-progress		299.70	57.28
		13,196.61	12,780.95
(b) Non-current investments	2.11(a)	21592.83	18821.08
(c) Long-term loans and advances	2.12	53.75	53.56
		34,843.19	31,655.59
<b>(2) Current assets</b>			
(a) Current investments	2.11(b)	4080.34	5284.72
(b) Inventories	2.13	-	0.31
(c) Trade receivables	2.14	102.76	105.89
(d) Cash and bank balances	2.15	125.03	74.16
(e) Short-term loans and advances	2.16	3320.98	1,458.75
(f) Other current assets	2.17	141.43	-
		7,770.54	6,923.83
<b>Total</b>		<b>42,613.73</b>	<b>38,579.42</b>
Accounting Policies & Notes on Accounts	1 & 2		

Notes referred to above form an integral part of the Balance Sheet  
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

*Chartered Accountants*

Firm Registration No: 304153E

**P. K. Gutgutia**

*Partner*

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**  
*Secretary*

**S. K. Poddar**  
**Akshay Poddar**  
**Gautam Khaitan**  
**Utsav Parekh**  
**Dipankar Chatterji**  
**Hemant Kumar**

*Directors*

## Consolidated Statement of Profit and Loss For the year ended 31st March 2012

	Note No.	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>I. Revenue from operations</b>	2.18		
Sale of products		197.68	184.96
Sale of services		1433.92	2583.50
		1631.60	2768.46
Other operating revenues	2.18	34.98	-
<b>Total</b>		<b>1666.58</b>	<b>2768.46</b>
<b>II. Other income</b>	2.19	1508.13	505.06
<b>III. Total Revenue (I + II)</b>		<b>3174.71</b>	<b>3273.52</b>
<b>IV. Expenses:</b>			
Cost of material consumed (incl. services)		10.34	-
Purchases of Stock-in-Trade		-	10.48
Employee benefit expense	2.20	411.86	332.64
Finance costs	2.21	6.14	41.44
Depreciation and amortization expenses	2.10	299.21	312.98
Other expenses	2.23	284.94	1,449.85
<b>Total expenses</b>		<b>1012.49</b>	<b>2,147.39</b>
<b>V. Profit before tax (III-IV)</b>		<b>2162.22</b>	<b>1126.13</b>
<b>VI. Tax expense:</b>			
(1) Current tax		284.70	238.30
(2) Deferred tax		(48.45)	81.64
(3) Income Tax for Earlier Year		0.13	5.47
<b>VII. Profit for the period from continuing operations (V-VI)</b>		<b>1925.84</b>	<b>800.72</b>
<b>VIII. Minority Interest</b>		(2.93)	(5.28)
<b>IX. Profit After Minority Interest (VII-VIII)</b>		1922.91	795.44
<b>X. Share of Profit/(Loss) in Associates</b>		2783.10	3645.95
<b>XI. Profit (Loss) for the period (IX-X)</b>		4706.01	4441.39
<b>XII. Earnings per equity share: (Par Value of Re 1/- each)</b>			
(1) Basic		3.69	3.49
(2) Diluted		3.69	3.48
Accounting Policies & Notes on Accounts	1 & 2		

Notes referred to above form an integral part of the Statement of Profit & Loss  
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

*Chartered Accountants*

Firm Registration No: 304153E

**P. K. Gutgutia**

*Partner*

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**

*Secretary*

**S. K. Poddar**

**Akshay Poddar**

**Gautam Khaitan**

**Utsav Parekh**

**Dipankar Chatterji**

**Hemant Kumar**

*Directors*

# Consolidated Cash Flow Statement

For the year ended 31st March 2012

(Rs. in Lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit before Taxation & Exceptional Items	2,162.22	1126.13
Adjustments for:		
Depreciation	299.21	312.98
Interest Paid	6.14	41.44
Employee Compensation Expenses under ESOP	(25.16)	(18.79)
Interest Received	(275.55)	(77.16)
Income From Investments	(1,117.90)	(320.45)
Profit on Sale of Investments-Current (Net)	-	(14.27)
Profit on Sale of Investments-Long Term (Net)	(38.23)	-
Profit on Sale of Fixed Assets (Net)	(3.55)	(32.34)
Provision for Diminution in value of Inventories	0.31	0.31
TDS Written Off	0.19	0.11
	(1154.54)	(108.17)
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	<b>1007.68</b>	<b>1017.96</b>
(Increase)/Decrease in Trade & Other Receivables	(20.45)	3182.52
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in Trade Payables	(117.06)	106.90
	(137.51)	3289.42
<b>Cash Generated from Operations</b>	<b>870.17</b>	<b>4307.38</b>
Direct Taxes Paid	(286.79)	(470.19)
Cash Flow before Exceptional Items	583.38	3837.19
Exceptional Items	-	-
<b>Net Cash from Operating Activities</b>	<b>583.38</b>	<b>3837.19</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(715.55)	(140.15)
Sale of Fixed Assets	4.24	43.71
(Purchase)/Sale of Investments	1,242.71	(2751.31)
Loan to Body Corporates	(2,000.00)	-
Interest Received	134.11	172.44
Income From Investments	1,117.90	320.45
<b>Net Cash used in Investing Activities</b>	<b>(216.59)</b>	<b>(2354.86)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt/(Payment) of Long Term Borrowings	-	(88.80)
Receipt/(Payment) of Short Term Borrowings	(217.60)	-
Proceeds from issue of ESOP	55.01	-
Interest Paid	(6.14)	(41.44)
Dividend Paid	(147.19)	(1,335.40)
<b>Net Cash used in Financing Activities</b>	<b>(315.92)</b>	<b>(1465.64)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>50.87</b>	<b>16.69</b>
Cash and Cash Equivalents at the beginning of the period	74.16	57.47
Cash and Cash Equivalents at the end of the period	125.03	74.16

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standard) Rules, 2006.

(2) Previous year's figures are regrouped/rearranged wherever necessary.

Notes referred to above form an integral part of the Cash Flow Statement

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration No: 304153E

**P. K. Gutgutia**

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**

Secretary

**S. K. Poddar**

**Akshay Poddar**

**Gautam Khaitan**

**Utsav Parekh**

**Dipankar Chatterji**

**Hemant Kumar**

Directors

## Notes to Consolidated Accounts

### 1 ACCOUNTING POLICIES

#### General

The Financial Statements of Texmaco Infrastructure & Holdings Limited (or the Company) have been prepared and presented under the historical cost convention on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises Accounting Standards notified by the Central Government of India under section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India. The Financial Statements are rounded off to the nearest Rupees lakhs.

#### Fixed Assets

Fixed Assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of Fixed Assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective Assets. Borrowing costs directly attributable to acquisition or construction of those fixed Assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

The Company assesses at each balance sheet date 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 profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the Asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost

#### Depreciation

Depreciation has been provided on straight line method except in respect of a unit (Neora Hydro) having a Gross assets Valuing Rs 2,567.69 Lakhs (Previous Year Rs 2,565.42 Lakhs ) where Written Down method has been followed in accordance with the rates in Schedule XIV of the Companies Act, 1956.

#### Investments

Investments are either classified as current or long term based on management's intention at the time of purchase. Current Investment are stated at lower of cost and fair value.

Long term Investments are considered "at Cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reason for the reduction is no longer exist.

#### Recognition of Income and Expenditure

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of Sales Tax, Service Tax, VAT, trade discounts, rebates. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis

#### Employee Benefits

- (1) The company's contribution to provident fund, employees' state insurance scheme are charged on accrual basis to Statement of Profit & Loss.
- (2) **Leave :**  
Leave liability is accounted for based on actuarial valuation at the end of year.

## Notes to Consolidated Accounts

### (3) Gratuity:

Year-end accrued liabilities on account of gratuity payable to employees are provided on the basis of actuarial valuation.

### Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

### Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

### Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized

### Borrowing Cost

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets is being capitalised till the date of commercial use of the qualifying assets. Other interests on borrowings are recognised as an expense in the period in which they are incurred

### Segment Reporting

- a) Based on the organisational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Real Estate, Hydro Power and Others.
- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.
- c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

### Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

### Government Grant

Grants from the government are recognized when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Revenue grants/subsidies are recognized in the Statement of Profit & Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital Grants are credited to Reserve & Surplus of the Company.

## Notes to Consolidated Accounts

### 2. NOTES ON ACCOUNTS

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
17,00,00,000 Equity shares at par value of Rs. 1/- each	1700.00	1700.00
3,00,000 6% Preference Share at par value of Rs.100/-each	300.00	300.00
	2000.00	2000.00
<b>Issued, Subscribed and Paid Up Capital</b>		
12,74,26,590 (12,71,83,090) Equity shares at par value of Rs. 1/- each fully paid	1274.27	1271.83
Add: Forfeited Shares	0.01	0.01
	<b>1274.28</b>	<b>1271.84</b>

**Notes:**

- The Company has only one class of shares referred to as equity shares having a par value of Re 1/-.Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.However, no such preferential amounts exist currently.The distribution will be in proportion to the number of equity shares held by the shareholders.
- Reconciliation of number of Issued,Subscribed and Paid-up Capital**

Particulars	31.03.2012		31.03.2011	
	No. of Equity Share	Amount (Rs. In Lakhs)	No. of Equity Share	Amount (Rs. In Lakhs)
Number of Shares at the beginning of the year	127183090	1271.83	127183090	1271.83
Add: Equity shares issued during the year-ESOP	243500	2.44	-	-
Number of Shares at the end of the year	127426590	1274.27	127183090	1271.83

During the year 365000 equity shares were granted to employees of the company under ESOP at a Grant Price of Rs 22.59 (including Rs 21.59 as premium per shares). Out of this 243500 equity shares were exercised by the employees of the company and balance of 121500 equity shares were lapsed.

- Paid-up amount of Forfeited Shares is Rs. 500/-.
- Issued,Subscribed and Paid-up Capital of the company is excluding 9960 No's of Equity Shares lying in abeyance -NSDL-Transit case. (Previous Year: 9960 Nos of Equity Shares)
- The name of Shareholders holding more than 5% of Equity shares**

Sl. No.	Name of Shareholders	% of holding	No. of Equity Shares held
1	Zuari Investments Limited	22.73%	28963900
2	Adventz Investments And Holdings Limited	6.50%	8285698
3	Zuari Industries Limited	6.44%	8207712
4	Duke Commerce Limited	6.06%	7726464

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve		
Balance as per last Account	415.07	415.07
Capital Reserve		
Balance as per last Account	8944.32	-
Add: On Acquisition of an Associates	-	9171.66
Less: Goodwill of an Associates on acquisition	-	(227.34)
	8944.32	8944.32
Security Premium Reserve		
Balance as per last Account	-	18846.35
Less: Transferred to Texmaco Rail & Engineering Limited	-	(16523.33)
Less: Transfer to General Reserve	-	(2323.02)
Add: On issue of ESOP	52.57	-
	52.57	(0.00)
Revaluation Reserve		
Balance as per last Account	-	1306.55
Less: Transferred to Texmaco Rail & Engineering Limited	-	(1306.55)
	-	-
Share in Revaluation Reserve in Associates		
Balance as per last Account	373.04	-
Add: From Associates at the time of acquisition	-	392.43
Less: Share in reduction during the year	(11.25)	(19.39)
	361.79	373.04
Share Options Outstanding Account		
Balance as per last Account	25.16	60.77
Less: Deferred Employees Compensation Expenses	(25.16)	(35.61)
	-	25.16
State Capital Investment Subsidy		
Balance as per last Account	250.00	265.00
Less: Transferred to Texmaco Rail & Engineering Limited	-	(15.00)
	250.00	250.00
State Interest Subsidy		
Balance as per last Account	96.66	96.66
Add: Received during the year	-	-
	96.66	96.66
General Reserve		
Balance as per last Account	14692.40	27529.12
Add: Transfer of Equity Right Share Premium	-	2323.02
Less: Transferred to Texmaco Rail & Engineering Limited	-	(15280.47)
	14,692.40	14571.67
Add: Transferred from Statement of Profit and Loss	1,000.00	300.00
Less: Loss of an associates	-	(179.27)
	15,692.40	14,692.40

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.2 RESERVES AND SURPLUS (Contd.)</b>		
Surplus		
Balance as per last Account	9987.43	5993.85
Add: Profit after Tax as per Statement of Profit and Loss	4706.01	4441.39
	14,693.44	10,435.24
Less: Appropriation		
Proposed Dividend		
On Equity Shares	191.14	127.18
Tax on Dividend	31.01	20.63
Transfer to General Reserve	1,000.00	300.00
	1,222.15	447.81
	13,471.29	9,987.43
<b>Total (2.2)</b>	<b>39,284.10</b>	<b>34,784.08</b>

<b>2.3 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Assets/Liability is recognised as per AS 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standard) Rules, 2006. The Deferred Tax Assets & Liabilities comprises of Tax effect of following timing differences:		
<b>Deferred Tax Assets</b>		
Items u/s 43B and u/s 40(a)(i)(a) of I.T Act	280.12	271.02
<b>Deferred Tax Liabilities</b>		
Depreciation	(588.14)	(627.50)
<b>Net Deferred Tax (Liability)/ Assets</b>	<b>(308.02)</b>	<b>(356.48)</b>

<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Unsecured		
- Advance against sale of land	400.00	400.00
Others		
- Security Deposits	708.60	706.06
<b>Total (2.4)</b>	<b>1,108.60</b>	<b>1,106.06</b>

<b>2.5 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
- For Leave	10.18	25.72
- For Gratuity	40.30	4.78
Others		
- For Contingency	3.93	3.93
<b>Total (2.5)</b>	<b>54.41</b>	<b>34.43</b>



## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.6 SHORT-TERM BORROWINGS</b>		
Unsecured		
Loans and advances from Related parties		
- From Body Corporates (Texmaco Rail & Engineering Limited)	-	278.85
<b>Total (2.6)</b>	<b>-</b>	<b>278.85</b>

<b>2.7 TRADE PAYABLES</b>		
Others	108.86	306.92
<b>Total (2.7)</b>	<b>108.86</b>	<b>306.92</b>

### Notes

The Company on the basis of information available to it, has not able to verify the status of vendors under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given

<b>2.8 OTHER CURRENT LIABILITIES</b>		
Unpaid Dividend on Preference Shares	0.25	0.25
Unpaid Dividend on Equity Shares	26.83	26.21
<b>Other payable</b>		
TDS and other taxes payable	4.02	8.22
Liabilities for Expenses	55.46	126.23
Amount Due to Employee	47.09	37.41
PF, ESI amount payable	7.97	4.88
Others Misc. Payable	14.56	2.33
Preference Share Capital Redeemed	5.80	5.81
Advance from Customer (Deposit against order)	4.01	5.46
Temporary Book Overdraft	29.89	-
<b>Total (2.8)</b>	<b>195.88</b>	<b>216.80</b>

**Note:** There is no amount due and outstanding to be credited to the Investor Education and Protection Fund

<b>2.9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
- For Leave	3.95	2.96
- For Gratuity	19.41	42.05
Others		
- Proposed Dividend	191.14	127.18
- Tax on Dividend	31.01	20.63
<b>Total (2.9)</b>	<b>245.51</b>	<b>192.82</b>

**Note:** The Company accounts for gratuity liability based on actuary valuation

## Notes to Consolidated Accounts

### 2.10 FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/11*	Additions during the year	Sales/ Adjustments	As on 31/03/12	As on 01/04/11	During The Year	Sales/ Adjustments	As on 31/03/12	As on 31/03/12	As on 31/03/11
<b>Tangible Assets</b>										
Land (Including Lease Hold)	3783.75	360.06	-	4143.81	-	-	-	-	4143.81	3783.75
Buildings*	9628.64	-	0.26	9628.38	1146.13	228.67	-5.86	1380.66	8247.72	8482.51
Plant & Machinery*	862.28	0.61	3.22	859.67	447.83	57.81	4.17	501.47	358.20	414.45
Electrical Machinery	8.19	-	0.21	7.98	4.94	0.30	0.20	5.04	2.94	3.25
Office Equipments	11.24	3.29	0.25	14.28	11.24	1.77	2.35	10.66	3.62	-
Furniture & Fittings*	45.43	16.60	4.50	57.53	15.05	2.48	4.36	13.17	44.36	30.38
Vehicles	33.41	92.58	-	125.99	24.08	8.18	2.53	29.73	96.26	9.33
<b>Total</b>	<b>14372.94</b>	<b>473.14</b>	<b>8.44</b>	<b>14837.64</b>	<b>1649.27</b>	<b>299.21</b>	<b>7.75</b>	<b>1940.73</b>	<b>12896.91</b>	<b>12723.67</b>
CWIP	57.28	242.42	-	299.70	-	-	-	-	299.70	57.28
<b>Grand Total</b>	<b>14430.22</b>	<b>715.56</b>	<b>8.44</b>	<b>15137.34</b>	<b>1649.27</b>	<b>299.21</b>	<b>7.75</b>	<b>1940.73</b>	<b>13196.61</b>	<b>12780.95</b>
Previous Year	13992.23	460.11	22.12	14430.22	1347.05	312.98	10.76	1649.27	12780.95	

**Note:**

- 1) Rs 3391.81 lakhs (including Rs 51.08 lakhs for the year) expense incurred for development of land of Birla Textile Capitalised.
- 2) \* includes assets helding co-ownership with others at Kolkata and Delhi.

## Notes to Consolidated Accounts

			2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.11 (a) NON-CURRENT INVESTMENTS</b>				
A) Non-Current Investments-At Cost				
TRADE INVESTMENTS				
Investment in Equity Instruments (Unquoted)				
Fully paid-up Shares held in:-				
Quantity	F.V.			
15000	10	MSTC Limited	0.75	0.75
OTHER INVESTMENTS				
a) Investment in Equity Instruments(Quoted)				
Fully paid-up Shares held in:-				
Quantity	F.V.			
2557941	10	Zuari Industries Limited	4,766.83	4,766.83
6187	1	Calcutta Stock Exchange Limited	123.74	123.74
106864 (42900)	10	Chambal Fertilisers & Chemicals Limited	45.65	45.65
35529	10	Upper Ganges Sugar & Ind. Limited	24.04	24.04
4100	10	New India Retailing & Investment Limited	1.78	1.78
b) Investment in Equity Instruments (Unquoted)				
Fully paid-up Shares held in:-				
7500	10	Birla Buildings Limited	0.75	0.75
120	10	Elgin Mills Limited (5% 'B' Cumulative Pref. Shares)	0.01	0.01
3500	10	Taparia Limited	0.40	0.40
15000	10	Birla Constructions Limited	1.50	1.50
c) Investment in Equity Instruments of Associates Companies				
Fully paid-up Shares held in:-				
Quantity	F.V.			
54599300	1	Texmaco Rail & Engg.Limited (Quoted)	13,739.27	545.99
		Add:Capital Reserve	-	9,171.66
		Add: Share in Revaluation Reserve	(11.25)	373.04
		Add: Share of Profit for the Current Year	2,791.27	3,648.58
			16,519.29	13,739.27
525450	100	Lionel India Limited (Unquoted)	116.22	525.45
		Less: Goodwill	-	(227.34)
		Less:Loss of earlier year adjusted to General Reserve	-	(179.27)
		Less: Share of loss for the Current Year	(8.17)	(2.62)
			108.05	116.22
d) Investment in Government and Trust Securities (Unquoted)				
Quantity	F.V.			
- (100)	100	12% Tamil Nadu Loan, 2011	-	0.10
		12 Year National Plan Saving Certificates	0.01	0.01
		12 Year National Defence Certificates	0.03	0.03

## Notes to Consolidated Accounts

		2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.11 (a) NON-CURRENT INVESTMENTS (Contd.)</b>			
<b>B) Non-Current Investments- At Cost less provision for other than temporary diminution</b>			
<b>TRADE INVESTMENTS</b>			
Investment in Equity Instruments(Unquoted)			
Fully paid-up Shares held in:-			
Quantity	F.V.		
1499	100	Wagon India Limited	1.50
		Less:Provision for Diminution in value of Investments	(1.50)
<b>OTHER INVESTMENTS</b>			
Investment in Equity Instruments(Unquoted)			
Fully paid-up Shares held in:-			
Quantity	F.V.		
76700	10	APV Texmaco Limited	5.61
(76700)		Less: Provision for Diminution in value of Investments	(5.61)
-	10	Leas Communications Limited	-
(21000)		Less:Provision for Diminution in value of Investments	(2.10)
-	10	Chandausi Rice Mills Limited	-
(1000)		Less:Provision for Diminution in value of Investments	(0.10)
<b>Total of Non-Current Investments (A+B)</b>		<b>21,592.83</b>	<b>18,821.08</b>
Aggregate amount of Quoted Investments		21,481.35	18,701.31
Aggregate amount of Unquoted Investments		111.48	119.77
Market Value of of Quoted Investments		45,718.04	54,191.48
Aggregate Provision for diminution in value of Investments		(7.11)	(9.31)
<b>2.11 (b) CURRENT INVESTMENTS - At lower of cost and fair value</b>			
<b>Investments in Mutual Fund</b>			
Quantity	F.V.		
-	10	Birla Sunlife ST Series VII	-
(47847158.000)			4,784.72
-	10	SBI Mutual Fund SDF	-
(5000000.000)			500.00
1562135.226	10	Birla Sunlife Savings-Instl. Daily	1,563.20
(-)			-
9993903.720	10	BSL Interval Income Fund-Qty-Series- 1 Payout	1,000.00
(-)			-
5280976.000	10	BSL Fixed Term Plan Series EW Growth	528.10
(-)			-
85210.6646	1000	SBI Premier Liquid Fund	989.04
(-)			-
<b>Total of Current Investments</b>		<b>4,080.34</b>	<b>5,284.72</b>
Aggregate amount of Quoted Investments		-	-
Aggregate amount of Unquoted Investments		4,080.34	5,284.72
Market Value of of Quoted Investments		-	-
Aggregate Provision for diminution in value of Investments		-	-

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.12 LONG TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Security Deposits	53.75	53.56
<b>Total (2.12)</b>	<b>53.75</b>	<b>53.56</b>

<b>2.13 INVENTORIES</b>		
Raw materials	-	0.20
Finished Goods	-	0.11
<b>Total (2.13)</b>	<b>-</b>	<b>0.31</b>

<b>2.14 TRADE RECEIVABLES</b>		
More than six months from the due date		
Unsecured, considered good	99.60	99.60
Others-Unsecured, considered good	3.16	6.29
<b>Total (2.14)</b>	<b>102.76</b>	<b>105.89</b>

### Notes:

In the opinion of the management trade receivables have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated.

<b>2.15 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
Current Accounts	34.01	23.61
Saving A/c with Post office	0.06	0.06
Cheques, drafts on hand	59.42	21.32
Cash on hand	3.09	1.43
	96.58	46.42
<b>Other bank balances</b>		
Term Deposit of more than twelve months maturity	1.62	1.53
Unpaid Dividend Account	26.83	26.21
	28.45	27.74
<b>Total (2.15)</b>	<b>125.03</b>	<b>74.16</b>

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.16 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Other loans and advances-		
Loan to Body Corporates	2000.00	-
Advance to Parties	121.76	129.59
Advance to Employee	4.42	1.07
Other Advances	419.57	576.00
Prepaid Expenses	0.06	0.06
Balances with Government Deptt	24.66	3.30
Advance Payment of FBT(Net of Provision)	(0.20)	(0.20)
Income Tax(Net of Advance Tax)	750.71	748.93
<b>Total (2.16)</b>	<b>3,320.98</b>	<b>1,458.75</b>

**Notes:**

In the opinion of management, loans & advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated

<b>2.17 OTHER CURRENT ASSETS</b>		
Interest Receivables	141.43	-
<b>Total (2.17)</b>	<b>141.43</b>	<b>-</b>

<b>2.18 REVENUE FROM OPERATIONS</b>		
Sale of products	197.68	184.96
Sale of services	1433.92	2583.50
	1631.60	2768.46
Other operating revenues	34.98	-
<b>Total (2.18)</b>	<b>1666.58</b>	<b>2768.46</b>

**Notes:**

Other operating income includes income from sale of carbon credit Rs. 34.96 Lakhs (Previous year Rs. Nil)

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.19 OTHER INCOME</b>		
Interest Income		
From Bank	0.13	0.08
From Others	275.42	77.08
Dividend - Income from Long Term Investments	677.30	129.49
Dividend - Income from Current Investments	440.60	190.96
Gain on Sale of Current Investments	-	14.27
Gain on Sale of Non-Current Investments	38.23	-
Miscellaneous Receipts and Income	7.25	8.21
Sundry Credit Balance Adjusted	0.73	0.57
Profit on sale of Fixed Assets (Net)	3.55	32.34
Rent Received	19.49	31.64
Provision & Excess Liabilities Written Back	45.43	20.42
<b>Total (2.19)</b>	<b>1508.13</b>	<b>505.06</b>

### Notes:

#### 1 Details of Income disclosed on Net basis

Particulars	2011-12	2010-11
Profit on sale of Fixed Assets		
Profit	3.55	33.52
Loss	-	1.18
Net	3.55	32.34

#### 2.20 EMPLOYEES BENEFITS EXPENSE

Salaries, Wages and Bonus	375.99	295.26
Contribution to provident and other funds		
Provident Fund, Pension Fund and ESI	42.58	32.56
Gratuity	12.89	9.66
Expenses on ESOP	(25.16)	(18.79)
Staff Welfare Expenses	5.56	13.95
<b>Total (2.20)</b>	<b>411.86</b>	<b>332.64</b>

#### 2.21 FINANCE COSTS

Interest Expenses		
Banks	4.87	0.07
Others	1.27	41.37
<b>Total (2.21)</b>	<b>6.14</b>	<b>41.44</b>

## Notes to Consolidated Accounts

	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
<b>2.10 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
For the Year	299.21	312.98
<b>Total (2.10)</b>	<b>299.21</b>	<b>312.98</b>

<b>2.23 OTHER EXPENSES</b>		
Power and Fuel	5.73	4.66
Rent	4.75	4.66
Repairs to buildings	28.54	14.70
Repairs to machinery	17.11	15.69
Repairs to others	2.31	3.88
Insurance	5.23	5.26
Rates and Taxes excluding taxes on Income	38.44	53.00
Freight,Packing and Transport(Net)	0.87	-
Erection Expenses	6.36	1224.34
Expediting Service Charges	55.15	40.15
Selling Agents Commission	0.00	0.10
Selling Expenses	7.78	0.00
Director's Sitting Fees	4.40	5.10
Director's Commission	5.00	5.50
Payments to the Auditors		
Auditors' Remuneration	2.62	2.59
For Taxation Matters	0.85	0.04
For Quarterly Review	0.77	0.11
For Other Services	0.52	0.07
For Re-imbusement of Expenses	0.25	-
Miscellaneous Expenses	92.75	68.99
TDS written off	0.19	0.11
Provision for Diminution in value of Inventory	0.31	0.31
Expenses related to previous year	5.01	0.59
<b>Total (2.23)</b>	<b>284.94</b>	<b>1449.85</b>

### 2.24 PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement that relate Texmaco Infrastructure & Holdings Limited and its various subsidiaries have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiaries are combined on a line - by - line basis by adding together the book value of like terms of assets, liabilities, income and expenditure, after fully eliminating intra group balance, intra group transactions and any unrealized profit/ loss included therein.
- Investment in Associate Companies has been accounted under the equity method as per (AS 23) – “Accounting for Investment in Associate in Consolidated Financial Statement”.



## Notes to Consolidated Accounts

### 2.24 PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENT (Contd.)

The company accounts for its share in the change in net assets of the associates, post acquisition, after eliminating unrealized profit and losses resulting from transactions between the Company and its associates to the extent of its shares, through its Profit & Loss account to the extent such changes is attributable to the associates' Profit & Loss account and through its reserves for the balances, based on available information.

The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or Capital Reserve as the case may be.

- c) The Consolidated Financial Statements have been prepared using uniform accounting policies, except stated otherwise, for like transaction and are presented, to the extent possible, in the same manner as the Company's separate Financial Statement.
- e) The Subsidiaries/ Associate Companies considered in the Financial Statement are as follows:

Name	Country of Incorporation	% of Voting power as on 31.03.2012
<b>Subsidiaries</b>		
High Quality Steels Limited	India	99.87
Macfarlane & Company Limited	India	71.27
<b>Associates</b>		
Lionel India Limited	India	50.00
Texmaco Rail & Engineering Limited	India	30.00

### 2.25

The Company has agreed to continue with the charge on its property at Kamala Nagar, Delhi in favour of the Bank from where credit facilities were availed for working capital for its Heavy Engineering and Steel Foundry businesses demerged to Texmaco Rail & Engineering Limited (TexRail), an associate company under a Court approved scheme effective from 01.04.2010. It being a requirement of the Bank, during the initial years of the operations of TexRail after demerger, the Company has also given a Corporate Guarantee to the bank in support of the charge against the said working capital facilities to the extent of Rs 50 crore.

### 2.26

Pursuant to the Supreme Court order dated 25th March, 2010 the Company could retain 35% of its Industrial Land with a F.A.R., 1.5 times of normal and surrender the balance Land to DDA. The Company is in process of identifying the area required to be surrendered to DDA and have moved an application in the Court of Dist. Judge, Delhi who is the Authority nominated by the Hon'ble Supreme Court for executing orders of Supreme Court

### 2.27

As per the Agreement with Chambal Fertilizers & Chemicals Limited, when they took over the assets and liabilities of Baddi Unit from 01-10-99, Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) is liable to pay wages and salary in respect of excess workers/ staff taken over by them over and above the required one to run the Baddi Unit. The Company incurred an expenditure of Rs. 51.08 lakhs (previous year Rs 53.25 lakhs) by way of Legal Expenses and payment of dues and ex-gratia to the ex-employees for obtaining vacant possession of the residential quarters unauthorized occupied by them even after cessation of their employment. These expenses have been shown as expenses on Land and Capitalised under the head "Land"

## Notes to Consolidated Accounts

**2.28**

Balance of Trade Receivables and Loans and Advances are subject to confirmation from respective parties.

**2.29 RELATED PARTY DISCLOSURE**

(a) Name of the related parties and relationship:

	Relationship	Parties where control Exist 2011-12	Parties where control Exist 2010-11
A	Subsidiaries	High Quality Steels Limited (99.87% of the Capital held by the Company)	High Quality Steels Limited (99.87% of the Capital held by the Company)
		Macfarlane & Company Limited (71.27% of the Capital held by the Company)	Macfarlane & Company Limited (71.27% of the Capital held by the Company)
B	Associates	Lionel India Limited (50.00% of the Capital held by the Company)	Lionel India Limited (50.00% of the Capital held by the Company)
		Texmaco Rail & Engineering Limited (30.00% of the Capital held by the Company)	Texmaco Rail & Engineering Limited (30.04% of the Capital held by the Company)
C	Key Management Personnel	Shri Hemant Kumar (Executive Director)	–

(b) Related Party Transactions

(Rs. in Lakhs)

Transactions	Key Management Personnel	Associate	Subsidiaries	Grand Total
Shri Hemant Kumar (Executive Director)	19.63 (---)	---	---	19.63 (---)
<b>Purchase of Goods/ Services</b>				
High Quality Steels Limited	---	---	3.50	3.50 (---)
Lionel India Limited	---	0.37	---	0.37 (---)
<b>Dividend Received</b>				
Texmaco Rail & Engineering Limited	---	546.00	---	546.00 (---)
<b>Loans/ Advance Received</b>				
High Quality Steels Limited	---	---	207.00	207.00 (---)
<b>Balance Outstanding at year end</b>				
Texmaco Rail & Engineering Limited	---	---	---	---
High Quality Steels Limited	---	---	(278.85)	(278.85)
High Quality Steels Limited	---	---	101.68	101.68 (---)

**Note:** Figures given in brackets are for previous year.

## Notes to Consolidated Accounts

### 2.30 INFORMATION ABOUT SEGMENT WORKING IS GIVEN BELOW:

(Rs. in Lakhs)

	2011-12				2010-2011			
	Real Estate	Mini Hydro	Others	Total	Real Estate	Mini Hydro	Others	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
<b>Revenue (Net of Excise Duty and Cess)</b>								
External Sales	1,046.17	197.68	387.75	1,631.60	1,024.42	174.46	1,569.58	2,768.46
Internal-Segment Sales				-				-
<b>Total Revenue</b>	<b>1,046.17</b>	<b>197.68</b>	<b>387.75</b>	<b>1,631.60</b>	<b>1,024.42</b>	<b>174.46</b>	<b>1,569.58</b>	<b>2,768.46</b>
<b>Result</b>								
Segment Result	905.86	(39.74)	1,026.69	1,892.81	825.55	(114.50)	379.36	1,090.41
Unallocated Corporate Expenses								-
<b>Operating Profit/(Loss)</b>				<b>1,892.81</b>				<b>1,090.41</b>
Interest Expense				(6.14)				(41.44)
Interest Income				275.55				77.16
<b>Total Profit/(Loss) before Tax</b>				<b>2,162.22</b>				<b>1,126.13</b>
Provision for Current Tax				284.70				238.30
Provision for Deferred Tax				(48.45)				81.64
Income Tax for earlier year				0.13				(5.47)
<b>Profit/(Loss) from ordinary activities</b>				<b>1,925.84</b>				<b>800.72</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,925.84</b>				<b>800.72</b>
<b>Other Information</b>								
Segment assets	11,844.77	331.67	4,464.42	16,640.86	11,202.81	250.19	2,963.34	14,416.34
Unallocated Corporate assets								-
<b>Total assets</b>				<b>16,640.86</b>				<b>14,416.34</b>
Segment liabilities	1,040.84	26.85	423.42	1,491.11	536.11	28.04	1,423.92	1,988.07
Unallocated corporate liabilities								
<b>Total Liabilities</b>				<b>1,491.11</b>				<b>1,988.07</b>
Capital expenditure	53.22	4.45	657.89	715.56	373.29	1.19	85.63	460.11
Depreciation	127.40	161.27	10.54	299.21	127.15	181.40	4.43	312.98
Non-cash expenses other than depreciation				-				-

Note : The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

## Notes to Consolidated Accounts

### 2.31 EARNING PER SHARE – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC/DILUTED EARNING PER SHARE

		2011-12	2010-11
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator	Rs in Lakhs	4706.01	4441.39
Weighted average number of Equity share outstanding used as denominator for Basic earning per share	Number	12,74,26,590	12,71,83,090
Weighted average number of Equity share on account of Employees Stock Option Scheme	Number	-	3,65,000
Weighted average number of Equity share used as denominator for Diluted Earning per Share	Number	12,74,26,590	12,75,48,090
(A) Basic Earning per share ( Par value of Re 1/- each)	Rs.	3.69	3.49
(B) Diluted Earning per share ( Par value of Re 1/- each)	Rs.	3.69	3.48

### 2.32 DETAILS OF EXPENSES RELATED TO PREVIOUS YEAR

Particulars		2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
(i) Dividend		-	0.01
(ii) Interest for Income Tax		5.01	0.58
		<b>5.01</b>	<b>0.59</b>

### 2.33

The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous years figure has been regrouped/reclassified wherever necessary to correspond with the current year's classifications/disclosure.

### 2.34

Figures below Rs. 500/- have been omitted for rounding off and above Rs. 500/- have been rounded off to the next Rs. 1,000/-.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration No: 304153E

**P. K. Gutgutia**

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 25th May, 2012

**Amit Dhanuka**

Secretary

**S. K. Poddar**

**Akshay Poddar**

**Gautam Khaitan**

**Utsav Parekh**

**Dipankar Chatterji**

**Hemant Kumar**

Directors









**TEXMACO INFRASTRUCTURE & HOLDINGS LTD.**