

PBM POLYTEX LIMITED
94TH ANNUAL REPORT (2012-13)

FINAL

BOARD OF DIRECTORS	Shri Krishan Kumar Patodia	Chairman
	Shri Gopal Patodia	Managing Director
	Shri Mohankumar Patodia	Managing Director
	Shri Hariprasad Siotia	Director
	Shri Brijbhushanlal Kabra	Director
	Shri Dharam Paul	Director (Upto 08.05.2013)
	Shri Jugalkishore Todi	Director
SENIOR EXECUTIVES	Shri Vikash Patodia	Senior President
	Shri Amit Patodia	Senior President Cum Chief Executive Officer
REGISTERED OFFICE	Opposite Railway Station, Petlad-388450 Dist. Anand, Gujarat	
MUMBAI OFFICE	12 th Floor, Raheja Chambers, 213, Nariman Point, Mumbai - 400 021	
CORPORATE OFFICE	8 th Floor "Ramakrishna Chambers" Productivity Road, Alkapuri, Vadodara 390 007	
MANUFACTURING UNITS	(1) Opposite Railway Station, Petlad 388450 Dist. Anand, Gujarat.	
WIND MILLS	(2) Plot No. 16 to 19 Sector 'B' AKVN Industrial Area, Kheritaigaon, Borgaon, Dist. Chhindwara (MP) Wind Power Generation Projects at (1) Vill: Suthari, Revenue Survey No. 870/p, Abdasa Taluka, Dist. Kutch (Gujarat) (2) Vill: Okha Madhi, Survey No. 24 Part, Taluka Dwarka, Dist. Jamnagar (Gujarat) (3) Vill: Methan Survey No. 284, Taluka Jamjodhpur, Dist. Jamnagar (Gujarat) (4) Vill: Methan Survey No. 284/3 paiki, Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)	
BANKERS	State Bank of India	
	IDBI Bank Limited	
AUDITORS	M/s. Mahendra N. Shah & Co. (FRN 105775W) Chartered Accountants, 3 rd Floor, 'E' Block, Capital Commercial Centre, Ashram Road, Ahmedabad 380009	
SHARE TRANSFER REGISTRAR	M/s. Sharepro Services (India) Pvt. Ltd. 416-420, 4 th Floor, Devnandan Mall, Opp Sanyas Ashram, Ellisbridge, AHMEDABAD - 380 006.	

NOTICE TO SHAREHOLDERS

NOTICE is, hereby, given that the 94th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Opposite Railway Station, Petlad 388450 on Saturday the 27th day of July 2013 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors 'Report, Auditors' Report and Audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Brij Bhushanlal Kabra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Jugal Kishore Todi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors for the year 2013 - 14 and to fix their remuneration.

6. SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 20th September 2000, the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act 1956, to the mortgaging and / or charging by the Board of Directors of the Company of all the movable and immovable properties of the undertaking of the Company, wherever situate, present and future, to or in favour of all or any institution(s) which are or may hereafter be notified to be Public Finance Institutions under Section 4A of the Companies Act 1956, namely, IDBI Bank Limited (IDBI), ICICI Limited (ICICI), Export Import Bank of India (EXIM), Standard Chartered Bank (SCB), Indusind Bank, Trustees for Debenture holders including debentures privately placed with any Financial Institutions, State Bank of India or any other bank(s), Financial Institutions, bodies corporate incorporated under any statute or other secured lenders (herein after collectively referred to as the Financing Institution(s) as may be agreed to between the Board of Directors and the Financing Institutions, together with power to take over the business and management of the Company in certain events, to secure rupee term loans, debentures and any other loans (including foreign currency loans), working capital facilities, obtained or to be obtained from the aforesaid Financing institutions together with interest thereon at the respective agreed rates, additional interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies, payable by the Company to the Financing institutions or Agents and Trustees in term of their respective Loan Agreement / Deeds of Agreements / Hypothecation Agreements / Trustees Agreements / Letters of Sanction / Memorandum of terms and conditions entered into / to be entered in to by the Company in respect of the said Term Loans / Debentures / Working Capital Facilities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize with the Financing Institutions the documents for creating the aforesaid mortgages and / or charges and to do all such acts and things as may be necessary for giving effect to the above Resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 293(1) (d) and other applicable provisions, if any, of the Companies Act 1956 and in supersession of the resolution passed at the Annual General Meeting of the Company held on 14th November 1994, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing such sum or sums of money from time to time and as and when required by the Company from one or more bodies corporate or Bank and / or financial institution or from public by way of Cash Credit Advance, Fixed Deposits, Term Loan, Debentures or other loans whether secured or unsecured by mortgage, charge, hypothecation or pledge of Company's assets and properties, whether movable or immovable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) work in progress and debts and advances notwithstanding that the sum or sums so borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, but so that the total amount up to which the monies so borrowed in excess of the said paid up capital and free reserves shall not exceed Rs. 150 Crore at any time."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 314(1B) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 and as approved by the Remuneration Committee and the Board of Directors, the company, hereby, accords consent, subject to the approval of the Central Government, for revision in remuneration payable to the Senior President cum Chief Executive Officer Shri Amit Patodia, a relative of the Managing Director of the company at monthly remuneration in the scale of Rs. 1,00,000 – Rs.10,000 – Rs.1,50,000 with effect from 01.10.2013 together with the usual allowances and benefits, amenities and facilities including Superannuation Fund, Gratuity Fund, Provident Fund, as applicable to other employees occupying similar post or posts within the same salary scale so that the total remuneration and perks shall not exceed Rs.3,00,000/- per month or Rs.36,00,000/- per annum, with authority to the Board of Directors to bifurcate the above referred remuneration and perks within the aforesaid limit."

"RESOLVED FURTHER THAT the remuneration payable to Shri Amit Patodia as aforesaid, will be subject to such modifications as the Central Government may suggest or require which the Directors are, hereby, authorized to accept on behalf of the company and which may be acceptable to Shri Amit Patodia."

"RESOLVED FURTHER THAT so long as the requisite permission of the Central Government is not received, Shri Amit Patodia shall continue to be paid by way of remuneration and perks a sum of money not exceeding Rs. 2,00,000 per month."

By order of the Board,

Place: Petlad
Dated: 17th May 2013

GOPAL PATODIA
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- 3. The Register of the Members and Share Transfer Books of the Company will remain closed from 20th July 2013 to 30th July 2013 (both days inclusive). Those Shareholders whose names appear on the Register of Members on 20th July 2013 shall be eligible for dividend, if declared. Members desiring to receive dividend through internet banking should send all the required particulars about their Bank Account by a letter duly signed by them so as to reach Company's registered office latest by 10th July 2013.**
4. Members are informed that the company's equity shares are compulsorily traded in demat form for all investors, effective from 1st April 2002. Members may open Depository Account in their names with a Depository Participant to dematerialize their holdings.
5. Pursuant to Section 205A(5) of the Companies Act 1956 as amended, dividend for the financial years ended 31st March of 1996 to 2005, which remained unpaid or unclaimed for the period of 7 (Seven) years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Such dividend stands forfeited by the Government as per rules. **Dividend for the year ended 31st March 2006, if remains unclaimed or unpaid up to 31st August 2013 will be transferred to IEPF.**
6. Members are requested to inform immediately any change in their address to the Company's Share Transfer Registrar.
7. Members can avail of the nomination facility by filling Form No.B2 with the Company. Blank forms will be supplied on request.
8. Copy of draft agreement with Shri Amit Patodia is open for inspection at the registered office of the Company on all working days during business hours.
9. Explanatory Statement pursuant to section 173(2) in respect of Special Business at Item No. 7 & 8 is appended herewith.

ANNEXURE TO NOTICE

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

The following explanatory statement sets out all material facts relating to the items under the heading "Special Business" mentioned in the accompanying notice.

ITEM NO. 6

Under Section 293(1)(a) of the Companies Act 1956 the Board of Directors of the Company (the "Board") needs consent of the shareholders at a General Meeting to mortgage, hypothecate, lease or create any charge on the present or future properties / assets of the Company. It is, therefore, proposes to authorize the Board to create charge on the properties of the Company to secure present and future borrowings from various financial institutions and banks.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO. 7

This item relates to the enhancement in the borrowing powers given to the Board of Directors of the Company. The said powers are sought to be increased to a limit of Rs. 150 Crore (Rupees One Hundred and Fifty Crore only) by modifying the powers given by the shareholders at the Annual General Meeting held on 30th September 2000. This limit, being for borrowing in excess of paid up capital and free reserves of the Company requires consent of the members.

In view of the modernization, renovation and expansion programmes which may be undertaken by the Company and consequential raising of funds through financial institutions. It is necessary for the members to empower the Board of Directors to borrow such sums as may be necessary so as not to exceed the aforesaid limit of Rs. 150 Crore at any time in excess of paid up capital and free reserves. The resolution is, therefore, considered as in the interest of the Company. None of the Directors of the Company are interested in the proposed resolution.

ITEM NO. 8

Shri Amit Patodia, Senior President cum Chief Executive Officer of the Company, relative of a Director of the company was appointed with effect from 01.10.2006 and his total remuneration was fixed not exceeding Rs. 24,00,000, Lac per annum under sanction letter A95986808/4/2011-CL.VII dated 15th March 2011 issued by Ministry of Corporate Affairs as was required under sub-section (1B) of section 314 of the Companies Act 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003.

Shri Amit Patodia is a qualified textile engineer and Gold Medalist from North Carolina State University of United States and possesses organizational capacity and ability for developing the overseas as well as domestic market. He has significantly contributed to the sales promotion and development of export market and has shown exceptional administrative ability. Looking to the development and present circumstances his responsibilities and duties have considerably increased.

In order to provide adequate incentive to Shri Amit Patodia to continue to contribute all his mite in the development of the business of the company, the Remuneration Committee has recommended to suitably revise the remuneration payable to Shri Amit Patodia who happens to be a relative of a Director of the company and performs function as Senior President cum Chief Executive Officer of the company. It is proposed to increase his existing remuneration and pay a sum not exceeding Rs. 3,00,000 per month by way of remuneration and perquisites with effect from 1st October 2013.

The Board of Directors has also decided to remunerate Shri Amit Patodia as recommended by the Remuneration Committee, subject to the consent of the Ministry of Corporate Affairs.

He shall discharge such functions as are delegated unto him by the Board of Directors and/or Managing Director(s) of the company from time to time.

Under sub-section (1B) of section 314 of the Companies Act 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, it is necessary to obtain prior consent of the company by a special resolution and the approval of the Central Government for holding or continue to hold office or place of profit under the company in any such office or place of profit carrying a total monthly remuneration exceeding Rs.50,000/-.

Shri Amit Patodia shall be continued to be paid by way of remuneration and perks an aggregate sum of money not exceeding Rs. 2,00,000 per month as earlier sanctioned by Ministry of Corporate Affairs till the necessary approval of the Central Government is received to the proposed elevation in a grade which befits his qualification and experience and provides adequate incentive to continue to render dedicated and loyal services to the company.

Shri Gopal Patodia being relative of the above referred person is concerned or interested in the above resolution.

Details of Directors retiring by rotation and seeking re-appointment

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Brijbhushan Lal Kabra (Chairman of Audit Committee and Remuneration Committee of the Company)	Shri Jugal Kishore Todi (Member of Audit Committee and Remuneration Committee of the Company)
Date of Birth	26 th June 1937	23 rd August 1939
Date of Appointment	28 th December 1980	31 st August 2006
Qualifications	M. Sc	B. Com.
Expertise in specific functional area	Vast experience in Textiles Sales Management and manufacturing Activities.	About 50 years of experience in trading and commercial activities and having knowledge of accounting policies and procedure.
Directorship of other Companies	N I L	N I L
Chairman/Member of Committees* of the Board of Companies of which he is a Director	N I L	N I L

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 94th Annual Report of the Company with the Audited Statements of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

	(Rs. In Lacs)	
	<u>2012 - 13</u>	<u>2011 - 12</u>
Gross Profit	2699.12	750.31
Less: Depreciation	586.46	653.09
	-----	-----
Profit before Tax	2112.66	97.22
Less / Provision for Taxation	801.09	141.12
	-----	-----
	1311.57	(43.90)
Add Deferred Tax Reversal	38.57	87.04
	-----	-----
Profit for the year (After Tax)	1350.14	43.14
Add: Surplus brought forward	477.54	1076.12
	-----	-----
Amount available for Appropriation	1827.68	1119.26
	-----	-----
Transfer to:		
General Reserve	150.00	500.00
Proposed Dividend	162.58	121.94
Corporate Dividend Tax	27.63	19.78
	-----	-----
	-	
	340.21	641.72
Balance carried to Balance Sheet	1487.47	477.54
	-----	-----
	1827.68	1119.26
	-----	-----

DIVIDEND

Your Directors recommend a Dividend @ 20% (Twenty Percent) on the paid up equity share capital of the company for the year ended 31st March.

OPERATIONAL REVIEW

During the financial year under review the cotton prices, though increased in the fourth quarter but it remind mostly stable during the remaining period of the year. The yarn market also remained favourable. These two factors in particular and company's policy of continuous modernization of the manufacturing plant as well as keeping the costs under control has helped the company in achieving good financial results. The term loan obtained for the first two wind mills has also been paid fully which has also contributed to higher cash flow from windmills on account reduction in interest cost.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Provisions of Section 217(2AA) of the Companies Act 1956, your Directors confirm that -

1. In preparing the Annual Accounts, all applicable Accounting Standards have been followed and there are no material departures;
2. the accounting policies adopted are consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state

of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the Financial Year under review;

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3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

The Company continued its endeavor in maintaining peace and harmony at all levels of employment at both the manufacturing units of the Company in the year under review.

ISO CERTIFICATION:

The company strictly adheres to the Quality Management Systems and has accordingly been granted ISO 9001:2008 License by the Bureau of Indian Standards.

REGARDING COMPANY SECRETARY

We refer to the remark of the Auditors at Para 4 (ii) of Auditors' Report and sub - note No.9 of Part II of Note 28 regarding non-availability of qualified Company Secretary. The Note is self-explanatory. However, the company has retained a practicing company secretary and a certificate has been obtained from him for compliance of all the rules and regulations. The management is also making all efforts to avert non-compliance of the provisions of law in this regard.

DISCLOSURE OF PARTICULARS

In terms of Sub-section (2A) of Section 217 of Companies Act 1956 the required particulars are given in Annexure "A" forming part of this report..

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure 'B' forming part of this report.

Compliance Certificate of the Practicing Company Secretary as required under section 383(A) is attached herewith vide Annexure 'C'.

REPORT ON CORPORATE GOVERNANCE AND MANAGERIAL DISCUSSIONS AND ANALYSIS REPORT

A Report on Corporate Governance and Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is attached and forms part of this Report.

INSURANCE

All the properties of the Company including plant and machinery, stocks etc. have been adequately insured. The Company has also taken adequate insurance cover for Loss of Profit and Standing Charges.

DIRECTORS

Shri Dharam Paul has conveyed his un-ability to continue in office as director of the Company and has submitted his resignation on 8th May 2013 which has been accepted by the Board of Directors. The Board of Directors expresses sincere appreciation for the efficient, valuable and matured advice of Shri Dharam Paul to the Company during the tenure of his office as a director of the Company.

Shri Brijbhushanlal Kabra, and Shri Jugal Kishore Todi retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The directors recommend their re-appointment as proposed in the Notice for Annual General Meeting.

AUDITORS

M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN 105775W) Ahmedabad, the retiring Auditors have given the certificate pursuant to Section 224(1B) of the Company's Act and as such are eligible for re-appointment. The Board of Directors requests you to re-appoint them for the year 2013-2014 and fix their remuneration.

ACKNOWLEDGEMENTS

All the employees of the company, the bankers and financial institutions extended their full cooperation, support and valuable assistance to the company. Your Directors place on record their appreciation for the same.

On Behalf of the Board of Directors,

Place: Vadodara
Date: 17th May 2013

KRISHAN KUMAR PATODIA
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT**PARTICULARS OF EMPLOYEES:**

Information required under Section 217(2A) of the Companies Act 1956 for the employees of the Company is as under:

A. Employees who worked throughout the Year and whose remuneration is not less than Rs.60,00,000/- per annum:								
Sr. No.	Name	Designation /Nature of Duties	Age [Years]	Remuneration (Rs.)	Qualification	Experience [Years]	Date of Joining	Last Employment/ Designation
1.	Shri Gopal Patodia	Managing Director	66	9013560/-	B.Sc. B.Tech [Chemical]	43	01.04.79	---
2.	Shri Mohan Kumar Patodia	Managing Director	64	6898690/-	B.Com	41	01.08.07	Managing Director Eurospin Industries Limited
B. Employees who worked for a part of the year and whose remuneration during the period is not less than Rs.5,00,000/- P.M.								
				NIL				

Notes:

1. Remuneration as above includes salary, incentive, commission, contribution to Provident Fund and other funds and other perquisites and commission as approved by Shareholders of the Company.
2. Shri Gopal Patodia and Shri Mohan Kumar Patodia are related to each other. They are also related to the other Director Shri Krishan Kumar Patodia.
3. The conditions of employment of the Managing Directors are contractual.

On Behalf of the Board of Directors,

Place : Vadodara
Date : 17th May 2013

KRISHAN KUMAR. PATODIA
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY :**(a) Energy conservation measures taken:**

Energy Audit is conducted by Government authorized electrical consultant for seeking advice on electrical conservation wherever possible. Energy saving devices have been fitted to Machines.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Company Management is serious on finding ways to reduce power consumption on continuous basis wherever basis required.

(c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:

By adopting above measures the company has been able to maintain power factor at optimum level.

(d) Total energy consumption and consumption per unit of production:

Details are provided in Form A annexed hereto.

(B) TECHNOLOGY ABSORPTION:**(e) Efforts made in technology absorption:**

Details are provided in Form B annexed hereto.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**(f) 1) Activity relating to Exports:**

Cotton Yarn Export.

2) Initiative taken to increase exports:

Continuous efforts are being made for maintaining the quality of yarn with a view to keep the overseas buyers satisfied and for improving chances of exploring export market.

3) Developments of new export markets for products and services:

Efforts are continuously being made to increase export sales by remaining in continuous touch with the foreign buyers.

4) Export Plan:

The company expects to increase exports.

(g) Total Foreign Exchange used and earned: ;(Rs. in Lacs)

	2012 - 13	2011 - 12
Foreign Exchange used	169.61	188.83
Foreign Exchange earned	8835.18	9843.94

On Behalf of the Board of Directors,

Place: Vadodara
Date: 17th May 2013

KRISHAN KUMAR PATODIA
Chairman

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**REPORT ON CONSERVATION OF ENERGY ETC.
FORM A**

Form for Disclosure of Particulars with respect to Conservation of Energy

	<u>2012 - 13</u>	<u>2011 - 12</u>
(A) POWER AND FUEL CONSUMPTION		
(1) ELECTRICITY :		
(a) Purchased Units	3,91,79,943	3,86,04,776
Total Amount (Rs)	25,03,01,478	23,07,64,805
Rate/Unit (Rs)	6.39	5.98
(b) Own Generation		
i. Through D. G. Sets/ C.P.P. - Units	1,53,413	69,124
Units per liter of		
Diesel Oil	3.07	2.57
Furnace Oil	0	1.90
Fuel Cost per Unit (Rs)		
Diesel Oil	13.01	14.85
Furnace Oil	0	12.50
ii. Through Steam Turbine/Generator		
Units	--	--
Units per Liter of Fuel Oil/Gas		
Cost/Unit	--	--
(2) AGRO WASTE		
Quantity (Tones)	1334.76	1605.51
Total Cost (Rs)	76,67,365	93,74,850
Average Rate -		
Rs. per Tone	5744/-	5839/-
(3) L.D.O.(BOILER)		
Quantity (Liter)	--	--
Total Amount (Rs)	--	--
Average Rate	--	--
(4) OTHER/INTERNAL GENERATION		
Quantity	--	--
Total Cost	--	--
Rate/Unit	--	--
(B) CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity (Unit per kg)	3.91	3.87
2. Furnace Oil/HSD		
(Lit/per Kg. of Yarn)	--	--
3. Agro Waste		
(Kg./per Kg. of Yarn)	0.21	0.25
4. Others	--	--

On Behalf of the Board of Directors,

Place: Vadodara
Date: 17th May 2013

KRISHAN KUMAR. PATODIA
Chairman

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FORM B

Form for Disclosure of Particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT (R & D)

(1) Specific areas in which R & D carried out by the Company:

The Company is ISO 9001 certified.

Studies are being carried out to find various means for achieving maximum production of desired quality and reducing cost.

(2) Benefits derived as a result of the above R & D:

The company has been able to produce quality yarn and its product is well accepted in indigenous, as well as, export market.

(3) Future Plan of action:

With a view to achieve better efficiency machines of latest and upgraded technology are being installed in phased manner.

(4) Expenditure on R & D:

Expenditure on in-house R & D has been included in under respective heads of expenditure in the Profit and Loss Account and no separate account is maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

(1) Efforts, in brief, made towards technology absorption and innovation:

Company's Quality Assurance Department is equipped with instruments of latest technology by which various tests of quality of raw material and finished product are conducted.

(2) Benefits derived as a result of the above efforts:

There is good demand for company's product in the market.

(3) Details about import of Technology during the last 5 years:

Not applicable.

On Behalf of the Board of Directors,

Place: Vadodara
Date: 17th May 2013

KRISHAN KUMAR PATODIA
Chairman

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ANNEXURE 'C' TO THE DIRECTORS' REPORT
SECRETARIAL COMPLIANCE CERTIFICATE

To
The Members,
PBM POLYTEX LIMITED

I have examined the registers, records, books of accounts and documents of PBM POLYTEX LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2013. In my opinion and to the best of my information, knowledge and belief and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year -

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Ministry of Corporate Affairs by uploading the required e-forms on MCA Website.
3. The Company being a Public Limited Company, comments on the maximum number of members during the year under review are not required.
4. The Board of Directors duly met Five times on (1) 12th May 2012, (2) 9th August 2012, (3) 27th October 2012, (4) 14th December 2012 and (5) 30th January 2013. Proper notices were given in respect of such meetings and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members from 15th September 2012 to 22nd September 2012 (both days inclusive) and had given notices in this regard to Stock Exchanges in stipulated time.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 22nd September 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year under review.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made the entries in the Register as required to be maintained under section 301 of the Act, in respect of the contracts falling within purview of section 299 of the Act.
11. The Company has obtained approval of Board of Directors under section 314(1) (B) for appointment of Directors' relatives and has obtained approval of members as well as of the Ministry of Corporate Affairs thereto.
12. The Company has issued duplicate share certificates during the year under review as required by the members after following required procedure.

13. During the year under review

- 1) The Company has delivered all the certificates on lodgment thereof for transfer to the Registrar and Share Transfer Agents in accordance with the provisions of the Act. There was no allotment of securities.
- 2) The Company had deposited amount in a separate Bank Account for the amount of dividend as declared.
- 3) The Company has transferred the amount of unpaid dividend on 13th October 2012 for the year 2004-05, which remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- 4) The Company has complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted as per law.

15. No re-appointment of Managing Directors has been made in compliance of Section 269 read with Schedule XIII as was not due.

16. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

17. The Company has not issued any Shares, Debentures or other Securities during the year under review. 980 partly paid equity shares, which were earlier forfeited remain to be re-issued.

18. The Company has not bought back any shares during the year under review.

19. There was no redemption of preference shares or debentures during the year under review.

20. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of share in compliance with the provisions of the Act.

21. The Company has complied with the provisions of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975. The Company has also filed return of deposit with the Registrar of Companies, Gujarat.

22. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31st March 2013 is within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting.

23. The Company has invested in Equity Shares of M/S. Eurotex Industries and Exports Limited during the year, which is within the limits prescribed under Section 372A of the Company's Act, record of which has been made in Register of Investments. No Loans and Advances or guarantee was given to any Body corporate during the year.

24. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.

25. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under review.

26. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under review.

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27. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under review.
28. The Company has not altered the provisions of the Articles of Association during the year under review.
29. There was no prosecution initiated against nor show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
30. The Company has received security deposit from its employees during the year under review and complied with the provisions of law.
31. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under section 418 of the said Act.

Place : Ahmedabad

Date : 27th April 2013

(C. R. DAMANI)
Company Secretary
C.P. NO. 445

ANNEXURE 'A'

Name of the Company: PBM POLYTEX LIMITED
Registration No.: L17110GJ1919PLC000495
Authorized Share Capital: Rs.10,00,00,000/-

Registers as maintained by the Company:

Sr.No	Name of Registers	Relevant Section under the Companies Act, 1956
	Copies of Annual Return	159
	Register of Charges	143
	Register of Members	150
	Register of Share Transfers	108
	Register of Contracts	301
	Register of Directors, Managing Directors, Manager, Secretary	303
	Register of Directors' Share Holding	307
	Minutes of General Meetings and Meetings of Board of Directors	193
	Attendance Registers of all the meetings of Board and General Meeting of the Company	--
	Register of Investments / Loans / Guarantee	372A

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ANNEXURE 'B'

Name of the Company: PBM POLYTEX LIMITED
 Registration No.: L17110GJ1919PLC000495
 Authorized Share Capital: Rs.10,00,00,000/-

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31-03-2013.

SR. NO.	FORM NO./ RETURN	FILED UNDER SECTION	DESCRIPTION	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO.
1	Form 25C	269(2)	Reappointment of Shri Gopal Patodia as M.D. w.e.f. 01.04.2012	05.04.2012	Yes	N.A.
2	Form 25C	269(2)	Reappointment of Shri Mohan Kumar Patodia as M.D. w.e.f. 01.04.2012	05.04.2012	Yes	N.A.
3	Form 23C	233B(2)	Appointment of Cost Auditor for 2012 – 13	19.05.2012	Yes	N.A.
4	Form 62	58A	Return Of Deposits 31.03.2012	14.06.2012	Yes	N.A.
5	Form 66	383A	Secretarial Compliance Certificate 2011 – 12	10.10.2012	Yes	N.A.
6	Form INV 1	Rule 3 of IEPF	Depositing Unpaid Dividend for 2004 – 05 with IEPF	13.10.2012	Yes	N.A.
7	Form 8	132	Modification of Charge for SBI Limits	16.10.2012	Yes	N.A.
8	Form 20B	159	Annual Return Schedule V 2011 – 12	27.10.2012	Yes	N.A.
9	Form INV 5	Rule 3 of IEPF	Unpaid Dividend Position as of 22.09.2012 (AGM Date)	01.11.2012	Yes	N.A.
10	Form 8	132	Form 8 Creation of Charge EXIM Term Loan Rs. 560 Lac	05.11.2012	Yes	N.A.
11	Form 23 AC & ACA	220	Balance Sheet & Statement of Profit & Loss A/c. in XBRL	04.12.2012	Yes	N.A.

Place : Ahmedabad

Date : 27th April 2013

(C. R. DAMANI)
 Company Secretary
 C.P. NO. 445

CORPORATE GOVERNANCE

ANNEXURE TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The report on corporate governance forms part of Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensures that the company meets its obligations and fulfils its responsibilities to shareholders, employees, government and others. Your company is committed on adopting the best practices.

The company's philosophy of corporate governance aims at excellence in every sphere of operations consistent with the highest ethical standards

2. BOARD OF DIRECTORS

Composition of the Board:

It is well recognized that there should be optimum combination of executive and non-executive Directors. The Chairman of the company being non-executive there should be two Independent Directors, which the company has on the Board.

Five Board meetings were held during the year on the dates given below:

12.05.2012, 09.08.2012, 27.10.2012, 14.12.2012 and 30.01.2013

Attendance of each Director at the Board Meetings, last Annual General Meeting & Number of Other Directorship and Chairmanship / Membership of Committee of each Director in various Companies.

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship	
		Board Meeting	Last AGM	Other Directorship including Private Limited Companies	Other Committee Membership/ Chairmanship
Shri K.K. Patodia	Non-Executive	4	No	10	1
Shri Hariprasad Siotia	Non-Executive	4	No	6	3
Shri Gopal Patodia	Executive	5	Yes	7	-
Shri Brijbhushanlal Kabra	Non-Executive	5	Yes	-	-
Shri Mohankumar Patodia	Executive	1	No	6	-
Shri Dharam Paul	Non-Executive	-	No	1	2 (Since resigned)
Shri Jugalkishore Todi	Non-Executive	5	No	-	-

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3. AUDIT COMMITTEE**(i) Terms of Reference**

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly and Annual Financial Statements before they are submitted to the Board of Directors.

(ii) Composition

On account of resignation by Shri Dharam Paul the Audit Committee now consists of three Non-Executive Directors viz. Shri Brijbhushanlal Kabra, Shri Hari Prasad Siotia and Shri Jugalkishore Todi. The constitution of Audit Committee meets with the requirements prescribed under Section 292A of the Companies Act 1956.

During the year the Audit Committee has met four times. Attendance of each member at the committee Meetings were as follows:

Sl. No	Name of the Member	Status	No. of meetings attended
1.	Shri Brijbhushan Lal Kabra	Chairman & Independent Director	4
2.	Shri Dharam Paul	Independent Director (Since resigned)	-
3.	Shri Hari Prasad Siotia	Independent Director	-
4.	Shri Jugalkishore Todi	Independent Director	4

4. INVESTORS' GRIEVANCE COMMITTEE/ SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee comprising of Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Hariprasad Siotia. Shri S.M.Sharma, Vice President (Sec.) acts as the Secretary of the Committee and Compliance Officer. This committee normally meets twice in a month to approve transfer of shares.

The Company has got necessary agreements executed with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as required for dematerialization of its securities.

This Committee also looks into the grievances lodged by the shareholders.

No complaints of serious nature have been received from shareholders. Action with regard to the complaints received has been taken.

5. REMUNERATION COMMITTEE AND REMUNERATION OF MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of total remuneration vary for different cadres and are governed by industry

pattern, qualifications and experience of the employee, responsibilities handled individual performance etc. The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

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The Remuneration Committee was formed on 29th April 2002 which now consists of three Non-Executive / Independent Directors, viz. Shri Brijbhushanlal Kabra, Chairman, Shri Hari Prasad Siotia and Shri Jugalkishore Todi. The appointment and remuneration of all the Managerial Personnel and top executives is fixed on the recommendation of the Committee.

Disclosures as required under Part IV (2) of Section II (B) of Schedule XIII of the Companies Act.

- (1) All elements of remuneration package such as salary, benefits, bonus, commission, stock options, pension etc. as paid to the Managing Directors during the year 2011 -12 are given hereunder:

	Shri Gopal Patodia	Shri Mohankumar Patodia
	(Rs.)	(Rs.)
Salary	26,40,000/-	16,80,000/-
Retirement Benefits	14,17,360/-	9,05,360/-
Perks	9,96,200/-	17,93,330/-
Commission	39,60,000/-	25,20,000/-
Total	90,13,560/-	68,98,690/-

- (2) **Details of fixed component and performance linked incentive along with the performance criteria.**

Both the Managing Directors are paid by way of fixed component, a minimum remuneration as per Schedule XIII. of the Companies Act and also commission based on profits.

- (3) **Service contracts, notice period, severance fees;**

Contracts of service have been executed between the Company and the two Managing Directors for the period up to 31.03.2015. Service contracts have also been executed with the Senior President Shri Vikash Patodia and Shri Amit Patodia originally on 01.11.1997 and 01.05.2004 respectively which have been modified from time to time.

- (4) **Stock option detail**, .if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Not Applicable

6. DISCLOSURES:

- a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the company at large.**

There are no such related party transactions made by the company that may have potential conflict with the interests of the company at large.

- b. Disclosure of Accounting Treatment**

In the preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are constantly applied, are set out in the Annexure to Notes on Accounts.

- c. Risk Management**

Business risk evaluation and management is an ongoing process within the company. During the year under review a detailed exercise of, 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

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d. Details of compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

e. Non-mandatory requirements

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

7. GENERAL BODY MEETINGS:

Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by Postal Ballot are as under:

Last three Annual General Meetings of the Company were held at the Registered Office of the Company, Opp. Railway Station, Petlad Dist. Anand (Gujarat) on the following dates.

Years	2009 - 10	2010 - 11	2011 - 12
Consecutive No. of AGM	91st	92nd	93rd
Date	25.09.2010	17.09.2011	22.09.2012
Time	11 AM	11 AM	11 AM

Whether special resolutions were put through postal ballot last year
NOT REQUIRED

Are polls proposed to be conducted through postal ballot this year
NOT REQUIRED

8. SHAREHOLDERS INFORMATION:

1. 94th Annual General Meeting of the Company will be held at 11 AM on Saturday, the 27th July 2013 at Registered Office of the Company, Opp. Railway Station, Petlad Dist. Anand (Gujarat)

2. Date of Book Closure: From 20th July 2013 to 30th July 2013 (both days inclusive)

3. Listing of Shares (Stock Code of the Company):
With Bombay Stock Exchange (Code No. 514087) and Ahmedabad Stock Exchange (Code No. 44610).

5. Stock Market Data (Bombay Stock Exchange) (2012 - 13):

Month	Highest Price (Rs.)	Lowest Price (Rs.)	Month	Highest Price (Rs.)	Lowest Price (Rs.)
April	28.75	23.35	October	37.70	25.10
May	29.00	21.80	November	37.40	33.15
June	28.85	22.60	December	42.00	35.00
July	29.50	24.30	January	52.00	38.90
August	32.00	25.40	February	45.55	34.35
September	34.00	24.75	March	41.50	33.25

5. **Share Transfer System:**

Presently the share transfers which are received in physical form are processed and share certificates are returned within ten to fifteen days from the date of receipt after doing the needful, subject to the documents being valid and complete in all respect.

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6. **Dematerialization of shares:**

About 93.25 % of company's paid up equity share capital has been dematerialized up to 31st March 2013. All promoter holding has been dematerialized.

9. **Distribution of shareholding as at 31.03.2013**

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	Share Holding %
1 - 1000	4561	829292	10.20%
1001 - 5000	220	459891	5.66%
5001 - 10000	29	199674	2.46%
10001 and above	57	6641143	81.68%

10. **Outstanding GDRs/Warrants:** Not Applicable9. **Plant Location:****Manufacturing Plants of the Company are situated at -**

- (i) Opp. Station, Petlad 388 450 Dist. Anand, Gujarat
- (ii) Plot No.16 to 19, Sector B, AKVN Industrial Area, Borgaon, Kheritaigaon, Dist.Chhindwara (M.P)

Windmills

- (iii) 600 KW at Vill: Suthari, Survey No. 870/p, Mouje Suthri of Abdasa Taluka, Dist. Kutch (Gujarat)
- (iv) 800 KW at Vill: Okha Madhi, Taluka Dwarka, District Jamnagar, (Gujarat)
- (v) 800 KW at Vill: Methan Survey No. 284, Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)
- (vi) 800 KW at Vill: Methan Survey No. 284/3/paiki, Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)

10. **Registrars & Share Transfer Agents:**

(Share transfers, demat and communications regarding share certificates, dividends and change of address)

M/s. Sharepro Services (India) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp Sanyas Ashram, Ellisbridge, AHMEDABAD -- 380 006.

Tel Nos. 079-26582381 to 84

Fax No. 079-26582385 E-mail: sharepro@shareproservices.com Contact Person: Mr. Nitin Joshi

11. **Registered Office of the Company and In house Share Department at:**

PBM Polytex Limited Opp. Station, Petlad 388 450 Dist. Anand, Gujarat

Telephone : (02697) 224001,224003 Fax No.(02697) 224009,

E-Mail pbumills@patodiagroup.com

DECLARATION:

The Managing Director and The Senior President cum Chief Executive Officer of the Company give Annual Certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and The Managing Director also give quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Clause 41 of the Listing Agreement.

For PBM POLYTEX LIMITED,

Place : Vadodara

AMIT PATODIA

GOPAL PATODIA

KRISHAN KUMAR PATODIA

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**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENT**

To The Members of
PBM POLYTEX LIMITED,

1. We have examined the compliance of conditions of Corporate Governance by PBM POLYTEX LIMITED ("the Company") for the year ended 31st March 2013 as stipulated in clause 49 of the Listing Agreement of the company with concerned stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of 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 opinion on the financial statements of the Company.
3. We state that no investor grievances are pending for a period exceeding one month against the Company as per the Certificate / Confirmation given by the Registrar and Share Transfer Agent of the company as per relevant records maintained by the company.
4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges.
5. 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 MAHENDRA N. SHAH & CO.
Chartered Accountants
(FRN 105775W)

Place : Ahmedabad
Date : 17th May 2013

(MAHENDRA N. SHAH)
Partner
Membership No. 3969

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MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Company is having two cotton spinning units at Petlad (Gujarat) and Borgaon (Madhya Pradesh). In terms of industrial production, employment and foreign exchange earning textile industry contributes a lot to Indian Economy. The company exports its product to many countries in the world.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company has in place a process to identify risk and take remedial action that can mitigate the risk it continuous to follow a policy of hedging foreign currency exposure within the permissible RBI guidelines and wherever possible. It has shut down its captive power plant and has opted to purchase power from State Electricity Board.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Internal Control System and procedures in the Company are commensurate with nature and size of its business and are regularly reviewed and updated by incorporating changes in regulatory provisions to ensure that not only the assets of the Company are safeguarded and protected against any loss, but all the transaction are properly accounted and that they meet the test of legal compliance.

Apart from regular review and monitoring the internal controls and System by the Company's Internal Control Department, two independent Chartered Accountants firms have been appointed to conduct the internal audit of the Company's operations. This provides reasonable assurance to the effectiveness of the internal control systems and procedures and reliability of financial reporting.

OUTLOOK, RISKS AND CONCERN

The company has invested substantially in modernization and up gradation of its production facilities and the Company is poised to take maximum advantage of demand in quality goods.

The exchange rate fluctuations, increase in power rate are the risks and the matters of concerned and may affect profitability.

FINANCIAL AND OPERATIVE PERFORMANCE

During the year 2012 – 13 the yarn market was favourable. Cotton market was also almost stable during the year. There was also considerable cash accrual from wind mills. This factors have helped in achieving good financial results.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

There exist cordial industrial relations at both the operating units of the company.

CAUTIONARY STATEMENT

Any changes in applicable laws, regulations and Government policies are beyond the control and anticipations of the management and may adversely affect the profitability of the Company.

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AUDITORS' REPORT

To
The Members,
PBM Polytex Limited

We have audited the accompanying financial statements of PBM Polytex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;

- b) in the case of the Profit and Loss Account, of the 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.

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Report on other Legal & Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report 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) Subject to sub note no.8 in part II of Note 27 regarding non availability of Qualified Company secretary resulting into non compliance of section 215,383(A) and other provisions of the Act in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date : 17th May, 2013
Place : Ahmedabad

For Mahendra N Shah & Co.
Chartered Accountants
FRN 105775W

Mahendra N. Shah
Partner
M. No. F 003969

ANNEXURE TO AUDITORS' REPORT

Re: PBM POLYTEX LIMITED

Referred to in paragraph 3 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) The Companies program of physical verification of all its fixed assets over a period of three years is in our opinion, reasonable having regards to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off substantial part of the Fixed Assets during the year.
- (ii.) (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on verification of stocks as compared to book records.
- (iii.) (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The company has not taken any loan / deposit from the firms, companies or other parties listed in the register maintained under section 301 of the Act.
- (iv,) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory, fixed assets and with regard to sale of goods. Further on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v.) (a) According to the information and the explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts, arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of Rs. 5.00 (Five) Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi.) The Company has not accepted deposits from public and therefore, the directives issued by the Reserve Bank of India and provision of Section 58 - A and 58 - AA of the Companies (Acceptance of Deposits) Rules 1975, do not apply to the Company.
- (vii.) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii.) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1) (d) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.

- (ix.) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investors Education Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable to it.

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- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales / Value Added Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable except Income Tax / penalty demand Rs. 15,00,305/-, Rs. 66,576/- and Rs. 89,936/- for the years 2003-04, 2005-06 and 2006 - 07 respectively, appeal for which has been preferred before the appropriate authorities.
- (x.) The Company does not have accumulated losses as at 31.03.2012. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi.) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii.) The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- (xiii.) In our opinion, the company is not a chit fund or a nidhi, mutual fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv.) The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All securities and other investments have been held by the company in its own name.
- (xv.) According to the information and explanation given to us and shown by the records examined by us, the company has not given any guarantees for loans taken by others from banks or other financial institutions during the year.
- (xvi.) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii.) According to the information and explanations given to us and on overall examination of the balance sheet and Cash Flow Statement of the company, we report that no funds raised on short - term basis have been used for long term investment.
- (xviii.) According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix.) The company has not issued any debentures.
- (xx.) The company has not raised any money by public issue during the year.
- (xxi.) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor have we been informed of such case by the management.

For Mahendra N. Shah & Co.
Chartered Accountants
(FRN 105775W)

Place : Ahmedabad
Date : 17th May 2013

Mahendra N. Shah
Partner
Membership No. 3969

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BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	NOTE	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.
EQUITY AND LIABILITIES :				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	8,12,96,080		8,12,96,080
(b) Reserves and Surplus	2	66,30,24,839		54,70,32,491
TOTAL			74,43,20,919	62,83,28,571
2. NON - CURRENT LIABILITIES :				
(a) Long Term Borrowings	3	16,00,79,584		16,70,39,568
(b) Deferred Tax Liabilities (Net)	4	10,90,53,102		11,29,09,733
(c) Other Long Term Liabilities	5	1,75,125		1,66,450
(d) Long Term Provisions	6	59,13,163		34,61,587
TOTAL			27,52,20,974	28,35,77,338
(3) CURRENT LIABILITIES:				
(a) Short Term Borrowings	7	28,44,95,898		10,79,34,393
(b) Trade Payables	8	3,69,26,345		8,47,16,285
(c) Other Current Liabilities	9	7,47,80,031		8,45,73,863
(d) Short Term Provisions	10	5,18,95,460		3,90,89,224
TOTAL			44,80,97,734	31,63,13,765
TOTAL LIABILITIES:			1,46,76,39,627	1,22,82,19,674
ASSETS:				
NON - CURRENT ASSETS:				
1. Fixed Assets				
(a) Tangible Assets	11	59,11,75,859		61,20,44,717
(b) Capital Work In Progress	12	72,52,412		29,46,510
2. Non - Current Investments	13	5,45,90,920		4,19,03,710
3. Long Term Loans and Advances	14	1,51,27,718		3,54,04,553
TOTAL			66,81,46,909	69,22,99,490
CURRENT ASSETS:				
1. Inventories	15	61,33,87,154		40,72,14,087
2. Trade Receivables	16	9,32,96,200		7,87,26,278
3. Cash and Cash Equivalents	17	3,61,63,311		1,36,22,469
4. Short Term Loans and Advances	18	4,59,64,018		3,30,60,133
5. Other Current Assets	19	1,06,82,035		32,97,217
TOTAL			79,94,92,718	53,59,20,184
TOTAL ASSETS			1,46,76,39,627	1,22,82,19,674

As per our Attached Report of even date	K. K. Patodia	Chairman
for Mahendra N. Shah & Co.	Gopal Patodia	Managing Director
Chartered Accountants	H. P. Siotia	Director
(FRN 105775W)	Brijbhushanlal Kabra	Director
	Jugal Kishore Todi	Director

MAHENDRA N. SHAH (Partner)		
M.No. 3969		
AHMEDABAD,	Vadodara	
DATE : 17 th May 2013	DATE: 17 th May 2013	

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

PARTICULARS	NOTE	Rs.	2012-13 Rs.	2011-12 Rs.
I. Revenue from Operations	20	2,17,19,04,755		2,19,56,43,549
II. Other Income	21	1,50,31,319		1,02,17,108
III. TOTAL REVENUE			2,18,69,36,074	2,20,58,60,657
IV. EXPENSES :				
Cost of Materials Consumed	22	1,22,08,39,162		1,38,24,24,390
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	23	1,02,45,523		13,90,04,931
Employee Benefits Expenses	24	18,64,21,263		15,75,30,245
Finance Costs	25	4,02,57,107		3,46,58,727
Depreciation and Amortization Expenses		5,86,45,560		6,53,09,308
Other expenses	26	45,22,90,443		42,07,35,483
TOTAL EXPENSES			1,96,86,99,058	2,19,96,63,084
V. Profit before Exceptional Items and Tax			21,82,37,016	61,97,573
VI. Exceptional Items			(69,71,004)	35,24,040
VII. Profit before Tax :			21,12,66,012	97,21,613
VIII. Tax expenses :				
(1) Current tax		8,01,09,200		1,41,11,770
(2) Deferred tax (Asset) / Liabilities		(38,56,631)		(87,04,636)
			7,62,52,569	54,07,134
IX. Profit for the Year			13,50,13,443	43,14,479
X. Earnings per equity share:				
Basic & Diluted :			16.61	0.53
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	27			

As per our Attached Report of even date for Mahendra N. Shah & Co.	K. K. Patodia	Chairman
Chartered Accountants (FRN 105775W)	Gopal Patodia	Managing Director
	H. P. Siotia	Director
	Brijbhushanlal Kabra	Director
	Jugal Kishore Todi	Director
MAHENDRA N. SHAH (Partner)		
M.No. 3969		
AHMEDABAD,	Vadodara	
DATE : 17 th May 2013	DATE: 17 th May 2013	

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	2012 - 13 Rs.	2011 - 12 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	21,12,66,012	97,21,613
<u>Adjustments for :</u>		
Depreciation (Net)	5,86,45,560	6,53,09,308
Interest	4,02,57,107	3,46,58,727
Preliminary expenses written off / Others	--	--
Loss/(Profit) on Sale of Fixed Assets	76,89,975	--
Operating Profit before Working Capital Changes	31,78,58,654	10,96,89,648
<u>Adjustments for :</u>		
Trade and Other Receivables	(3,48,58,625)	7,46,82,272
Inventories	(20,61,73,067)	16,04,75,763
Trade Payables	(3,87,05,618)	74,54,389
Cash generated from operations	3,81,21,344	35,23,02,072
Interest Paid	(4,02,57,107)	(3,46,58,727)
Direct Taxes Paid	(8,01,09,200)	(1,41,11,770)
NET CASH FLOW FROM OPERATING ACTIVITIES	(8,22,44,963)	30,35,31,575
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(7,00,42,792)	(4,78,79,759)
Purchase of Investments	(1,26,87,210)	(1,26,43,710)
Sale of Fixed Assets	4,05,47,050	55,20,706
NET CASH USED IN INVESTING ACTIVITIES	(4,21,82,952)	(5,50,02,763)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings (Net)	(51,79,733)	(24,39,63,062)
Dividend paid	(1,41,72,651)	(94,48,434)
Proceeds From Short Term Loan	16,63,21,142	--
NET CASH USED IN FINANCING ACTIVITIES	14,69,68,758	(25,34,11,496)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	2,25,40,843	(48,82,684)
Opening Balance of Cash and Cash Equivalents	1,36,22,469	1,85,05,154
Closing Balance of Cash and Cash Equivalents	3,61,63,312	1,36,22,470

	K. K. Patodia	
For, Mahendra N. Shah & Co.	Gopal Patodia	
Chartered Accountants (FRN - 105775W)	H. P. Siotia	
	Brijbhushanlal Kabra	
MAHENDRA N. SHAH (Partner)	Jugal Kishore Todi	
M. No. 3969, Ahmedabad		
DATE : 17 th May 2013	17 th May 2013	

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PARTICULARS	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.	
NOTE : 1 - SHARE CAPITAL				
AUTHORIZED				
1,00,00,000 Equity Shares of Rs. 10 each		10,00,00,000	10,00,00,000	
SUBSCRIBED :				
8130000 Equity Shares of Rs. 10/- each		8,13,00,000	8,13,00,000	
PAID UP :				
8129020 Equity Shares of Rs. 10/- each		8,12,90,200	8,12,90,200	
Add : Amount Received on 980 Forfeited Shares		5,880	5,880	
TOTAL		8,12,96,080	8,12,96,080	
a) No fresh issue or buy back of shares in the year under review				
b) Details of share holders holding more than 5% shares given below:-				
	31.03.2013		31.03.2012	
Name	No. of Shares	% of Shares Held	No. of Shares	% of Shares Held
M/s. Eurotex Ind. & Exports Ltd.	1582347	19.46	1582347	19.46
M/s. Sambhu Inv. Pvt. Ltd.	779320	9.59	779320	9.59
M/s. Patodia Syntex Ltd.	712957	8.77	712957	8.77
M/s. Trikon Inv. Pvt. Ltd	557834	6.86	557834	6.86
PARTICULARS	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.	
NOTE : 2 - RESERVES AND SURPLUS				
SHARE CAPITAL FORFEITURE		16,880	16,880	
SHARE PREMIUM :		3,61,05,080	3,61,05,080	
GENERAL RESERVE :				
Balance as per last year	46,31,56,649		41,31,56,649	
Add : Appropriation from Current year' s Profit	1,50,00,000		5,00,00,000	
Balance at the end of the Year		47,81,56,649	46,31,56,649	
SURPLUS IN STATEMENT OF PROFIT AND LOSS				
Balance at the beginning of the Year	4,77,53,882		10,76,12,054	
Add : Profit after tax for the Year	13,50,13,443		43,14,479	
Amount available for Appropriation	18,27,67,325		11,19,26,533	
Less : Appropriations				
Proposed Dividend	1,62,58,040		1,21,94,412	
Dividend Distribution Tax	27,63,055		19,78,239	
Transferred to General Reserve	1,50,00,000		5,00,00,000	

Total Appropriation	3,40,21,095		6,41,72,651
Balance at the End of the Year		14,87,46,230	4,77,53,882
TOTAL		66,30,24,839	54,70,32,491

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PARTICULARS	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.
NOTE : 3 - LONG TERM BORROWINGS			
Secured - Refer Note Below			
TERM LOAN FROM BANKS :			
Rupee Term Loan		15,34,60,142	14,56,72,962
Foreign Currency Loan		66,19,442	2,13,66,606
TOTAL		16,00,79,584	16,70,39,568

DETAILS OF BORROWINGS:

NAME OF BANK / FINANCIAL INSTITUTION	TOTAL AMOUNT OF LOAN	BALANCE LOAN ON 31.03.2013 (RS.)	PAYABLE IN THE YEAR 2013-14 (Refer Note 9 - OTHER CURRENT LIABILITIES) (Rs.)	LONG TREM BORROWINGS PAYABLE AFTER THE YEAR 2013-14 (RS.)	TERMS OF PAYMENT
IDBI Bank Ltd.	Rs. 585 Lacs	2,01,09,375	73,12,500	1,27,96,875	Quarterly Installment /Last due on 01.01.2016
IDBI Bank Ltd.	Rs. 1100 Lacs	8,93,75,000	1,37,50,000	7,56,25,000	Quarterly Installment /Last due on 23.09.2019
Export Import Bank of India	Rs. 382 Lacs	13,62,500	13,62,500	0	Quarterly Installment /Last due on 20.06.2013
Export Import Bank of India	Rs. 770 Lacs	3,48,26,087	92,87,820	2,55,38,267	Monthly Installment / last due on 20.12.2016
Export Import Bank of India	Rs. 560 Lacs	3,95,00,000	0	3,95,00,000	Quarterly Installment /Last due on 20.10.2019
Export Import Bank of India (F.C. Loan)	Rs. 648 Lacs (USD 1610000)	2,25,15,224 (USD 414645)	1,58,95,782 (USD 292740)	66,19,442 (USD 121905)	Monthly Installment / last due on 15.08.2014
TOTAL		20,76,88,186	4,76,08,602	16,00,79,584	
PREVIOUS YEAR		22,48,88,53	5,78,48,96	16,70,39,56	

DESCRIPTION OF SECURITY**IDBI BANK LOANS OF RS. 585 LACS AND RS. 1100 LACS**

Secured by hypothecation of movable current assets (excluding book debts) subject to prior charge of SBI and IDBI Bank for Working Capital Facilities and by first pari passu charge by way of mortgage of immovable properties.

EXIM BANK LOANS OF RS. 382 LACS, RS. 770 LACS AND RS. 560 LACS

Secured by hypothecation of movable fixed assets (excluding assets of wind mills) and first pari passu charge by way of mortgage of immovable properties. Term Loan of Rs.560 Lacs yet to be secured by mortgage of immovable properties.

EXIM BANK FOREIGN CURRENCY LOAN EQUIVALENT TO RS. 648 LACS

Secured by exclusive charge by way of hypothecation of movable fixed assets of wind mill and also by first charge over other movable fixed assets of the company pari passu with other lenders and also by way of pari passu charge by mortgage of immovable properties.

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PARTICULARS	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.
NOTE : 4 - DEFERRED TAX LIABILITIES (NET)			
Liability Relating to earlier years	11,29,09,733		12,16,14,369
Less : Assets for Current Year	38,56,631		87,04,636
NET TOTAL		10,90,53,102	11,29,09,733
NOTE : 5 - OTHER LONG TERM LIABILITIES			
Security Deposits (From Debtors & Employees)		1,75,125	1,66,450
NOTE : 6 - LONG TERM PROVISIONS,			
Employees' Privilege Leave (On Actuarial Basis, Refer Note - 27 (II) (7))		59,13,163	34,61,587
NOTE : 7 - SHORT TERM BORROWING			
WORKING CAPITAL LOAN (SECURED) * :			
State Bank Of India	22,37,58,450		3,33,96,957
IDBI Bank	1,32,37,448		95,37,436
UNSECURED :	0		0
Short Term Loan (IDBI Bank)	4,75,00,000		6,50,00,000
TOTAL		28,44,95,898	10,79,34,393
* Secured by First Pari Passu Charge by way of hypothecation of Current Assets and also by mortgage of immovable properties of the Company (Subject to Prior Charge of IDBI Bank and Export Import Bank of India)			
NOTE : 8 - TRADE PAYABLES			
Micro, Small and medium Enterprises - Refer Note 27 (II) (4)	60,16,062		3,76,91,808
For Supplies	34,70,593		2,24,84,072
Others	2,74,39,690		2,45,40,405
TOTAL		3,69,26,345	8,47,16,285
NOTE : 9 - OTHER CURRENT LIABILITIES			
Current Maturity of Long Term Borrowings - Refer Note 3	4,76,08,602		5,78,48,962
Interest Accrued but not due	4,21,348		4,12,354
Unclaimed Dividend	14,69,944		11,78,963

Statutory Dues	63,57,607		72,45,421
Salary, Wages and Dues to Employees	1,59,29,193		88,95,323
Others	29,93,337		89,92,840
TOTAL		7,47,80,031	8,45,73,863
NOTE : 10 - SHORT TERM PROVISIONS			
For Employees (Privilege Leave) Refer Note - 27 (II) (7)	29,37,752		26,55,610
Bonus	1,04,18,739		1,01,88,430
Gratuity	58,59,892		30,32,932
Taxation	1,35,48,782		89,27,831
Wealth Tax	1,09,200		1,11,770
Dividend	1,62,58,040		1,21,94,412
Dividend Tax	27,63,055		19,78,239
TOTAL		5,18,95,460	3,90,89,224
NOTE : 11 - TANGIBLE ASSETS			
GROSS FIXED ASSETS	1,47,28,36,980		1,52,18,07,269
LESS DEPRECIATION	88,16,61,121		90,97,62,552
TOTAL		59,11,75,859	61,20,44,717

NOTE 11 - (DETAILS)
FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST/REVALUED AMOUNT				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2012	ADDITIONS DURING THE YEAR	ADJUSTMENTS / DEDUCTIONS DURING THE YEAR	BALANCE AS ON 31.03.2013	PROVIDED UPTO 31.03.2012	PROVIDED DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
LAND (LEASE HOLD)	2823179	0	35870	2787309	0	0	0	0	2787309	2823179
LAND (FREE HOLD)**	3402088	249280	0	3651368	0	0	0	0	3651368	3402088
BUILDINGS	170625995	29984327	0	200610322	64137705	4215164	0	68352869	132257453	106488290
PLANT AND MACHINERY	1245025143	48944103	132916821	1161052424	787259555	48905354	85053755	751111154	409941270	457765588
ELECTRICAL INSTALLATION	52757714	540194	278055	53019853	36528943	1874001	264152	38138792	14881061	16228771
FURNITURE, FIXTURES, FANS & ELECTRICAL APPLIANCES	15300396	1779463	1178683	15901176	10151193	713475	1071681	9792987	6108189	5149203
OFFICE EQUIPMENTS	3787293	892854	509116	4171031	1768940	209485	305950	1672475	2498556	2018353
COMPUTER	4617788	935018	0	5552806	2254041	518802	0	2772843	2779963	2363747
VEHICLES	23467673	2688486	65468	26090691	7662175	2209279	51453	9820001	16270690	15805498
T O T A L	1521807269	86013725	134984013	1472836980	909762552	58645560	86746991	881661121	591175859	612044717
2011-2012	1487126506	45235897	10555134	1521807269	849487675	65309308	5034431	909762552	612044717	637638831

* Includes 100 Shares of Rs.10/- each (fully paid up) of The Friends Co-operative Housing Society Limited, Baroda

PARTICULARS	Rs.	As At 31.03.2013 Rs.	As At 31.03.2012 Rs.
NOTE : 12 - CAPITAL WORK IN PROGRESS			
Plant and Machinery	26,42,552		2,74,551
Buildings	46,09,860		26,71,959
TOTAL		72,52,412	29,46,510
NOTE : 13 - NON CURRENT INVESTMENTS			
1. Quoted : (Trade - At Cost)			
22,31,980 Equity Shares of Rs. 10/- each (Previous Year 17,94,490 Shares) of Eurotex Industries and Exports Limited (Market Value Rs. 3,48,18,888/- - Previous Year Rs. 4,14,52,719/-)		5,45,90,920	4,19,03,710
NOTE : 14 - LONG TERMS LOANS AND ADVANCES			
Capital Advances	77,84,068		2,84,38,870
Security Deposits (Includes Rs. 800000/- Deposit with Related Parties)	67,69,239		63,47,272
Others	5,74,411		6,18,411
TOTAL		1,51,27,718	3,54,04,553
NOTE : 15 - INVENTORIES			
(As taken, Certified by Management and valued at lower of cost or Net Realisable value)			
(A) Stores, Spares and Fuel	1,54,18,566		1,89,03,231
(B) Raw Material	51,24,00,651		29,48,16,451
(C) Finished Goods (Yarn)	4,83,69,288		4,97,72,922
(D) Cotton / Yarn Waste	22,11,806		34,89,419
(E) Stock in Process	3,20,30,037		3,95,94,313
(F) Goods in Transit	29,56,806		6,37,751
TOTAL		61,33,87,154	40,72,14,087
NOTE : 16 - TRADE RECEIVABLES (Unsecured, Considered Good)			
More Than Six Months	0		0
Other Debtors Considered Good	9,32,96,200		7,87,26,278
TOTAL		9,32,96,200	7,87,26,278
NOTE : 17 - CASH AND CASH EQUIVALENTS			
Cash on Hand :	11,67,596		7,90,839
Balance With Banks :			
(A) In Current Account	3,34,99,269		1,13,57,990
(B) Fixed Deposit Maturing within 1 year	14,88,446		14,65,640
(C) Fixed Deposit Maturing after 1 year	8,000		8,000
TOTAL		3,61,63,311	1,36,22,469
NOTE : 18 - SHORT TERM LOANS AND ADVANCES (Unsecured - Considered Good)			
Security Deposits	3,78,415		3,46,611
Loans and Advances to Employees	34,95,684		29,40,558
Balance with Statutory Authorities	3,20,63,062		2,04,91,555
Advances to Suppliers and Others	1,00,26,857		92,81,409
TOTAL		4,59,64,018	3,30,60,133

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PARTICULARS	Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
NOTE : 19 - OTHER CURRENT ASSETS			
Duty Draw Back / DEPB Receivable	1,02,04,958		28,92,058
Interest Receivables	1,91,024		1,05,974
Others	2,86,053		2,99,185
TOTAL		1,06,82,035	32,97,217
NOTES TO STATEMENT OF PROFIT AND LOSS		2012-13 Rs.	2011-12 Rs.
NOTE : 20 - REVENUE FROM OPERATIONS			
Yarn Sales	2,03,66,63,621		2,06,05,25,741
Cotton / Yarn Waste Sales	9,52,07,371		8,68,24,183
Electricity Sales	1,80,16,852		1,79,27,777
TOTAL	2,14,98,87,844		2,16,52,77,701
Less : Excise Duty	67,51,521		90,54,768
NET SALES		2,14,31,36,323	2,15,62,22,933
OTHER OPERATIVE REVENUES			
Sale Of DEPB License	8,76,961		2,69,82,771
Duty Draw Back	2,43,54,768		92,93,137
Sale Of Scrap	35,36,703		24,05,887
Profit On sale of Cotton Export	0		7,38,821
OTHER OPERATIVE INCOME		2,87,68,432	3,94,20,616
TOTAL REVENUE FROM OPERATIONS		2,17,19,04,755	2,19,56,43,549
NOTE : 21 - OTHER INCOME			
Interest Income	15,12,709		12,93,069
Dividend Income	150		150
Net Gain On Sale Investments	30,37,066		4,00,696
Insurance Claims Received	12,55,328		22,54,140
Other Income	26,96,890		1,812
Cash Discount Earned	62,92,579		1,41,109
Balance Written Back	2,18,993		6,16,390
Excess Provisions For Earlier Years	17,604		55,09,742
TOTAL OF OTHER INCOME		1,50,31,319	1,02,17,108
NOTE : 22 - COST OF MATERIAL CONSUMED			
Opening Stock	29,48,16,451		31,90,08,899
Add: Purchases	1,43,84,23,362		1,35,82,31,942
TOTAL	1,73,32,39,813		1,67,72,40,841
Less: Closing Stock	51,24,00,651		29,48,16,451
Consumption	1,22,08,39,162		1,38,24,24,390
Details of Raw Material Consumption:			
Cotton	1,22,05,36,262		1,37,61,40,795
Cotton Yarn	3,02,900		62,83,595
TOTAL		1,22,08,39,162	1,38,24,24,390

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PARTICULARS	Rs.	2012 - 13 Rs.	2011 - 12 Rs.
NOTE : 23 - CHANGES IN INVENTORIES OF FINISHED GOOD WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Stocks as at Close			
(1) Finished Goods			
(a) Yarn	4,83,69,288		4,97,72,922
(b) Waste	22,11,806		34,89,419
(2) Stock in Process	3,20,30,037		3,95,94,313
		8,26,11,131	9,28,56,654
Less : Stocks as at Commencement			
(1) Finished Goods			
(a) Yarn	4,97,72,922		19,38,21,016
(b) Waste	34,89,419		18,30,869
(2) Stock in Process	3,95,94,313		3,62,09,700
		9,28,56,654	23,18,61,585
DECREASE (INCREASE)		1,02,45,523	13,90,04,931
NOTE : 24 - EMPLOYEES BENEFITS EXPENSES			
Salary, Wages, Bonus And Allowances	14,57,23,415		12,85,85,572
Contribution to Provident, Gratuity, Super Annu. & Other Funds	1,92,88,589		1,58,57,494
Managerial Remuneration	1,44,56,250		71,70,013
Welfare Expenses	69,53,009		59,17,166,
TOTAL		18,64,21,263	15,75,30,245
NOTE : 25 - FINANCE COSTS			
Interest On Term Loan	1,79,11,270		2,17,88,728
Interest On Working Capital	87,72,018		70,90,132
Finance And Bank Charges	1,35,73,819		57,79,867
TOTAL		4,02,57,107	3,46,58,727
NOTE : 26 - OTHER EXPENSES			
Consumption of Stores and Packing Material	5,53,08,810		4,90,64,476
Power And Fuel	26,29,98,093		24,36,82,823
Processing Charges	5,45,459		4,64,391
Rent	32,03,213		26,78,009
Repairs (Machinery (Including Spares)	3,52,49,166		2,64,94,572
Repair to C. P. P.	0		24,14,909
Building	73,28,067		26,77,398
Others	46,36,021		21,75,878
Insurance	41,63,168		45,19,859
Rates and Taxes	1,15,78,282		1,33,86,589
License and Legal Fees	35,23,124		41,01,905
Sales and Distribution Expenses	4,41,21,741		4,21,99,592
Travelling and Conveyance	1,07,44,492		1,06,46,317
Directors Sitting Fees	2,10,000		2,77,500
Audit Fees and Expenses	4,21,193		4,26,857
General Expenses	59,61,583		56,18,145
Donation	8,13,101		3,84,366
Foreign Exchange Fluctuation Loss (Net)	5,65,958		90,62,514
Loss on Sale Of Fixed Assets	7,18,972		4,59,383
Short Provision for earlier years	2,00,000		0
TOTAL		45,22,90,443	42,07,35,483

NOTE 27**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****I SIGNIFICANT ACCOUNTING POLICIES****(1) Basis of Accounting:**

The financial statements have been prepared on historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act 1956.

(2) Use of Estimates:

The presentation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates is recognized in the period in which the results are known / materialized.

(3) Fixed Assets:

Fixed Assets are stated at Cost or at Revalued Cost, net of CENVAT / VAT Credit less Accumulated Depreciation. All costs including financing costs till commencement of commercial production and Exchange rate variations relating to the Borrowing are capitalized / adjusted to the fixed assets.

(4) Depreciation: Depreciation has been provided as under:**A) PETLAD AND BORGAON UNITS:****(a) On Assets other than Plant and Machineries and Electrical Installations:**

On Straight Line Method at the rates mentioned under Notification No. GSR 756(E) dated 16.12.1993 read with Schedule XIV of the Act.

(b) On Plant and Machineries & Electrical Installations:

On Straight Line Method at the rates applicable to Continuous Process Plant (CPP) as defined in Schedule XIV and certified by the Chartered Engineer.

(c) Leasehold Land: Amortized over the period of Lease.**B) WINDMILLS:**

On Plant and Machineries and Electrical Installations on written down value at the rates prescribed in clause II (i-a) of Schedule XIV of the Companies Act.

(5) Inventories:

- (a) Stores, Spares, Packing Material, Fuel & others- At Cost (Weighted Average Method)
- (b) Raw materials- At Lower of Cost or Net Realizable Value
- (c) Stock-in-Process- At Lower of Cost or Net Realizable Value
- (d) Finished Goods- At Lower of Cost or Net Realizable Value
- (e) Material in Transit- At Cost (Specific Cost Method)
- (f) Cotton / Yarn Waste- At Net Realizable Value

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(6) Foreign Currency Transactions:

- (a) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing on the date of the balance sheet. All exchange differences other than those relating to the acquisition of fixed assets from outside India are dealt with in the statement of profit and loss. Exchange gain or loss relating to fixed assets acquired from outside India is adjusted in the cost of respective fixed assets.
- (b) In case of forward contracts, the gain / loss on contracts is treated as periodical expense or revenue. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of a forward exchange contract relating to liabilities incurred for acquiring fixed assets from outside India, in which case, such profit or loss is adjusted in the cost of fixed assets.
- (c) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

(7) Retirement Benefits:

- (a) Provision for gratuity liability to employees is made on the basis of intimation received from Life Insurance Corporation of India on actuarial basis. Group Gratuity Fund is managed by the Life Insurance Corporation of India and SBI Life Insurance Co. Ltd.
- (b) Leave encashment has been charged to the Revenue Account on the basis of liability ascertained as per the actuarial valuation.
- (c) The Company's contribution to Provident Fund is charged to Revenue Account. ESIC is applicable only to Mumbai Office of the company.
- (d) Superannuation Fund: The Company contributes to Superannuation Trust for the Managerial Personnel of the company as per the rules of the Trust.

(8) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(9) Revenue Recognition:

Items of Income and Expenditure are recognized on accrual basis except Insurance Claims, DEPB / focus Marketing License and TUFS rebate which are accounted for on transfer or receipt.

(10) Excise Duty, Cenvat Credit and VAT:

Excise Duty payable on finished goods is accounted for on clearance of goods. 50% of Cenvat Credit on capital goods is accounted for immediately on receipt and the balance is accounted in the next year.

In pursuance to Circular No. 795/28/2004 dated 28.07.2004 the Company (being textile manufacturer) has adopted policy of charging of "Optional" Excise Duty at "NIL" Rate or at 4% Rate as desired by the customer.

VAT credit on raw material (including processing materials, consumable stores and packing materials) and capital goods is accounted on purchase and actual receipt of the same.

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(11) Earning Per Share:

The earnings considered in ascertaining the company's E.P.S. comprise the net profit after tax divided by the number of shares.

(12) Taxation:

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax asset for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(13) Segment Accounting:

The Company manufactures and deals in single product i.e. Cotton Yarn only and therefore, Accounting Standard 17 on Segment Reporting is not applicable.

(14) Investments:

Long Term Investments are carried at cost. Temporary diminution in value of such investments, if any, is ignored.

(15) Provisions and contingencies:

A provision is recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

(16) Impairment Loss:

Impairment Loss, if any, is provided to the extent the carrying amount of assets exceed their recoverable amounts. Recoverable amount is that which is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Net Selling Price is the amount obtainable from sale of the asset on arms length basis between knowledgeable and willing parties less the cost of disposal.

27. II. NOTES ON ACCOUNTS:

1. The revised Schedule VI has become effective from 1st April 2012 for preparation / presentation of Financial Statements. Accordingly previous year's figures have been regrouped wherever necessary
2. Contingent Liabilities:
 - (a) Estimated amount of contracts remaining unexecuted on Capital Accounts not provided for Rs.540.58 Lacs (Net of advances) (Previous year Rs. 438.12 Lacs).
 - (b) Bills discounted under Export / Inland Letter of Credit Rs. 827.64 Lac since realized in full (Previous Year Rs. 754.52 Lacs)
 - (c) Income Tax Demand of Rs. 16,56,817/- for different years against which company has preferred appeals.

- (d) Bank Guarantee for Rs. 228.39 Lac favouring Madhya Gujarat Vij Company Limited for contract demand of electricity and Rs. 3.07 Lac favouring Gujarat State Petroleum Corporation for LPG supply.
3. Confirmations of Debit and Credit Balance have not been yet received from certain parties. They are subject to adjustments, if any, on receipt of confirmation.

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4. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006: Amounts due to such Enterprises are disclosed on the basis of information available with the company. The status of such suppliers is as follows:

Sr. No	Particulars	2012-13		2011-12	
		Principal Rs.	Interest	Principal Rs.	Interest
a)	Principal Amount and Interest thereon due, remaining unpaid at the end of the year	60,16,062	NIL	3,76,91,808	NIL
b)	Interest due / paid during the year	NIL	NIL	NIL	NIL

5. The company has participated in LIC and SBI Life Insurance approved and managed Superannuation Fund for Managerial Personnel and has contributed Rs. 11.88 Lacs (Previous year Rs. 11.64 Lacs) to the Fund.
6. (A) Foreign Exchange Transactions are recorded in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India. There has been net loss of Rs. 75.20 Lacs. (Previous year net loss of Rs. 90.63 Lacs) on account of foreign exchange fluctuation pertaining to foreign currency borrowings / transactions, which has been exhibited in Profit & Loss Account under the heads "Other Income" and "Other Expenses".

(B) The company has opted for Notifications No. GSR.225 (E) issued by the Ministry of Corporate Affairs on March 31, 2009 in respect of accounting periods commencing on or after December 07, In accordance with this Notification, net loss of Rs. 2,51,28,219/- from the year 2007 - 08 to 2012 - 13 arising on reporting of long term foreign currency monetary item relating to fixed assets has been added to the cost of Fixed Assets of wind mills.

7. **Disclosure pursuant to Accounting Standard - 15 [Revised] 'Employee Benefits':**

A The Company has, with effect from 1st April, 2007, adopted Accounting Standard 15, Employee Benefits [revised 2005] [the 'revised AS 15']. In accordance with the transitional provisions governing gratuity valuation – defined benefit plan and leave encashment liability – long term liability based on actuarial valuation is as follows :

B Defined benefit plan and long term employment benefit:

A General description:

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

B Leave wages (Long term employment benefit) :

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

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The Amount (in Rs.) recognized in the statement of profit and losses are as under:

(Amount in Rs.)

		GRATUITY (FUNDED)	
		31.03.2013	31.03.2012
(a.)	Amount Recognized in Balance Sheet		
	Present Value of funded obligations	7,06,92,007	7,30,39,355
	Fair Value of plan assets	8,18,08,062	7,30,39,355
	Present value of unfunded obligations	50,53,792	(2,16,52,001)
	Unrecognized past service cost	NIL	NIL
	Net Liability	(60,62,263)	(2,16,52,001)
	Amounts in the balance sheet:		
	Liabilities	7,57,45,799	5,13,87,354
	Assets	8,18,08,062	7,30,39,355
	Net Liability	(60,62,263)	(2,16,52,001)
(b.)	Amount Recognized in the Statement of Profit & Loss		
	Current service cost	43,19,203	32,78,501
	Interest on obligation	41,95,001	47,45,813
	Expected Return on plan assets	68,17,721	(58,33,206)
	Net Actuarial losses (gains) recognized in the year	1,87,48,199	(1,13,42,024)
	Past service cost	NIL	NIL
	Losses (gains) on curtailments and settlement	NIL	NIL
	Total, included in 'employee benefit expenses'	2,04,44,682	(91,50,916)
(c.)	Reconciliation of Opening & Closing Balances		
	Opening Defined Benefit Obligation at the beginning	5,13,87,354	5,75,25,006
	Service Cost for the year	43,19,203	32,78,501
	Interest cost for the year	41,95,001	47,45,813
	Actuarial losses (gains)	1,88,17,827	(1,11,61,515)
	Losses (gains) on curtailments	NIL	NIL
	Liabilities Extinguished on settlements	NIL	NIL
	Liabilities assumed in an amalgamation in the nature of purchase	NIL	NIL
	Exchange differences on foreign plans	NIL	NIL
	Benefits paid	29,73,586	(30,00,451)
	Closing Defined Benefit Obligation at year end	7,57,45,799	5,13,87,354
(d.)	Change in the fair value of plan assets		
	Opening fair value of plan assets	7,33,18,417	5,97,78,959
	Expected Return	68,17,721	58,33,206
	Actuarial Gains and (losses)	69,628	1,80,509
	Assets Distributed on settlements	NIL	NIL
	Contributions by employer	45,75,882	1,02,47,132
	Assets acquired in an amalgamation in the nature of purchase	NIL	NIL
	Exchange differences on foreign plans	NIL	NIL
	Benefits paid	29,73,586	(30,00,451)
	Closing balance of fair value of plan assets / fund	8,18,08,062	7,30,39,355
(e.)	Major Categories of Plan assets or a percentage of total plan assets.		
	Government of India Securities	NIL	NIL
	Policy of Insurance	100.00 %	100.00 %

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(f.)	Principal Actuarial Assumptions at the balance sheet date (expressed as weighted averages)		
	Discount rate for the year	8.20%	8.25 %
	Expected Return on plan assets at for the year	9.00 %	9.00 %
	Proportion of employees opting for early retirement	-	-
	Annual increase in Salary costs	6.00 %	6.00 %
(g.)	Amount for the current and previous four years are as follows:		
	Defined Benefit Pension Plans		
	Defined Benefit Obligation	7,57,45,799	5,13,87,354
	Plan Assets	8,18,08,062	7,30,39,355
	Surplus / (deficit)	60,62,263	2,16,52,001
	Experience adjustments on plan liabilities	1,76,90,173	42,60,140
	Experience adjustments on plan assets	(69,628)	(1,80,509)

Leave Encashment Benefits have been provided as per Rules of the company and on actuarial valuation. Amount charged to Profit & Loss Account during the year is Rs.42,16,931/- (Previous Year Rs. 20,80,939/-)

8. The Registered Office of the Company being situated in mofussil centre, in spite of efforts and advertisements made in this behalf, qualified Company Secretary is not available. However, the Company has a highly educated and experienced person in charge of the Company's Secretarial Department. He looks after all necessary requirements to be followed by the Company. In addition thereto, a Practicing Company Secretary has been retained by the company, who has also issued Compliance Certificate regarding necessary compliance of the provisions of the Act which forms part of Directors' Report.
9. In terms of Accounting Standard 28 - Impairment of Assets issued by ICAI the Management has reviewed its fixed assets and the difference between the carrying amount and recoverable value of relevant assets was not material. Hence, provision for impairment loss is not considered necessary to be made in the books.

10.	AUDITORS' REMUNERATION		2012 - 13	2011 - 12
	1.	Audit Fees (Including Service Tax)	3,42,698	3,42,698
	2.	Tax Audit	50,562	50,562
	3	Traveling expenses	27,933	33,597
			-----	-----
			4,21,193	4,26,857
			-----	-----

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2	DETAILS OF GOODS IMPORTED		2012-13		2011-12
			Rs.	Rs.	Rs.
	(i)	CIF value of goods imported			
		a)	Cotton	0	0
		b)	Machineries, Spares and Stores	58,18,869	49,01,334
	(ii)	CONSUMPTION:			
	1.	Raw Materials :			
		(a)	Imported goods		0
		(b)	Indigenous goods:		
			Cotton	1,22,05,36,26 2	1,37,61,40,79 5
			Cotton yarn	3,02,900	62,83,595
		(c)	Total	1,22,08,39,16 2	1,38,24,24,39 0
				-	
			Imported	0	0
			Indigenous	100%	100%
	2.	Machinery spares and stores:			
		(a)	Imported goods	85,72,920	45,85,066
		(b)	Indigenous goods	7,40,28,895	5,00,48,597
		(c)	Total	8,26,01,815	5,46,33,663
			Imported	10.37%	8.39%
			Indigenous	89.63%	91.61%
11	DETAILS OF FOREIGN EXCHANGE:				
	(a)	Earning in Foreign Exchange:			
		Exports : Direct(FOB Value)		82,80,28,712	73,27,68,562
		Through Merchant Exporters		5,54,89,736	25,16,25,171
				88,35,18,448	98,43,93,733
				-	
	(b)	Expenditure in Foreign Currency:			
		Purchase, Travelling Interest on Foreign Currency Loan & Other expenses		1,69,61,115	1,88,82,544
	(c)	Remittances of Dividend in Foreign Currency		N.A.	N.A.

12. RELATED PARTY DISCLOSURE:

A. LIST OF RELATED PARTIES AND RELATIONSHIP

Associates & Enterprises with whom the Company entered into transactions

during the year
 Patodia Syntex Limited
 Eurotex Industries & Exports Limited
 B. L. Patodia Family Trust
 Sambhu Investments Pvt. Limited

Trikon Investments Pvt. Limited
 Murarilal Mahendra Kumar
 Brijlal Purushottamdas
 Dharamchand Keshardeo

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B. KEY MANAGEMENT PERSONNEL / DIRECTORS AND RELATIVES

Shri Gopal Patodia	Managing Director	Shri Vikash Patodia	Senior President
Shri Mohan Kumar Patodia	Managing Director	Shri Amit Patodia	Senior President

C. RELATED PARTIES TRANSACTIONS (RS. IN LACS)

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Management Personnel
Purchase of Goods	--	0.70	
Sale of Goods	--	515.48	
Rent	--	8.35	
Receiving Services & Maintenances	--	7.80	
Salary & Perks :			
Managing Directors	--	--	159.12
Senior Presidents	--	--	38.27

D. OUTSTANDING BALANCES AS ON 31.03.2013 (RS. IN LACS)

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Management Personnel
Amount Receivable (M/S. Eurotex Ind. & Exports Ltd)	--	NIL	--
Security Deposit Given (M/S. Trikon Inv. Pvt. Ltd. & Sambhu Inv. Pvt. Ltd.)	--	8.00	--
Investments (in shares of M/S. Eurotex Ind. & Exports Ltd.	--	545.91	--

13. DERIVATIVES INSTRUMENT

A) Following are the outstanding forward Foreign Exchange Contracts entered into by the Company:

Currency	As at 31 st March 2013		
	Amount in Foreign Currency (in Lacs)	Buy / Sell	Cross Currency
USD	15.99	Sell	INR

B) Foreign currency exposure that are not hedged by derivative instruments as on 31st March 2013 amount to Rs. 225.15 Lacs (Previous Year Rs. 434.08 Lacs)

C) Interest on Foreign Currency Loan covered under swap US\$ 24662.66 equivalent to Rs. 13,39,182/-

Signatures to NOTE 1 to 27	K. K. Patodia	Chairman
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As per our Attached Report of even date	Gopal Patodia	Managing Director
For Mahendra N. Shah & Co.	H. P. Siotia	Director
Chartered Accountants	Brijbhushanlal Kabra	Director
(FRN 105775W)	Jugal Kishore Todi	Director
MAHENDRA N. .SHAH		
(Partner) , M.No.3969		
AHMEDABAD,	Vadodara	
DATE : 17 th May 2013	DATE: 17 th May 2013	

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PBM POLYTEX LIMITED

Regd. Office: Opposite Station, Petlad - 388 450, Dist. Anand, Gujarat

PROXY

I/We _____ of _____ being a member/members of PBM POLYTEX LIMITED hereby appoint _____ of _____ or failing him _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 94th Annual General Meeting of the Company, to be held on Saturday the 27th July 2013 at 11.00 A.M. or at any adjournment thereof.

Signed this day of 2013
 Member's Folio Number.....
 No. of Shares held.....

NOTE:
 THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT OPPOSITE STATION, PETLAD 388 450. DIST.ANAND, GUJARAT NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

PBM POLYTEX LIMITED

Regd. Office: Opposite Station, Petlad - 388 450, Dist. Anand, Gujarat

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the 94th Annual General Meeting of the Company held at the Regd. Office at Opposite Station, Petlad 388450 Dist: Anand, Gujarat on Saturday the 27th July 2013 at 11.00 A.M.

NAME OF THE ATTENDING SHAREHOLDER _____

(IN BLOCK LETTERS)

NAME _____ OF _____ THE _____ PROXY

(To be filled in if the proxy attends instead of the shareholder)

SIGNATURE OF THE SHAREHOLDER/PROXY
 Ledger Folio Number _____ No. of Shares held _____

NOTE:

Shareholders/Proxy holders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the gate after affixing their signatures on them.

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REQUEST TO ALL MEMBERS

IMPORTANT

Dear Sir(s) / Madam

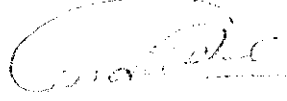
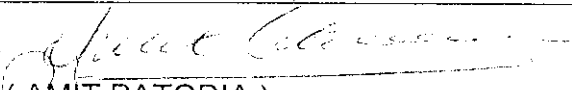


1. Please send all your letters for address change and documents for Share Transfer / Share Transmission, Demat etc. to our new Share Transfer Registrar at the following address.

Address of new Share Transfer Registrar:

M/s. Sharepro Services (India) Pvt. Ltd.
Unit : PBM POLYTEX LIMITED
Devnandan Mega Mall, Office No.416-420, 4th Floor,
Opp Sanyas Ashram, Ashram Road,
AHMEDABAD - 380 006.

2. IT MAY PLEASE BE NOTED THAT DIVIDEND, IF DECLARED AT AGM, THE CHEQUES FOR THE SAME SHALL BE VALID UPTO 30TH OCTOBER 2013 AND THEREFORE THE SHARE HOLDERS SHOULD DEPOSIT THE SAME IN THEIR BANKS IMMEDIATELY ON RECEIPT TO AVOID REVALIDATION / DELAY.
3. IF ANY SHARE HOLDER DESIRES TO RECEIVE DIVIDEND CREDITED DIRECTLY TO HIS / HER BANK ACCOUNT HE / SHE SHOULD SEND REQUEST LETTER TO THE COMPANY IN THIS REGARD GIVING THE FOLLOWING PARTICULARS SO AS TO REACH COMPANY'S REGISTERED OFFICE LATEST BY 10TH JULY 2013.
 - 1) NAME OF SHARE HOLDER. 2) LEDGER FOLIO NO. / CLIENT ID, 3) BANK ACCOUNT NO., 4) BANK IFSC CODE, 5) COMPLETE ADDRESS OF BANK ALONG WITH COPY OF PARTICULAR PAGE OF PASSBOOK CONTAINING ACCOUNT HOLDER NAME, ACCOUNT NUMBER, BANK ADDRESS ALONG WITH ONE PHOTOCOPY OF CANCELLED CHEQUE ISSUED BY THE BANK.

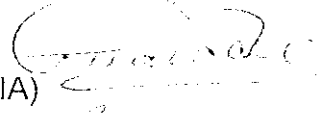
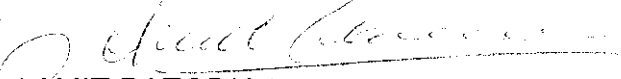
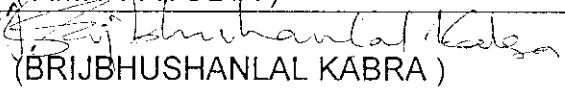

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	PBM Polytex Limited
2.	Annual standalone financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	<p>Paragraph – 2(b) under the head Report on Other Legal and Regulatory Requirements Contained in Auditors' Report) reads as under</p> <p>“Subject to sub note No. 8 in part II of Note 27 regarding non availability of Qualified Company secretary resulting into non compliance of section 215 and 383 (A) and other provisions of the Act in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books”</p>
4.	Frequency of observation	Since last 7 years
5.	To be signed by :	 (GOPAL PATODIA)
	<ul style="list-style-type: none"> • Managing Director 	 (AMIT PATODIA)
	<ul style="list-style-type: none"> • Senior Presedent cum Chief Executive Officer 	 (BRIJBHUSHANLAL KABRA)
	<ul style="list-style-type: none"> • Audit committee Chairman 	M/s Mahendra N. Shah & Co. Chartered Accountants, (FRN 105775W)  MAHENDRA N. SHAH (Partner) (Membership .No. 3969)
<ul style="list-style-type: none"> • Auditors of the Company 		

FORM B
(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

No.	Particulars	Details
1.	Name of the Company	PBM Polytex Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Qualified
4.	Frequency of observation	Since last 7 years
5.	Draw attention to relevant note in the Annual Financial Statement and management response to the qualification in the directors report :	<p>Reason for non availability of qualified company secretary given in Note No. 27 II(9) of the Annual Report of the year 2013-14 which reads as under</p> <p>“The Registered office of the Company being situated in mofussil centre, in spite of efforts and advertisements made in this behalf, qualified Company Secretary is not available. However, the Company has a highly educated and experienced person in charge of the Company’s Secretarial Department. He looks after all necessary requirements to be followed by the Company. In addition thereto, a Practicing Company Secretary has been retained by the company, who has also issued Compliance Certificate regarding necessary compliance of the provisions of the Act which forms part of Directors’ Report.”</p> <p>The Board Directors of the Company have also giving the reply in this regard in Directors Reports which reads as under</p> <p>“We refer to the remark of the Auditors at Para 2(b) of Auditors’ Report and sub- note No. 8 of Part II of Note 27 regarding non-availability of qualified Company Secretary. The Note is self-explanatory. However, the company has retained a practicing company secretary and a certificate has been</p>

		obtained from him for compliance of all the rules and regulations. The management is also making all efforts to avert non-compliance of the provisions of law in this regard"
6	Additional comments from the Board / Audit Committee Chairman	It is clear from the reply from the management and the Board of Directors of the Company that in spite of sincere efforts the qualified person is not available in the mofussil area. However continuous efforts are being made by giving advertisements in the news papers regularly.
7	To be signed by -	
	<ul style="list-style-type: none"> Managing Director 	 (GOPAL PATODIA)
	<ul style="list-style-type: none"> CEO 	 (AMIT PATODIA)
	<ul style="list-style-type: none"> Audit Committee Chairman 	 (BRIJBHUSHANLAL KABRA)
	<ul style="list-style-type: none"> Auditor of the Company 	M/s Mahendra N. Shah & Co. Chartered Accountants, (FRN 105775W)  MAHENDRA N. SHAH (Partner) (Membership .No. 3969)