

# **POLYTEX INDIA LIMITED**

**25<sup>TH</sup> ANNUAL REPORT 2010-2011**

**POLYTEX INDIA LIMITED**

**REGISTERED OFFICE**

505, Eco Space IT Park, 5<sup>th</sup> Floor,  
Old Nagardas Road,  
Andheri (East),  
Mumbai - 400069

**BOARD OF DIRECTORS**

Mr. Arvind Kariya	(Whole Time Director)
Mr. Paresh Kariya	(Whole Time Director)
Mr. Vishram Kambli	(Director)
Mr. Milind Lau Maladkar	(Director)
Ms. Kranti Bhowad	(Director w.e.f. 08.04.2011)
Ms. Pallavi Dhoot	(Director - Resigned on 08.04.2011)

**BANKERS**

Bank of India,  
Stock Exchange Branch

Axis Bank,  
Kandivali Branch

**AUDITORS**

M/S. Navin Nishar & Associates,  
Chartered Accountants,  
Mumbai

**REGISTRAR & TRANSFER AGENTS**

M/s. System Support Services  
209 Shivai Industrial Estate,  
Near Logitech Park, 89,  
Andheri Kurla Road,  
Sakinaka, Andheri,  
Mumbai - 400 072

ISIN - INE012F01016

**WEBSITE**

[www.polytexindia.com](http://www.polytexindia.com)

## **NOTICE**

**NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of Polytex India Limited will be held on 28<sup>th</sup> September, 2011 at 4:00 p.m. at the Registered Office of the Company at 505, Eco Space IT Park, 5<sup>th</sup> Floor, Old Nagardas Road, Andheri (East), Mumbai - 400069 to transact the following business:-**

### **ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date together with the report of Directors' and Auditor's thereon.
2. To declare Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2011.
3. To appoint a Director in place of Mr. Vishram Kambli who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint M/s. Navin Nishar & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

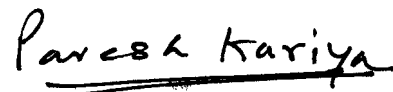
"RESOLVED THAT Ms. Kranti Yashwant Bhowad who was appointed as an additional director in terms of Section 260 of the Companies Act, 1956 and holds such office until this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Ms. Kranti Yashwant Bhowad's candidature for the office of a Director be and is hereby appointed as director of the Company, liable to retire by rotation."

#### **Registered Office:**

505, Eco Space IT Park, 5<sup>th</sup> Floor,  
Old Nagardas Road,  
Andheri (East),  
Mumbai - 400069

Place: Mumbai  
Dated : 2<sup>nd</sup> September, 2011

**By and Behalf of the Board of Directors  
Polytex India Limited**



**PARESH MULJI KARIYA  
Chairman**

**ANNEXURE TO THE NOTICE:**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No. 5**

The Board of Directors of the Company at its meeting held on 08<sup>th</sup> April, 2011 appointed Ms. Kranti Yashwant Bhowad ('Ms. Bhowad') as an Additional Director of the Company effective from 08<sup>th</sup> April, 2011.

In accordance with Section 260 of the Companies Act, 1956, Ms. Bhowad holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose her candidature for the office of a Director, along with a deposit of Rs. 500/- (Rupees Five Hundred only) which amount shall be refunded to the member, if Ms. Bhowad is appointed as a Director.

Ms. Bhowad is having more than 6 Years experience in the field of Capital Markets and Accounting.

Considering the experience and expertise of the additional director and likely benefit to the Company from her valuable guidance, the Board is of the opinion that she must continue on the Board of Company.

Ms. Kranti Yashwant Bhowad is deemed to be concerned or interested in the resolution since the same is for her own appointment. Your Board of Directors recommends the resolutions for your approval.

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Mumbai - 400069

Place: Mumbai

Dated : 2<sup>nd</sup> September, 2011

**By and Behalf of the Board of Directors  
Polytex India Limited**

*Pareesh Kariya*

**PARESH MULJI KARIYA  
Chairman**

## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM 20TH SEPTEMBER, 2011 TO 27TH SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF DETERMINING ELIGIBILITY OF MEMBERS ENTITLED TO DIVIDEND.
3. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE OF ADDRESS TO THE COMPANY.
4. AN EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
5. DIVIDEND AS MAY BE DECLARED SHALL BE PAYABLE TO MEMBERS OF THE COMPANY WHOSE NAMES APPEAR:
  - (A) AS BENEFICIAL OWNERS AS AT THE CLOSE OF THE BUSINESS HOURS ON SEPTEMBER 19, 2011 AS PER THE DETAILS TO BE FURNISHED BY THE NATIONAL SECURITIES DEPOSITORY LIMITED AND THE CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED IN RESPECT OF SHARES HELD IN ELECTRONIC FORM; AND
  - (B) AS MEMBERS IN THE REGISTER OF MEMBERS OF THE COMPANY AFTER GIVING EFFECT TO VALID SHARE TRANSFERS IN PHYSICAL FORM LODGED WITH THE COMPANY ON OR BEFORE SEPTEMBER 19, 2011. TRANSFER DOCUMENTS RECEIVED AFTER SEPTEMBER 19, 2011 WILL NOT BE CONSIDERED FOR THE AFORESAID PURPOSES.
6. MEMBERS / PROXIES ARE REQUESTED TO BRING THE COPIES OF ANNUAL REPORT AND ATTENDANCE SLIP DULY FILLED WHILE ATTENDING THE MEETING.
7. MEMBERS DESIRING ANY INFORMATION AT THE ANNUAL GENERAL MEETING OF THE COMPANY ARE REQUESTED TO WRITE TO THE COMPANY AT LEAST 10 DAYS IN ADVANCE SO AS TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY.
8. M/S. SYSTEM SUPPORT SERVICES, HAVING DATA CENTRE AT 209, SHIVAJ INDUSTRIAL ESTATE, 89, ANDHERI - KURLA ROAD, NEXT TO LOGITECH PARK, ABOVE McDONALDS, SAKINAKA, ANDHERI (E), MUMBAI - 400 072 IS THE REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY AND IS AUTHORISED AND ELIGIBLE TO RECEIVE PHYSICAL SHARES OF THE COMPANY. M/S. SYSTEM SUPPORT SERVICES IS ALSO THE DEPOSITORY INTERFACE OF THE COMPANY. HOWEVER, KEEPING IN VIEW THE CONVENIENCE OF SHARE HOLDERS, DOCUMENTS RELATING TO SHARES WILL CONTINUE TO BE RECEIVED BY THE COMPANY AT REGISTERED OFFICE SITUATED AT ANDHERI, MUMBAI.
7. MEMBERS HOLDING SHARES IN THE ELECTRONIC FORM ARE ADVISED THAT THEIR BANK DETAILS, AS FURNISHED TO THE COMPANY BY THE RESPECTIVE DEPOSITORIES, VIZ., NSDL & CDSL, WILL BE PRINTED ON THE DIVIDEND WARRANTS. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE FURTHER ADVISED TO COMMUNICATE TO THEIR RESPECTIVE DEPOSITORY PARTICIPANTS,

CHANGES, IF ANY, IN THEIR ADDRESS/BANK ACCOUNT. MEMBERS DESIRING TO RECEIVE DIVIDEND THROUGH ELECTRONIC CLEARING SYSTEM MAY SUBMIT THE ENCLOSED FORM.

**Registered Office:**

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Andheri (East),  
Mumbai - 400069

Place: Mumbai

Dated : 2<sup>nd</sup> September, 2011

**By and Behalf of the Board of Directors  
Polytex India Limited**

Pareesh Kariya

**PARESH MULJI KARIYA  
Chairman**

# POLYTEX INDIA LIMITED

505, 5th Floor, Ecospace IT Park, Mogra Village, Old Nagardas Road, Andheri (East), Mumbai - 400 069.  
Tel. : 91-022-67147824/827 • Fax : 91-022-67804776 • Website : www.polytexindia.com • Email : polytexindia@gmail.com

## DIRECTORS' REPORT

The Members  
**POLYTEX INDIA LIMITED**  
Mumbai

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report together with the Audited Statement of Accounts as on 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS:

During the Year under review, the Company has earned total income of Rs. 1,37,27,595/- and earned a profit of Rs. 78,60,048/- after providing for current years taxation of Rs.35,18,795/-. Your Directors are hopeful of achieving better results in current year.

PARTICULARS	(Amount in Rs)	
	2010-11	2009-10
Profit Before Depreciation and Taxation	1,14,17,574.00	22,59,475.00
Depreciation	38,732.00	0.00
Profit Before Taxation	1,13,78,842.00	22,59,475.00
Provision for Taxation	34,50,000.00	6,98,179.00
Fringe Benefit Tax	0.00	0.00
Deferred Tax	68,795.00	0.00
Profit After Taxation	78,60,048.00	15,61,296.00
Balance B/d from previous year	(12,73,362.00)	(28,34,135.00)
Previous Years Adjustments	(2,02,411.00)	(523.00)
Proposed Dividend	40,50,000.00	0.00
Dividend Tax	6,57,011.00	0.00
Balance Carried to Balance Sheet	16,77,264.00	(12,73,362.00)

### DIVIDEND:

The Board of Directors has decided payment of Final Dividend on Equity Shares at Re.0.30 per share for the Financial Year 2010-11, such dividend shall be paid to those holders of the existing equity shares of the Company, whose names appear on the Register of Members of the Company as at the close of working hours on 19.09.2011.

### Capital Structure:

The Company has allotted 30,90,000 Equity Shares of Rs. 10/- each at par on conversion of Preferential Warrants.

### BUSINESS REVIEW:

The overall performance during the year under review has shown significant growth over the previous year. The Company is deploying its resources in the best possible way to increase business volumes and plans to achieve increased turnover in the current year.

**DIRECTORS:**

Ms. Pallavi Dhoot has resigned from the post of Directorship due to her pre occupation with effect from 08th April, 2011. The Board appreciates her valuable contribution during her tenure of service and places on record its appreciation for time and efforts put by the outgoing Director.

Ms. Kranti Yashwant Bhowad was appointed as an Additional Director of the Company w.e.f. 8<sup>th</sup> April, 2011. Pursuant to the provisions of section 260 of the Companies Act, 1956 her term of appointment expires at the ensuing Annual General Meeting. In view of her vast and varied experience, it is eminently in your Company's interest to retain her on the Board of the Company as Director. The Company has also received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Ms. Kranti Yashwant Bhowad's candidature for the office of a Director. The Board recommends her appointment as Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vishram Kambli, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends their re-appointment.

**AUDIT COMMITTEE:**

As per the requirement of the provision of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement, the Audit Committee of the Company was reconstituted due to resignation of Ms. Pallavi Dhoot from the Board of the Company on 8<sup>th</sup> April, 2011. The Audit Committee as it stands today consists of Mr. Vishram Kambli, Ms. Kranti Bhowad and Mr. Milind Maladkar, Independent Directors of the company.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors give hereunder the Director's Responsibility Statement pertaining to the accounts of the Company:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation statement relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2011 and of the Profit & Loss Account of the Company for the year ended on that date.



3. The Directors have taken proper and sufficient care 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.

4. These accounts have been prepared on a going concern basis.

**AUDITORS:**

M/s Navin Nishar & Associates, Chartered Accountants, Mumbai, Statutory Auditor of the Company who shall be retiring at the ensuing Annual General Meeting, has expressed their willingness to continue for the next year and necessary eligibility Certificate u/s.224 (1B) of the Companies Act,1956 is received from them. Your Directors recommends their appointment.

Observation of Auditors as provided in their report are self explanatory and do not call for further explanation.

**PARTICULARS OF EMPLOYEES:**

No employee of the Company was in receipt of remuneration in excess of limits prescribed under the Companies (Particulars of Employees) Rules, 1975 as amended up to date.

**REPORT ON CORPORATE GOVERNANCE:**

A detailed report on Corporate Governance together with a certificate from the Statutory Auditors of the Company, in compliance with Clause 49 of the Listing Agreement, is attached as a part of this report.

A separate section covering the Management Discussion and Analysis and Corporate Governance as per the requirements of Clause 49 of the Listing Agreement is attached herewith and forms a part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO:**

Your Company is not a manufacturing company and has not consumed energy & accordingly the information required under Form A doesn't apply. No comment is made on Technology Absorption considering nature of activities undertaken by your Company. During the year under review your Company did not earn any Foreign Exchange & there is no Foreign Exchange outgo.

**PERSONNEL:**

During the year under review, the Company enjoyed cordial relations with the employees at all levels. The company is committed to develop its employee's full potential through intensified training.

Further, your Directors wish to place on record their sincere appreciation of the wholehearted co-operation and sincere efforts of senior and middle level managers, which has significantly contributed, to the growth of the company.

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to thank all investors, clients, technology partners, financial institutions, banks, regulatory and Government authorities for their continued support during the year.

The Board expresses its sincere gratitude to the shareholders and clients for their continued support. The Board also whole-heartedly acknowledges with thanks the dedicated efforts of all the staffs and employees of the company.

The Board appreciates and value the contribution made by every person who contributed to the growth of the Company.

**On behalf of the Board  
FOR POLYTEX INDIA LIMITED**

**Place: Mumbai  
Date: 02.09.2011**

  
**Paresh Kariya      Arvind Kariya**  
**Whole Time Director      Whole Time Director**

# POLYTEX INDIA LIMITED

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **1. Industry Overview:**

The business of the Company is that of a Non Banking Finance Company. Non Banking Financial Companies (NBFCs) have become an integral part India's financial system. In recent times, NBFC's have emerged as lenders to both companies and individuals. When it comes to lending, NBFCs are generally regarded to be complementary to banks and are often able to offer better services and products to their customers. NBFCs play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector. Banks and NBFCs compete for similar kinds of business. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz. local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises.

### **2. Outlook on Opportunities, Threats, Risks & Concerns:**

The Company has done commendably well in the current year and expects to achieve a really good percentage of market share in the business of its Non Banking Finance business. The outlook for the Company can therefore be termed as optimistic.

#### **Opportunities:**

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.

#### **Threats:**

- The largely unorganized structure of the market can affect the systematic functioning of the Company
- Political instability, which has a tremendous impact on the capital markets.
- Likely opening up of the economy, which can be a double-edged sword.

#### **Risk and Concerns:**

- The unfavorable government policies, cut throat competition with the Banks and the private lenders remain major concerns for the business of NBFCs.
- Non business exposure to the existing clients sometime lead to default in repayment which has a cascading effect on their customers for which suitable measures are being taken.

The company is consolidating its position and making its best efforts to realize the maximum from the customers by taking recourse of legal remedies where warranted.

### **3. Internal Control System and Adequacy:**

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The control systems set on place are checked and further supplemented by MIS which provided for planned expenditure and information on disposal and acquisition of assets. Your company

has an adequate system of Internal control, designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with management's authorisation and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non-performing assets, if any of the company for effecting recoveries.

#### **4. Financial:**

The financial performance of the Company has steadily grown in the year under review. The Financial performances of the Company are given as under:-

<b>Performance</b>	<b>Year ended 31st March, 2011</b>	<b>Year ended 31st March, 2010</b>
Profit/ (Loss) before Taxation and Interest	1,13,78,842.00	5434621.00
Interest	NIL	3175146.00
Profit/(Loss) before Tax	1,13,78,842.00	2259475.00
Provision for Tax (including prior period adjustments)	3518795.00	698702.00
Profit after Tax	78,60,048.00	1561296.00
Proposed Dividend	4050000.00	0.00
Dividend Tax	657011.00	0.00
Balance b/f from last year	(1273362.00)	(2834135.00)
Balance c/f to Balance Sheet	16,77,264.00	(1273362.00)

#### **5. Human Resources:**

Your company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an ongoing basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction.

#### **6. Disclaimer:**

Certain Statements in the management Discussion and Analysis describing the company's views about the industry, expectations, objectives, etc may be understood within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors are such as industrial relations and economic developments etc. may further influence the company's operations or performance.

**On behalf of the Board  
FOR POLYTEX INDIA LIMITED**

*Pooja Kariya*  
**Director**

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## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 to the Listing Agreement, a report on Corporate Governance, for the year ended 31st March, 2011, is given below:

### **1. Company's Philosophy on Code of Governance:**

Your Company is committed to bring about good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, customers, employees, the government and the lenders.

### **2. Board of Directors**

#### **(a) Composition of the Board**

The Board of Directors is headed by an Executive Chairman, Mr. Paresh Kariya who is a promoter of the Company. The Board is comprised of committed and eminent persons with considerable professional experience in varied fields and comprises a majority of Non-Executive Directors. The composition of the Board of Directors meets the requirement of Clause 49-I(A) of the Listing Agreement, as detailed in the table at item 2(c) below.

#### **(b) Board Meetings and AGM**

Seven Board Meetings were held during the year under review. The dates on which the meetings were held are : 2<sup>nd</sup> April, 2010; 06th April, 2010, 31<sup>st</sup> May, 2010, 28<sup>th</sup> June; 2010, 14<sup>th</sup> August, 2010, 30<sup>th</sup> October, 2010 and 3<sup>rd</sup> February, 2011. The AGM was held on 15<sup>th</sup> September, 2010.

#### **(c) Directors' Attendance Record and Directorships held**

Director	Whether Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee	Number of Board Meetings attended	Whether attended last AGM	No. of other Directorships held #	No. of Board Committees of other Companies in which a Member or a Chairman @
Mr. Paresh Kariya***	Chairman - Promoter - Executive	7	Yes	1	Nil
Mr. Arvind Kariya***	Promoter - Executive	7	Yes	1	Nil
Mr. Vishram Kambli	Independent - Non-Executive	7	No	0	Nil
Mr. Milind Maladkar	Independent - Non-Executive	7	No	0	Nil
Ms. Pallavi	Independent - Non-	4	Yes	0	Nil

Dhoot***	Executive				
Ms. Kranti Yashwant Bhowad***	Independent - Non-Executive	0	N.A.	0	Nil

# Excludes alternate directorship and directorship in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.

@ Excludes committees other than Audit Committee & Shareholders' / Investors' Grievance Committee and Companies other than public limited companies.

\*\*\* 1) Mr. Paresh Kariya and Mr. Arvind Kariya was appointed as Whole Time Directors of the Company w.e.f. 1<sup>st</sup> April, 2011.

2) Ms. Pallavi Dhoot resigned from the Board of the Company w.e.f 08<sup>th</sup> April, 2011 and Ms. Kranti Bhowad, an Independent Non-Executive Director, was appointed w.e.f. 8<sup>th</sup> April, 2011.

### 3. **Board Committees:**

#### (a) **Audit Committee:**

The Audit Committee comprises of the following 3 Non-Executive - Independent Directors:

Ms. Pallavi Dhoot - Chairperson  
Mr. Vishram Kambli  
Mr. Milind Maladkar

The role and terms of reference of the Audit Committee includes review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction to the Internal Auditors and Statutory Auditors, selection and establishment of accounting policies, review of financial statements - both quarterly and annual before submission to the Board, review of Management Discussion and Analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, the Committee met four times i.e on 31<sup>st</sup> May, 2010, 14<sup>th</sup> August, 2010, 30<sup>th</sup> October, 2010 and 03<sup>rd</sup> February, 2011. Details of attendance of each member are as follows:

Name	Number of Audit Committee Meetings attended
Ms. Pallavi Dhoot	1
Mr. Vishram Kambli	4
Mr. Milind Maladkar	4

The Audit Committee was reconstituted on 08.04.2011 due to Resignation of Ms. Pallavi Dhoot from the Board of the Company and on induction of

Ms. Kranti Bhowad as Director of the Company. The reconstituted Audit Committee comprises of the following 3 Non-Executive – Independent Directors:

Mr. Vishram Kambli - Chairman  
Mr. Milind Maladkar  
Ms. Kranti Bhowad

(b) **Remuneration Committee:**

The Remuneration Committee which was constituted on 02.04.2010 comprises of the following 3 Non-Executive and Independent Directors:

Ms. Pallavi Dhoot - Chairperson  
Mr. Milind Maladkar  
Mr. Vishram Kambli

Broad terms of reference of the Remuneration Committee include approval / recommendation to the Board of salary/ perquisites, commission and retirement benefits of Directors, finalisation of the perquisite package payable to the Company's Managing / Wholetime Director/s and other matters specified under Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956.

During the year under review, the Committee met once on 2<sup>nd</sup> April, 2011. Details of attendance of each member are as follows :

Name	Number of Remuneration Committee Meeting attended
Ms. Pallavi Dhoot	1
Mr. Vishram Kambli	1
Mr. Milind Maladkar	1

The Remuneration Committee was reconstituted on 08.04.2011 due to Resignation of Ms. Pallavi Dhoot from the Board of the Company and on induction of Ms. Kranti Bhowad as Director of the Company. The reconstituted Remuneration Committee comprises of the following 3 Non-Executive – Independent Directors:

Mr. Vishram Kambli - Chairman  
Mr. Milind Maladkar  
Mr. Kranti Bhowad

**Remuneration Policy:**

The Executive Directors do not draw any remuneration from the Company. The Board decided to compensate the Non Executive Directors by payment of Sitting Fees of Rs. 10,000/- for attending each meeting of, the Board or Committee. The Non Executive Directors have drawn sitting fees for attending the Board Meetings of the Company. However they have resolved to waive Sitting Fees for attending the Meeting of the Audit Committee from 30<sup>th</sup> October, 2010. The Non Executive Directors have not drawn any sitting fees for attending the Meeting of any other Committees.

Presently the Company does not have a scheme for grant of stock options either to the working Director/s or to the employees.

The Payments made for the year 01.04.2010 to 31.03.2011 are as under:

Name of the Director	Sitting fees		Total
	Board Meetings	Audit Committee	
Ms. Pallavi Dhoot	40,000/-	10,000/-	50,000/-
Mr. Vishram Kambli	70,000/-	20,000/-	90,000/-
Mr. Milind Maladkar	70,000/-	20,000/-	90,000/-

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2010-11.

**(c) Share Transfer Cum Shareholders' / Investors' Grievance Committee:**

The Shareholders' / Investors' Grievance Committee was renamed as Share Transfer Cum Shareholder's / Investor's Grievance Committee on 28.06.2010 by the Board of Directors of the Company and which comprises of the following 2 Non-Executive - Independent Directors and 1 Executive Director:

Mr. Vishram Kambli - Chairman  
 Ms. Milind Maladkar  
 Mr. Arvind Kariya

The Chairman of the Committee, Mr. Vishram Kambli, is a Non-Executive Director.

The constitution and terms of reference of the Shareholders'/ Investors' Grievance Committee are in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd. The Committee specifically looks into the Share Transfer, redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

During the Year the Committee met 2 Times a year.

**Name and designation of Compliance Officer:**

Mr. Paresh Kariya, Executive Director of the Company was performing the duties of Compliance Officer.

No. of shareholders' complaints received during the year : NIL  
 No. of complaints not solved to the satisfaction of shareholders : N.A  
 No. of pending complaints : N.A

**4. General Body Meetings:**

(a) Location and time, where last 3 years' Annual General Meetings were held:



Date & Time	Location	Special Resolution Passed
15 <sup>th</sup> September, 2010 04.00 p.m.	502, Eco Space, 5 <sup>th</sup> Floor, Old Nagardas Road, Andheri (East), Mumbai - 400069	Nil
30 <sup>th</sup> September, 2009 04.00 p.m.	502, Eco Space, 5 <sup>th</sup> Floor, Old Nagardas Road, Andheri (East), Mumbai - 400069	Nil
31 <sup>st</sup> July, 2008 11.00 a.m.	1 <sup>st</sup> Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400 056	Nil

- (b) Whether Special Resolutions were passed through postal ballot last year and details of voting pattern: Nil
- (c) Person who conducted the postal ballot exercise: N.A.
- (d) Whether any Special Resolution is proposed to be passed through postal ballot this year (2011-12):

During the current year, if Special Resolutions are proposed to be passed through postal ballot, those will be taken up at the appropriate time.

- (e) Procedure for Postal Ballot:

The procedure for conducting the postal ballot exercise would be as per the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 read with Section 192A of the Companies Act, 1956.

**5. Other Disclosures:**

**(a) Related Party Transactions**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

**(b) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**(c) Disclosures on Risk Management**

The Company has laid down procedures to inform the Board of Directors about the Risk Assessment and Minimisation Procedure. These procedures are periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

**(d) Code of Conduct**

The Board of Directors has adopted the Code of Ethics and Business Principles for the Directors and also for the senior employees including Executive / Non Executive Director and other Members of Senior Management. The said Code has been communicated to all the Directors and Members of the Senior Management. The Code has also been posted on the Company's website [www.polytexindia.com](http://www.polytexindia.com).

**(e) Whistle Blower Policy**

The Company has not adopted Whistle Blower Policy. However, the Company does not deny access to any personnel to approach the Management on any issue.

**(f) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

None

**6. CEO / CFO Certification**

A certificate from Executive Director and Compliance Officer, Mr. Paresh Kariya, on the financial statements, Cash Flow Statement and Internal Control System for Financial Reporting for the year ended March, 31<sup>st</sup>, 2011, is provided in the Annual Report, as required by Clause 49(V) of the Listing Agreement.

**7. Means of Communication**

**(a) Quarterly Results :**

The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within 60 days from the end of the last quarter, as stipulated under the Listing Agreement with the Bombay Stock Exchange Limited.

**(b) Newspapers wherein results normally published:**

Free Press Journal (English) and Navshakti (Marathi), the regional language).

**(c) Any Website, where displayed: [www.polytexindia.com](http://www.polytexindia.com)**

- (d) Whether Website also displays official news releases : No
- (e) Whether presentations made to institutional investors or to the analysts : No
- (f) Management Discussion & Analysis Report :

The Management Discussion & Analysis Report forms part of the Annual Report.

## 8. General Shareholder Information

AGM: Date, Time and Venue	28 <sup>th</sup> September, 2011 at 4.00 p.m. at 505, Eco Space, 5th Floor, Old Nagardas Road, Andheri (East), Mumbai - 400069
Financial Year	The financial year under review covers the period 1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011.
Date of Book Closure	20.09.2011 to 27.09.2011 (both days inclusive)
Dividend Payment date	04th October, 2011
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited, Mumbai The Company has paid the listing fees for the period 1 <sup>st</sup> April 2010 to 31 <sup>st</sup> March 2011.
Stock Code	1. 512481 on Bombay Stock Exchange Ltd. 2. ISIN Number for NSDL & CDSL - INE012F01016
Market Price Data: High, Low during each month in last financial year	The details are available as per Annexure "A"
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	Please see Annexure "C"
Registrar and Transfer Agents	<b>System Support Services (Post 31.03.2011)</b> 209, Shivai Ind. Estate, Near Parke-Davis, 89, Andheri-Kurla Road, Sakinaka, Mumbai - 400072. <b>Maheshwari Datamatics Private Limited (Upto 31.03.2011)</b> 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Share Transfer System	The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within stipulated time from the date of receipt of completed and validly executed documents.
Dematerialisation of shares and liquidity	97.27 of the Paid-up Capital have been dematerialized as on 31.03.2011. The trading / liquidity details are given at Annexure 'A' below.
Distribution of Shareholding and share holding pattern as on	Please see Annexure 'B'

31.03.2011	
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	N.A
Plant Locations	N.A
Address for correspondence	Shareholders should address correspondence to: System Support Services. 209 Shivai Industrial Estate, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri, Mumbai - 400 072 E mail : sysss72@yahoo.com

**Annexure 'A'**

**Stock Market Data (for face value of Rs. 10/- per share):**

Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	Net T/O (Rs.)
April 2010	0	0	0	0	0
May 2010	0	0	0	0	0
June 2010	0	0	0	0	0
July 2010	0	0	0	0	0
August 2010	0	0	0	0	0
September 2010	0	0	0	0	0
October 2010	7.09	5.85	1,150	5	7,150
November 2010	11.51	7.44	4,900	20	38,930
December 2010	33.47	12.08	10,142	35	1,59,820
January 2011	87.7	35.1	7,977	194	4,18,424
February 2011	205.6	91.85	10,316	296	14,14,815
March 2011	165.7	112.5	10,954	146	14,73,816

Data based on BSE website: (URL  
<http://www.bseindia.com/stockinfo/stockprc2.aspx?scripcode=512481&fromDate=4/1/2010&toDate=9/14/2011&strDMY=M>)

**Annexure 'B'**

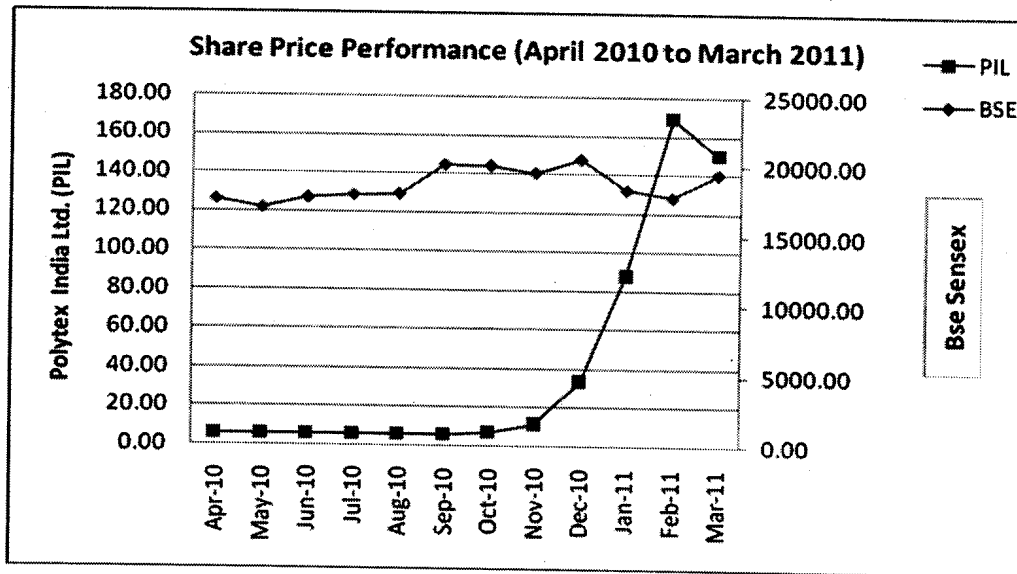
**Distribution of Shareholding as on 31<sup>st</sup> March, 2011:**

Group of shares	No. of Shareholder	No. of shares held	%age to total shares
Upto 500	128	28128	.2084
501 to 1000	296	214776	1.5909
1,001 to 2,000	38	55246	.4092
3,001 to 4,000	2	6850	.0507
4,001 to 5,000	1	5000	.0370
5,001 to 10,000	2	20000	.1481

5,001 to 10,000	44	13170000	97.5556
Total:		13500000	100.00

#### Annexure 'C'

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



Data based on BSE Website: (URL  
<http://www.bseindia.com/stockinfo/indices.aspx?ind=SENSEX>)

#### Category of Shareholders as on 31<sup>st</sup> March, 2011:

Category	No. of Shares Held	%age of total shares
Indian Promoters	9496000	70.34
Foreign Promoters	NIL	NIL
Banks	NIL	NIL
Mutual Funds	NIL	NIL
Private Corporate Bodies	54977	0.41
Indian Public	3949023	29.25
NRI/OCB	NIL	NIL
Clearing Members	NIL	NIL
Total:	13500000	100.00

Indian Promoter group comprises of Mr. Arvind Mulji Kariya, Mr. Paresh Mulji Kariya, Mrs. Jigna Arvind Kariya (w/o Mr. Arvind Mulji Kariya) & Mrs. Sadhana Paresh Kariya (w/o Mr. Paresh Mulji Kariya. Mr. Arvind Mulji Kariya & Mr. Paresh Mulji Kariya are both Commerce Graduates & have more than 18 years experience in the field of Capital Market, Financial Markets, Money Market, Management, etc.

- (q) As required in terms of Clause 47(f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is polytexindia@gmail.com

**9. Non Mandatory Requirements:**

**(a) Office of the Chairman of the Board:**

The Company does not defray any secretarial expenses of the Chairman's Office.

**(b) Remuneration Committee:**

As stated earlier, the Board has already set up a Remuneration Committee. Details regarding composition and scope of the Remuneration Committee are given at item 3(b) above.

**(c) Shareholder Rights:**

The Company's half-yearly results are furnished to the Stock Exchange and also published in the newspapers and therefore not sent to the shareholders.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

*Mumbai, September 02<sup>nd</sup>, 2011*

## DECLARATION

As provided under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2011.

**For POLYTEX INDIA LIMITED**

*Parash Kaviya*

**Whole Time Director**

*Mumbai, September 02<sup>nd</sup>, 2011*

**CERTIFICATE OF COMPLIANCE TO BE GIVEN BY THE CEO/CFO OF THE COMPANY.**

I, Paresh Kariya, Chairman & Whole Time Director of Polytex India Limited, hereby certify on behalf of the Board of Directors that:

- 1) The Board have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2011 and that to the best of their knowledge and belief
  - A) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading;
  - B) statements presents true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- 3) The Board accepts responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, Deficiencies in the design or operation of internal controls, if any, of which they have taken or propose to take to rectify these deficiencies.
- 4) The Board have indicated to the auditors and the Audit Committee:
  - A) There are no significant changes in internal control during the year;
  - B) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to Financial Statements; and
  - C) There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems.

**For POLYTEX INDIA LIMITED**



**Whole Time Director**

*Mumbai, September 02<sup>nd</sup>, 2011*



**NAVIN NISHAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
A/504, RAJESHRI ACCORD, TELLY GULLY CROSS LANE,  
ANDHERI (EAST), MUMBAI- 400 069.

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**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Polytex India Limited**

We have examined the compliance with conditions of Corporate Governance by **Polytex India Ltd.** for the year ended on 31<sup>st</sup> March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

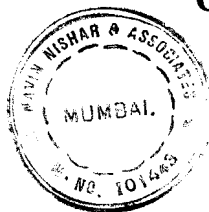
The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression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

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

Based on the representation received from the Company and certified by the Registrars of the Company, no investor grievance is pending for a period exceeding one month as on 31<sup>st</sup> March, 2011 against the Company.

We further state that such compliance is neither an 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 NAVIN NISHAR & ASSOCIATES**  
**FIRM REGN. NO. 116503W**  
**CHARTERED ACCOUNTANTS**



*N. K. Nishar*

**CA. NAVIN K. NISHAR**  
**(PROPRIETOR)**  
**Membership No. 101443**

**Dated : 2nd September, 2011.**  
**Place : Mumbai**

**NAVIN NISHAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
A/504, RAJESHRI ACCORD, TELLY GULLY CROSS LANE,  
ANDHERI (EAST), MUMBAI- 400 069.

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**AUDITOR'S REPORT**

To,  
The Members of  
**POLYTEX INDIA LIMITED**  
**MUMBAI.**

We have audited the attached Balance Sheet & Profit & Loss Account of **POLYTEX INDIA LIMITED** as at 31st March, 2011 and the Profit and Loss Account of the Company and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosure 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, We state that:
  - a) 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.
  - b) In our opinion proper books of account as required by the Companies Act, 1956 have been kept by the Company, so far as it appears from our examination of books.
  - c) The Balance Sheet and Profit and Loss Account and the Cash Flow statement dealt referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
  - e) On the basis of written representations received from Directors as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as Directors of the Company under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account read together with the Significant Accounting Policies and the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view :
    - (i) in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and



(ii) in so far as it relates to Profit and Loss Account, of Profit of the Company for the year ended on that date.

(iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

**FOR NAVIN NISHAR & ASSOCIATES  
FIRM REGN. NO. 116503W  
CHARTERED ACCOUNTANTS**

*N. K. Nishar*

**Dated : 02<sup>nd</sup> September, 2011.  
Place : Mumbai**

**CA. NAVIN K. NISHAR  
(PROPRIETOR)  
Membership No. 101443**



**NAVIN NISHAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**A/504, RAJESHRI ACCORD, TELLY GULLY CROSS LANE,**  
**ANDHERI (EAST), MUMBAI- 400 069.**

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**ANNEXURE TO THE AUDITOR'S REPORT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2011:**  
(Referred to in paragraph 1 of our report of even date)

1. a) The Company has maintained the proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) All the assets have been physically verified by the management during the year and in our opinion it is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) In our opinion, the Company has not disposed off a substantial part of Fixed Assets during the year and therefore paragraph 4(i)(c) of the Companies (Auditor's Report) order, 2003 (hereinafter referred to as order) is not applicable.
2. (a) Shares in custody of the Company have been physically verified by the management at reasonable intervals. For shares held with the custodian and depository participant, statements from them have been obtained on a regular basis.  
(b) In our opinion, the procedures of verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its' business.  
(c) The Company is maintaining proper records of inventory and the valuation of stocks has been done on the basis of physically verified quantity. Therefore, shortage/ excess automatically get adjusted and the same is properly dealt in the books of account.
3. (a) During the year the Company has not given Loans to the Companies, Firms or other parties listed in the register maintained under Section 301 and to the Companies under the same management as defined in Sub-Section (1B) of Section 370 of the Companies Act, 1956.  
(b) During the year, the Company has not taken any loans in the nature of current account secured or unsecured from Companies, Firms or other parties listed in the register maintained under Section 301 of the Act.  
(c) Since, the Company has not given any loans to the Companies, Firms or other parties listed in the register maintained under Section 301 and to the Companies under the same management, the question of repayment of Principal & payment of Interest does not arise.
4. In our opinion and according to the information and explanations given to us, the internal control procedure of the Company relating to the purchase of Shares and sale of Shares are commensurate with the size of the Company and the nature of its business and we have neither come across nor have we been informed of any major weakness in internal control procedures.
5. (a) As explained to us and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been entered in the Register.  
(b) In our opinion and according to the information and explanations given to us, the aforesaid transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, as specified under the provisions of section 58-A and 58AA of the Companies Act, 1956 and therefore the Directives issued by the Reserve Bank of India and the provisions of section 58-A and 58AA of the Companies Act, 1956 and rules framed there under is not applicable. As explained to us, the Company has not received any order from the Company Law Board.
7. As per the information and explanations given to us, during the year under audit, the Company did not have an Internal Audit System but had an efficient system for accounting and internal controls.
8. As per the information and explanations given to us, the Central Government has not prescribed the maintenance of costs records under Section 209(1)(d) of the Companies Act, 1956 for the Companies procedures.
9. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' State insurance, Income-Tax, Sales Tax, Wealth-Tax, Customs Duty, Excise Duty, cess and other statutory dues, if any, with the appropriate authorities as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable.  
(b) As explained to us, there are no disputed dues relating to income tax, customs duty, wealth tax and cess, which have not been deposited as at 31<sup>st</sup> March, 2011.
10. The Company do not have accumulated losses as at 31<sup>st</sup> March, 2011, and also has not incurred any cash losses during the current financial year ended on 31<sup>st</sup> March, 2011.
11. In our opinion and According to the information and explanations given to us, the Company has not defaulted in repayment of its' dues to financial institutions, banks or debenture holders during the year.
12. The Company has granted Loans and Advances on the basis of security by way of pledge of shares, debentures and other securities during the period under review.
13. As per the information and explanation given to us, the provisions of Special Statutes applicable to Chit fund, Nidhi or Mutual benefit society are not applicable to the Company.
14. The Company is engaged in the business of lending & borrowing and also Trading in Shares and Securities, for which the Company has maintained the full records of all transactions entered and timely entries has been made in the register. All the Shares and securities and other investments held by the Company is in it's own name except to the extent of the exemption, if any granted U/s 49 of the Companies Act, 1956.
15. As explained to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, are prejudicial to the interest of the Company.
16. The Company has not taken any Loans from the Bank or any financial institutions during the year & therefore application of the same do not arise.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet & cash flow statement of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under review.



20. The Company has not raised any money by way of public issue during the year. However, it has raised the money by way of issue of shares by conversion of Preferential Convertible Warrants amounting to Rs. 231.75 Lacs.
21. Based on the Audit Procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been reported or noticed during the year.

**FOR NAVIN NISHAR & ASSOCIATES  
FIRM REGN. NO. 116503W  
CHARTERED ACCOUNTANTS**

*N. K. Nishar*

**Dated : 02<sup>nd</sup> September, 2011.  
Place : Mumbai**

**CA. NAVIN K. NISHAR  
(PROPRIETOR)  
Membership No. 101443**



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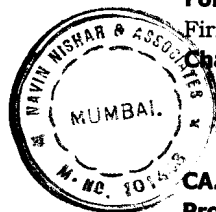
**POLYTEX INDIA LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULES	AS AT 31.03.2011 AMT.(RS.)	AS AT 31.03.2010 AMT.(RS.)
<b>I SOURCES OF FUNDS</b>		
<b>1. Shareholders' Funds</b>		
Share Capital	A 135,000,000	104,100,000
Reserves & Surplus	B 1,677,264	-
Convertible Warrants (Pending Allotment)	C -	7,725,000
<b>2. Loan Funds</b>		
Unsecured Loans	-	-
Deferred Tax Liabilities	68,795	-
<b>TOTAL</b>	<b>136,746,059</b>	<b>111,825,000</b>
<b>II APPLICATION OF FUNDS</b>		
<b>1. Fixed Assets</b>		
Gross Block	D 1,026,742.50	-
Less: Accumulated Depreciation	38,732.00	-
	<u>988,010.50</u>	-
<b>2. Investments</b>		
	E -	500,000
<b>3. Current Assets, Loans and Advances</b>		
a. Cash & Bank Balances	F 504,881	138,228
b. Loans & Advances	G 144,144,310	110,055,573
	<u>144,649,191</u>	<u>110,193,801</u>
<b>Less: Current Liabilities and Provisions</b>		
a. Current Liabilities	H 1,378,141	166,587
b. Provisions	I 8,158,136	848,199
	<u>9,536,277</u>	<u>1,014,786</u>
<b>Net Current Assets</b>	135,112,914	109,179,015
<b>4. a. Miscellaneous Expenditure</b> (to the extent not w/off or adjusted)		
Share Issue & Preliminary Expen	J 645,134	872,623
b. Profit & Loss Account	-	1,273,362
<b>TOTAL</b>	<b>136,746,059</b>	<b>111,825,000</b>

Notes To Account  
As per our Report of even date attache  
**For Navin Nishar & Associates**

Firm Regn. No. 116503W  
**Chartered Accountants**

*N. K. Nishar*  
**CA. Navin K. Nishar**  
Proprietor  
Membership No. 101443  
Place : Mumbai  
Dated : 2nd September, 2011



N The Schedules referred to above & Notes to Account form an integral part of the Balance Sheet.

**For & On Behalf of the Board of Directors  
of Polytex India Ltd**

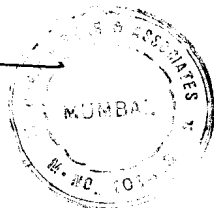
*Arvind Mulji Kariya* *Paresh Kariya*  
**Arvind Mulji Kariya Paresh Mulji Kariya**  
Whole Time Director Whole Time Director

**POLYTEX INDIA LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

SCHEDULES	FOR THE PERIOD ENDED	
	31.03.2011 AMT.(RS.)	31.03.2010 AMT.(RS.)
<b><u>INCOME</u></b>		
Operational Income	K	13,625,996
Other Income	L	101,599
		13,727,595
<b><u>EXPENDITURE</u></b>		
Interest Paid		3,175,146
Operating & Other Expenses	M	2,348,753
		2,348,753
<b>Profit before Tax</b>		11,378,842
<b>Less: Provision for Tax</b>		2,259,475
- Current Tax		3,450,000
- Deferred Tax		68,795
- Fringe Benefit Tax		-
<b>Profit after Tax</b>		7,860,048
Balance brought forward from previous year		1,561,296
Add/(Less) : Previous Year Tax Adjustments		(1,273,362)
Less : Transferred to General Reserves @ 2.5%		(202,411)
Less : Proposed Dividend @ 0.30 paise		284,471
Less : Dividend Tax @ 16.225%		4,050,000
<b>Balance carried to Balance Sheet</b>		657,011
Basic & Diluted Earning Per Share		1,392,793
Nominal Value Per Share		(1,273,362)
		0.58
		0.15
		10.00

Notes To Account  
As per our Report of even date attached  
**For Navin Nishar & Associates**  
**Firm Regn. No. 116503W**  
**Chartered Accountants**

*Navin Nishar*



**CA. Navin K. Nishar**  
**Proprietor**  
**Membership No. 101443**  
**Place : Mumbai**  
**Dated :2nd September, 2011**

N

The Schedules referred to above & Notes to Account form an integral part of the Profit & Loss Account.

**For & On Behalf of the Board of Directors of Polytex India Ltd.**

*Arvind Mulji Kariya*

*Paresh Kariya*

**Arvind Mulji Kariya** **Paresh Mulji Kariya**  
**Whole Time Director** **Whole Time Director**



**POLYTEX INDIA LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31/3/2011**

	<b>AS AT 31.03.2011 AMT.(RS.)</b>	<b>AS AT 31.03.2010 AMT.(RS.)</b>
--	-------------------------------------------	-------------------------------------------

**SCHEDULE A**

**SHARE CAPITAL**

**AUTHORISED CAPITAL**

15000000 (15000000) Equity Shares of Rs 10/- each	<b>150,000,000</b>	<b>150,000,000</b>
---------------------------------------------------	--------------------	--------------------

**ISSUED, SUBSCRIBED & PAID UP CAPITAL**

1500000 (1500000) Equity Shares of Rs 10/- each fully paid up	104,100,000	15,000,000
Add: 30,90,000 Equity Shares of Rs. 10/- each fully paid issued against the Preferential Convertible Warrants	30,900,000	89,100,000
	<b>135,000,000</b>	<b>104,100,000</b>

**SCHEDULE : B:**

**RESERVES & SURPLUSES**

**(A) General Reserves**

Opening Balance	-	-
Add: Transfer from Profit & Loss A/c	284,471.00	-
	<b>284,471.00</b>	-

**(B) Profit & Loss A/c**

Opening Balance	(1,273,361.62)	-
Add/(Less) : Previous Year Tax Adjustments	(202,411.00)	-
	<b>(1,475,772.62)</b>	-
Add:- Profit for the year	7,860,047.66	-
Less : Transferred to General Reserve	284,471.00	-
Less : Proposed Dividend	4,050,000.00	-
Less : Dividend Distribution Tax	657,011.00	-
	<b>1,392,793.04</b>	-

**TOTAL (A + B)**

**1,677,264**

**SCHEDULE : C:**

**CONVERTIBLE WARRANT ISSUE:**

**ISSUED, SUBSCRIBED & PAID UP CAPITAL:-**

30,90,000 Warrants of Rs. 10/- each issued at Rs. 10/- per warrant partly paid at Rs. 2.50 per warrant received (Previous Year 1,20,00,000 Warrants)	7,725,000.00	30,000,000.00
Less :- Transferred to Share Capital A/c pursuant to allotment of 30,90,000 Equity Shares of Rs. 10/- each on conversion of Preferential Convertible Warrants	7,725,000.00	22,275,000.00
	-	<b>7,725,000.00</b>

**For Navin Nishar & Associates**

Firm Regn. No. 116503W

**Chartered Accountants**

*Navin Nishar*



**CA. Navin K. Nishar**

**Proprietor**

**Membership No. 101443**

**Place : Mumbai**

**Dated :2nd September, 2011**

**For & On Behalf of the Board of Directors  
of Polytex India Ltd.**

*Arvind Mulji Kariya*

*Paresh Kariya*

**Arvind Mulji Kariya**

**Whole Time Director**

**Paresh Mulji Kariya**

**Whole Time Director**

**POLYTEX INDIA LIMITED**

**SCHEDULE D :- FIXED ASSETS :-**

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		OPENING BALANCE 01/04/2010	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	GROSS BLOCK AS ON 31/03/2011	ACCUMULATED TILL 01/04/2010	ON ADDITION	DEDUCTION DURING THE YEAR	FOR THE YEAR	TOTAL DEPRECIATION	AS ON 31/03/2010	AS ON 31/03/2011
COMPUTER & PRINTERS	16.21%	-	760,147.50	-	760,147.50	-	28,313.00	-	28,313.00	28,313.00	-	731,834.50
COMPUTER SOFTWARES	16.21%	-	266,595.00	-	266,595.00	-	10,419.00	-	10,419.00	10,419.00	-	256,176.00
<b>TOTAL</b>		-	<b>1,026,742.50</b>	-	<b>1,026,742.50</b>	-	<b>38,732.00</b>	-	<b>38,732.00</b>	<b>38,732.00</b>	-	<b>988,010.50</b>



*(Handwritten signature)*  
Parvati

POLYTEX INDIA LIMITED

	FOR THE YEAR ENDED 31.03.2011 AMT.(RS.)	FOR THE YEAR ENDED 31.03.2010 AMT.(RS.)
<b>SCHEDULE - E:-</b>		
<b>INVESTMENTS (Non trade) (Long term)</b>		
<b>i. Quoted</b>		
	-	-
<b>ii. Unquoted</b>		
50000 (50000) Equity Shares of Rs.10/ each	-	500,000.00
	-	500,000.00
<b>TOTAL "i" + "ii"</b>	-	<b>500,000.00</b>

**SCHEDULE - F:-**  
**CASH & BANK BALANCES**

Cash On Hand	250,570.72	63,029.72
Balance in Current Account with Scheduled Banks	254,310.63	75,198.25
	<b>504,881.35</b>	<b>138,227.97</b>

**SCHEDULE - G:-**  
**LOANS & ADVANCES**

(Unsecured, considered good)		
Sundry Loans	142,580,329.00	107,374,140.00
Sundry Debtors	-	848,939.00
Advances	1,381.00	8,072.00
T.D.S. A.Y. 2009 - 10	-	1,109,823.00
T.D.S. A.Y. 2010 - 11	-	714,599.00
T.D.S. A.Y. 2011 - 12	1,362,600.00	-
Advance Tax (A.Y. 2011-2012)	200,000.00	-
	<b>144,144,310.00</b>	<b>110,055,573.00</b>

**SCHEDULE - H:-**  
**CURRENT LIABILITIES**

Sundry Creditors for Expenses	1,340,461.00	121,402.00
TDS Payable	37,680.00	45,185.00
	<b>1,378,141.00</b>	<b>166,587.00</b>

For Navin Nishar & Associates  
Firm Regn. No. 116503W  
Chartered Accountants

*N. Nishar*



CA. Navin K. Nishar  
Proprietor  
Membership No. 101443  
Place : Mumbai  
Dated : 2nd September, 2011

For & On Behalf of the Board of Directors  
of Polytex-India Ltd.

*Arvind Mulji Kariya*      *Paresh Mulji Kariya*

Arvind Mulji Kariya      Paresh Mulji Kariya  
Whole Time Director      Whole Time Director

**POLYTEX INDIA LIMITED**

<b>FOR THE YEAR ENDED 31.03.2011 AMT.(RS.)</b>	<b>FOR THE YEAR ENDED 31.03.2010 AMT.(RS.)</b>
------------------------------------------------------------	------------------------------------------------------------

**SCHEDULE I:-**

**PROVISIONS**

For Tax

A.Y. 2009-10	-	150,020.00
A.Y. 2010-11	-	698,179.00
A.Y. 2011-12	3,450,000.00	-
Proposed Dividend	4,050,000.00	-
Dividend Distribution Tax	657,011.00	-
For Professional Tax	1,125.00	-
	<b>8,158,136.00</b>	<b>848,199.00</b>

**SCHEDULE J : MISCELLANEOUS EXPENDITURES :-**

(To the extent not w/off or adjusted)

Preliminary, Pre-operative & Share Issue Expenses

Opening Balance
 828503.00 | 1167671.00 |

Add : Addition/Deduction during the Year
 153386.00 | 0.00 |

Less : Expenses W/Off (1/10th)
 981889.00 | 1167671.00 |

Misc. Exp. carried to Balance Sheet
 380875.00 | 339168.00 |

601014.00	828503.00
601014.00	828503.00
<b>601014.00</b>	<b>828503.00</b>

**DEFERRED REVENUE EXPENSES**

Opening Balance
 44,120.00 | - |

Add : Warrant Issue Expenses incurred during the year
 - | 55,150.00 |

Less : Expenses W/Off (1/5th)
 44,120.00 | 55,150.00 |

Deferred Revenue Exp. carried to Balance Sheet
 - | 11,030.00 |

44,120.00	44,120.00
44,120.00	44,120.00
<b>44,120.00</b>	<b>44,120.00</b>
<b>645,134.00</b>	<b>872,623.00</b>

**SCHEDULE K**

**SALES & OPERATIONAL INCOME**

Interest on Loan
 13,625,996.00 | 5,522,024.17 |

Finance Commission/Consultancy Charges recd
 - | 828,524.00 |

13,625,996.00	6,350,548.17
<b>13,625,996.00</b>	<b>6,350,548.17</b>

**For Navin Nishar & Associates**

Firm Regn. No. 116503W

**Chartered Accountants**

*N. Nishar*



**CA. Navin K. Nishar**

**Proprietor**

**Membership No. 101443**

**Place : Mumbai**

**Dated :2nd September, 2011**

**For & On Behalf of the Board of Directors  
of Polytex India Ltd**

*Arvind Mulji Kariya*

*Paresh Mulji Kariya*

**Arvind Mulji Kariya    Paresh Mulji Kariya  
Whole Time Director    Whole Time Director**

POLYTEX INDIA LIMITED

<u>SCHEDULE L</u> <u>OTHER INCOME</u>	FOR THE YEAR ENDED 31.03.2011 AMT.(RS.)	FOR THE YEAR ENDED 31.03.2010 AMT.(RS.)
Interest on IT Refund	101,599.00	33,265.00
	<u>101,599.00</u>	<u>33,265.00</u>

SCHEDULE M  
OPERATING & OTHER EXPENSES

Salary	584,108.00	270,682.00
Directors' Sitting Fees	230,000.00	-
Listing Fees	33,090.00	11,030.00
Legal & Professional Fees	168,736.00	174,023.00
<u>Remuneration to Auditors</u>		
For Audit	30,000.00	30,000.00
For Company Law Matters	5,000.00	5,000.00
For Other Matters	15,000.00	15,000.00
For Reimbursement of Expenses (Service Tax)	5,150.00	5,150.00
General Expenses	143,954.13	54,057.00
Share Processing Chgs	-	8,824.00
Advertisement Expenses	26,630.00	25,228.00
Share Issue Expenses w/off	380,875.00	350,198.00
CDSL Annual Fees	8,412.00	-
Conveyance	10,161.00	-
NSDL Charges	7,721.00	-
Office Expenses	16,387.00	-
Office Rent	560,000.00	-
Staff welfare	13,236.00	-
Sundry Balance W/off	27,437.14	-
Telephone Charges	18,893.00	-
Depreciation	38,732.00	-
Service Tax	25,230.35	-
	<u>2,348,752.62</u>	<u>949,192.00</u>

**For Navin Nishar & Associates**

Firm Regn. No. 116503W

**Chartered Accountants**

*Navin Nishar*



**CA. Navin K. Nishar**

**Proprietor**

**Membership No. 101443**

**Place : Mumbai**

**Dated : 2nd September, 2011**

**For & On Behalf of the Board of Directors  
of Polytex India Ltd**

*Arvind Mulji Kariya* *Paresh Mulji Kariya*

**Arvind Mulji Kariya Paresh Mulji Kariya  
Whole Time Director Whole Time Director**

## **POLYTEX INDIA LIMITED**

### **SCHEDULE-N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2011:-**

#### **1. Summary of Significant Accounting Policies:**

- a. The Financial Statements are prepared under the Historical Cost convention in accordance with generally accepted accounting Principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the Company.
- b. The Company follows the Prudential Norms for Assets Classification, Income Recognition, Accounting Standards, and Provisioning for bad and doubtful debts as prescribed by the Reserve Bank of India for Non Banking Financial Companies.
- c. Accounts have been prepared on Historical Cost and accrual basis except for government dues which are accounted for in the year of receipt of the relevant order.

#### **d. FIXED ASSETS:**

Fixed Assets are stated at Cost less Depreciation. The Company capitalizes all cost relating to acquisition and installation of fixed assets.

#### **e. DEPRECIATION:**

Depreciation on fixed assets is provided on pro rata basis on the Written Down Value Method at the rates and on the basis as specified in Schedule XIV to the Companies Act, 1956.

- f. Stock in trade in the case of Quoted Scrips is valued at lower of cost & market value based on the last available quotation, whereby aggregate cost of all scrips is compared with their aggregate market value, category wise. In the case of unquoted shares, the same is taken at lower of cost & breakup value.

#### **g. INVESTMENTS:-**

Long Term Investments are stated at cost after deducting provisions made for permanent diminution in the value, if any. Current investments are stated at lower of cost & fair market value.

- h. The cost of Investments/Stock in trade includes brokerage but does not include stamp duty & securities transaction tax which is charged to revenue.
- i. Bonus entitlements are recognized on ex bonus dates without any acquisition cost.
- j. Contingent Liabilities: Nil.
- k. No provision is made for gratuity in the accounts.

#### **l. TAXES ON INCOME:-**

Income tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a



reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization.

- m. During the year the Company has incurred an expenses for issue of Warrants amounting to Rs. 1,53,386/-. During the Year, the Company has amortized 1/5<sup>th</sup> Deferred Revenue Expenditure and the balance amount will be amortized in future years.
- n. During the Last year, the Company had issued 1,20,00,000 Preferential Convertible Warrants of Rs. 10/- at Par to the Promoters and the outsiders and during the year, the Company has converted and allotted 30,90,000 shares against such warrants and has raised money to the tune of Rs. 231.75 Lacs.

**2. Details required pursuant to Para 3 & 4 of Part II of Schedule VI to the Companies Act, 1956:**

Since the Company is not in the business of manufacturing, the provisions regarding licensed and installed capacity, as well as production and raw materials consumed are not applicable.

**Details of Items Traded:**

**Shares**

	As at 31.03.2011		As at 31.03.2010	
	QTY (Nos.)	AMOUNT (Rs.)	QTY (Nos.)	AMOUNT (Rs.)
Opening Stock	---	---	---	---
Purchases / Other Entitlements	---	---	---	---
Sales / Conversion / Lost	---	---	---	---
Closing Stock	---	---	---	---

Statement pursuant to Part I of Schedule VI to the Companies Act., 1956 is given as per Annexure "1"

3. Earnings Per Share (EPS):	2010 – 2011	2009 – 2010
a) Weighted Average Number of Equity Shares outstanding during the year	13,500,000	10,410,000
b) Net Profit after Tax available for equity Shareholders (Rs.)	7,860,048	1,561,296
c) Basic & Diluted Earnings Per Share (Re.)	0.58	0.15
d) Nominal Value Per Share (Rs.)	10.00	10.00

The Company does not have any outstanding dilutive potential equity shares.

4. The Company is engaged in financial & dealing in shares/ units and all activities of the Company revolve around this business. As such there is only one 'business segment' and 'geographical segment' and, therefore, the segment information as per Accounting Standard 17 on "Segment Reporting" is not provided by the Company.



5. All Debtors, Creditors and Loans & Advances are subject to Confirmation. All the Debtors are unsecured and considered good.

6. Auditor's Remuneration includes the following:

For Audit	30,000
For Company Law Matters	5,000
For Taxation Matters	15,000
For Reimbursement of Expenses (Service Tax)	5,150
	-----
	55,150
	=====

7. Foreign Currency Transaction NIL

8. Expenditure in Foreign Currency NIL

9. Disclosure as required by Accounting Standard 18 (AS - 18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as follows:

a) **Related Party Disclosures:**

<u>Relationship</u>	<u>List of Related Parties</u>
Associate Concerns	Anugrah Stock & Broking Pvt. Ltd. Anugrah Portfolio Advisors Pvt. Ltd. Anugrah Insurance Brokers Pvt. Ltd. Anugrah Realty Developers Pvt. Ltd. Anugrah Commodities Pvt. Ltd. Lakshya Trading & Agencies Pvt. Ltd. Rapid Credits & Mercantiles Pvt. Ltd. Wagad Fincap Ltd. Anugrah Holidays Pvt. Ltd. Ruchi Food Plaza Pvt. Ltd. V Power Fitness Centre Pvt. Ltd. Dream Heritage Pvt. Ltd.  Shraddha Investments Shreenidhi Stock & Broking
Key Management Personnel: & Their Relatives	Mr. Arvind Mulji Kariya Mr. Paresh Mulji Kariya Mrs. Jigna Arvind Kariya Mrs. Sadhana Paresh Kariya

b) **Transaction carried out with related parties  
In the Ordinary Course of Business**

	<u>31/03/2011</u>
Share Allotment against conversion of warrants	23,175,000
Rent Paid	560,000





c) Outstanding as at the year end	<u>31/03/2011</u>	<u>31/3/2010</u>
Sundry Creditors for Exp.	84,000	--
Advance against Warrants issue	---	77,25,000

Note: Related Parties are as identified by the Company and relied upon by the Auditor.

**10. SUPPLEMENTARY STATUTORY INFORMATIONS:**

Remuneration paid to Directors:	Rs. In Lacs.
Salaries	00.00
Commission	00.00
Perquisites	00.00
Sitting Fees	2.30
	-----
	2.30
	=====

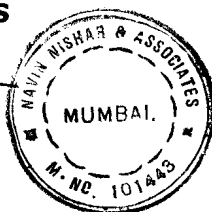
11. Previous Year's figures have been regrouped / rearranged, wherever necessary, so as to make them comparable with current year's figures.

12. Other information required under Part I and Part II of Schedule VI to the Companies Act, 1956 is either Nil or Not Applicable.

Signatures to Schedules "A" to "N"

**For NAVIN NISHAR & ASSOCIATES  
FIRM REGN. NO. 116503W  
CHARTERED ACCOUNTANTS**

*N.K.Nishar*  
**CA. NAVIN K. NISHAR  
PROPRIETOR  
MEMBERSHIP NO. 101443**



**For & Behalf of the Board of Directors  
of Polytex India Ltd.**

*Arvind Mulji Kariya*  
*Paresh Mulji Kariya*  
**Arvind Mulji Kariya Paresh Mulji Kariya  
Whole Time Director Whole Time Director**

Place: Mumbai

Date: 2nd September, 2011

**POLYTEX INDIA LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.**

	FOR THE YEAR ENDED 31.03.2011 <u>AMOUNT(RS.)</u>	FOR THE YEAR ENDED 31.03.2010 <u>AMOUNT(RS.)</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	11,378,842	2,259,475
ADJUSTMENTS FOR :		
PROFIT/(LOSS) ON SALE OF INVESTMENTS	-	-
ASSETS SCRAPPED	-	-
DEPRECIATION	38,732	-
SHARE ISSUE EXPENSES W/OFF	380,875	350,198
 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	 11,798,449	 2,609,673
ADJUSTMENTS FOR :		
LOANS & ADVANCES	(34350559)	(98648230)
INVENTORIES	-	-
TRADE PAYABLES	1,211,554	30,615
CASH GENERATED FROM OPERATIONS	(21,340,556)	(96,007,942)
INCOME TAX & FBT PAID	(787,663)	(721,692)
 NET CASH FROM OPERATING ACTIVITIES	 (22,128,219)	 (96,729,634)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,026,743)	-
SALE OF INVESTMENTS	500,000	-
 NET CASH USED IN INVESTING ACTIVITIES	 (526,743)	 -
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF SHARES/CONVERTIBLE WARRANTS	23,175,000	96,825,000
PROCEEDS FROM UNSECURED LOANS	-	-
PROCEEDS FROM SECURED LOANS	-	-
SHARE ISSUE EXPENSES	(153,386)	(55,150)
 NET CASH USED IN FINANCE ACTIVITIES	 23,021,614	 96,769,850
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 366,653	 40,216
CASH AND CASH EQUIVALENTS (OPENING BALANCE AS AT 1.4.2010)	138,228	98,012
CASH AND CASH EQUIVALENTS (CLOSING BALANCE AS AT 31.3.2011)	504,881	138,228

As per our Report of even date attached

Notes To Account

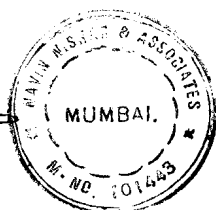
As per our Report of even date attached

**For Navin Nishar & Associates**

Firm Regn. No. 116503W

**Chartered Accountants**

*N. Nishar*



**CA. Navin K. Nishar**  
Proprietor

**For & On Behalf of the Board of Directors  
of Polytex India Ltd.**

*Arvind Mulji Kariya*      *Paresh Mulji Kariya*

**Arvind Mulji Kariya      Paresh Mulji Kariya**  
Whole Time Director      Whole Time Director

**POLYTEX INDIA LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
FOR THE PERIOD ENDED 31ST MARCH, 2011**

1. Registration Details

Registration No.	:	42092
State Code	:	11
Balance Sheet Date	:	31st March 2011

2. Capital Raised During the Year

		(Amt. in Rs.'000)
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Pvt. Placement (Promoters)	:	Nil
Issue of Preferential Convertible Warrants	:	23175

3. Position of mobilisation and deployment of Funds

		(Amt. in Rs.'000)
Total Liabilities	:	146282
Total Assets	:	146282

Sources Of Funds

		(Amt. in Rs.'000)
Paid Up Capital	:	135000
Convertible Warrants	:	0
Reserves & Surplus	:	1677
Secured Loans	:	NIL
Unsecured Loans	:	NIL
Deferred Tax Liability	:	69

Application Of Funds

		(Amt. in Rs.'000)
Net Fixed Assets	:	988
Investments	:	0
Net Deferred Tax Asset	:	NIL
Net Current Assets	:	135113
Miscellaneous Expenditure	:	645
Accumulated Losses	:	0

4. Performance Of Company

		(Amt. in Rs.'000)
Turnover (Gross Receipts)	:	13728
Total Expenditure	:	2349
Profit/(Loss) before tax	:	11379
Profit/(Loss) after tax	:	7860
Earnings Per Share (in Re.)	:	0.58
Dividend rate (%)	:	
-on Preference Shares	:	Nil
-on Equity Shares	:	3

5. Generic Names of Principal Products, Services of the Company:

Item Code No.	:	
(ITC Code)	:	
Product Description	:	N.A. Finance & Dealing in Shares.

