Texel Industries Ltd to start commercial operations of its 10,080 MT Geosynthetics Products facility at Kheda

Company has launched Rs. 12.49 crore Rights issue to fund the expansion; Rights issue open from 31 August - 14 Sep at Rs. 40 per share

Highlights:-

- Shares in Right issue are offered at a price of Rs. 40 per Share. Closing price of shares on 2 Sep 2021 was Rs. 70.25 per share
- Company is investing Rs. 29.92 crore in the new green field facility at Kheda, Gujarat
- Planning to launch innovative products i.e Roof Tile Underlay, Lumber Wrap, Floating Cover, etc. for application in civil engineering, construction, agriculture industries
- Management has successfully turnaround the operations of the company and subsequently got de-registered from BIFR in November 2016
- As of June 2021 promoter holding at 40.77% - rise of 647 basis points from 34.3% from June 2020
- For FY21, company reported Net Sales of Rs. 82.79 crore and Net Profit of Rs. 2.13 crore

Texel Industries Ltd, established in 1989 and having more than three decades of experience in the technical textiles expects to start commercial operations of its 10,080 MT facility for geosynthetics products at Kheda, Gujarat by end of September 2021. Company is investing Rs. 29.92 crore for this expansion and has already deployed Rs. 14.73 crore from internal accruals and borrowings. Post completion of the expansion, installed capacity of the company will double to more than 19,000 MT per annum.

Company plans to raise up to Rs. 12.49 crore from the rights issue which is open for subscription from 31 August to September 14. Proceeds of the rights issue will be utilised to fund the proposed expansion in Kheda facility.

The company plans to issue up to 31,22,398 partly paid-up equity shares of face value of Rs.10 each at an issue price of Rs. 40 per equity share (including premium of Rs.30 per equity share). The rights entitlement ratio for the proposed rights issue is 55:92, i.e., 55 Rights Equity Shares of Rs. 10/- each for every 92 Equity Shares of Rs. 10/- each held by the equity shareholders as on the record date, i.e., 17 August 2021. Closing price of shares on 2 Sep 2021 was Rs. 70.25 per share.

Speaking on the development, Mr. Shailesh Mehta, Managing Director, Texel Industries Ltd said, "Expansion at our new facility in Kheda is going as scheduled and we plan to start commercial operations by end of September 2021. Post completion of the expansion, installed capacity of the company will double to more than 19,000 MT per annum. Keeping in line with its continuous efforts towards sustainability, Texel is now expanding its product mix to include various new products such as Roof Tile Underlay, Lumber Wrap, and a Floating cover for water reservoirs. The floating cover is a cover for farm ponds and water reservoirs, which prevents 30% loss of water through evaporation."

Established in 1989, Texel Industries Ltd is an ISO 9001:2015 certified company engaged in manufacturing of tarpaulins and geomembranes with an experience of more than three decades. The Company manufacture a wide range of geosynthetic textile products which includes tarpaulins, geomembranes, vermibed, geotank, geotube, grow bags azollabed, and water proof membrane. Our

products are used in agriculture, aquaculture, horticulture, animal husbandry, civil engineering, water harvesting, water conservation and disaster relief, landscaping, transportation and waste management.

The company's manufacturing facility is located at Santej, Gandhinagar, Gujarat having an installed capacity of 9,000 MT per annum. The management has successfully turned around the company and was able to rebuild stakeholder confidence with higher sales and profits, resulting in it getting deregistered from BIFR in November 2016. For the quarter ended June 2021 promoter holding stands at 40.77% - a rise of 647 basis points from 34.3% from June 2020.

For FY20-21, the company reported sales of Rs. 82.79 crore and Net profit of Rs. 2.13 crore. For the Q1FY22, the company posted a healthy 51% growth in the net sales at Rs. 27.74 crore, Net Profit was up 70% at Rs. 75 lakh. The performance was achieved on the back of robust demand on the domestic markets in the Tier 2,3 cities & rural areas post unlock.