



PBM POLYTEX LTD.

CIN : L17110GJ1919PLC000495
REGD. OFFICE: OPP. STATION, POST: PETLAD - 388450,
DIST: ANAND, GUJARAT,
PHONE: 224001, 224003, STORES: 224005, SALES: 224006,
FAX (02697) 224009, E-Mail: pbmmills@patodiagroup.com

THROUGH BSE.LISTING CENTRE / BY COURIER

26.09.2016

To,
The General Manager
M/s BSE Limited,
Department of Corporate Services,
Floor 25, P. J. Towers,
Dalal Street,
Mumbai - 400001

Company Code:

BSE Limited, Listing Code - 514087

Ahmedabad Stock Exchange Limited, Listing Code - 44610

Dear Sir / Madam,

SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2015 - 16.

We attach herewith a copy of the Annual Report of the Company for the financial year 2015 - 16 consisting of the following, for your information and records:

Sl. No.	Particulars
cc)	Notice convening the 97 th Annual General Meeting of the Company to be held on Saturday, the 24 th September 2016
dd)	Directors' Report along with all its Annexure
ee)	Secretarial Audit Report
ff)	Report on Corporate Governance
gg)	Management Discussion and Analysis Report
hh)	CEO certification on Compliance with Code of Business Conduct and Ethics
ii)	CEO/CFO Certification
jj)	Secretarial Auditors' Certificate on Compliance with conditions of Corporate Governance
kk)	Independent Auditors' Reports
ll)	Standalone and Consolidated Balance Sheet as of 31 st March 2016 with Notes on Accounts
mm)	Standalone and Consolidated Statement of Profit & Loss for the year ended 31 st March 2016 with Notes on Accounts
nn)	Cash Flow Statements for the year ended 31 st March 2016
oo)	Attendance Slip
pp)	Proxy Form

Please acknowledge.

Thanking you,

Yours faithfully,

For PBM Polytex Limited

(S M Sharma)

Vice President - (Sec.)

ENCL: Copy of the Annual Report for the financial year 2015 - 16

CC: The General Manager, M/s Ahmedabad Stock Exchange Limited,
First Floor, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole,
Ahmedabad - 380015 along with above enclosure.

BY COURIER

M/s. NSE Ltd., Mumbai

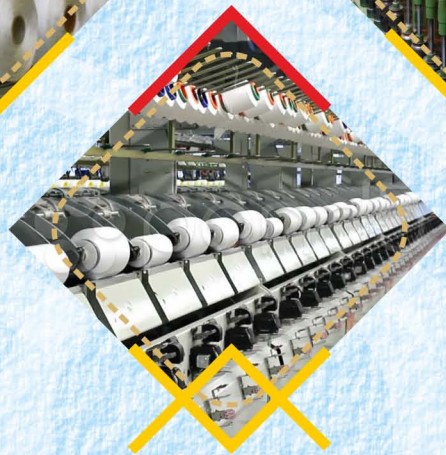
BY COURIER

BARODA OFFICE: 8TH FLOOR, "RAMAKRISHNA CHAMBERS", PRODUCTIVITY ROAD,
ALKAPURI, BARODA - 390 007. TELEPHONE NO. : 2333587, 2320053, FAX NO. (0265) 2338979
E-Mail: pbm@patodiagroup.com, Website: www.pbmpolytex.com



PBM Polytex Limited

97th Annual Report
2015-16



97TH ANNUAL REPORT (2015 – 16)

BOARD OF DIRECTORS

Shri Krishan Kumar Patodia	Chairman
Shri Gopal Patodia	Managing Director
Shri Mohan Kumar Patodia	Managing Director cum CFO
Shri Hari Prasad Siotia	Director
Shri Brijbhushanlal Kabra	Independent Director
Shri Jugalkishore Todi	Independent Director
Smt. Vinita Devi Modi	Independent cum Woman Director
Shri M L Bagaria	Independent Director

SENIOR EXECUTIVES

Shri Amit Patodia	Senior President cum CEO
Shri Vikash Patodia	Senior President

ASST. COMPANY SECRETARY

Shri Mukesh Prajapat

REGISTERED OFFICE

Opposite Railway Station, Petlad - 388450
Dist. Anand, Gujarat; Website - www.pbmpolytex.com

MUMBAI OFFICE

12th Floor, Raheja Chambers,
213, Nariman Point, Mumbai - 400021

CORPORATE OFFICE

8th Floor, "Ramakrishna Chambers", Productivity Road,
Alkapuri, Vadodara – 390 007

MANUFACTURING UNITS

- (1) Opposite Railway Station, Petlad 388450
Dist. Anand, Gujarat.
- (2) Plot No. 16 to 19 Sector 'B'
AKVN Industrial Area,
Kheritaigaon, Borgaon, Dist. Chhindwara (MP)

WIND MILLS

- (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,
3rd Floor, 'E' Block, Capital Commercial Centre,
Ashram Road, Ahmedabad 380009

REGISTRAR AND SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd. having its branch office at B-102 & 103,
Shangrila Complex, Off. HDFC Bank, Near Radhakrishna Char Rasta, Akota,
Vadodara - 390020 as New Registrar and Transfer Agent with effect from 07.07.2016.

NOTICE TO SHAREHOLDERS

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Ninety Seventh Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company situated at Opposite Railway Station, Petlad - 388450 on **Saturday, the 24th September 2016 at 11:00 A. M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 and Statement of Profit and Loss and Cash Flow Statement (including Audited Consolidated Financial Statements) for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March 2016.
3. To appoint a Director in place of Shri Mohan Kumar Patodia (DIN : 00035381) as director who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and ratify the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W) as the Statutory Auditors of the Company approved by the Members at the 96th Annual General Meeting for a term of two years i.e. till the conclusion of the 98th Annual General Meeting of the Company.

SPECIAL BUSINESS:

5. **Ratification of Remuneration to the Cost Auditor for the Financial Year 2016-17**

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Shri B. C. Desai, Cost Auditor, Ahmedabad (Membership Number M-1077), whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board to conduct the audit of the cost records maintained by the Company for the financial year 2016 – 17 at total remuneration of Rs. 55,000/- (Rupees Fifty Five Thousand Only) plus service tax and reimbursement of travelling and out-of pocket expenses, be and is, hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

PROXY, IN ORDER TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN FORTY – EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A Proxy Form is annexed to this Report.

A person can act as a proxy on behalf of Members not exceeding fifty members and holding in aggregate not more than 10% of the total Share Capital of the Company carrying voting right. A Member holding more than 10% of the total Share Capital of the Company carrying voting right may appoint a single person as a proxy and such person shall not act as proxy for any other shareholder.

- B. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.
- C. In case of Joint Holders attending the meeting, only the first named holder will be entitled to vote at the meeting.
- D. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- E. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, the 17th September 2016 to Saturday, the 24th September 2016 (both days inclusive)**. Those Shareholders whose names appear on the Register of Members on **Friday, the 16th September 2016** shall be eligible for dividend.

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 at the Company's registered office latest by **10th September 2016**.

- F. Members are informed that the Company's equity shares are compulsorily traded in demat form for all investors as effective from 1st April 2002. Members are requested to open Depository Account in their names with a Depository Participant to dematerialize their holdings.
- G. All businesses to be transacted at the meeting, may be transacted through electronic voting system. The Company is providing facility of voting by electronic means to all the shareholders of the Company whose names appear on the Company's Register of Members including Beneficial Owner on **16th September 2016**.
- H. Voting through physical ballot paper shall be made available at the AGM & the members attending the AGM who have not cast their vote by e-voting shall be able to cast their vote by physical ballot paper at the meeting.
- I. Pursuant to Section 205A(5) and 205C of the Companies Act 1956 as amended (Section 124 of the Companies Act, 2013), dividend for the financial years ended upto 31st March 2008, which remained unpaid or unclaimed for the period of 07 (seven) years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Members wishing to claim dividends, which has remained unclaimed, are requested to correspond to the Registrar and Share Transfer Agent or Company Secretary at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), transferred to the Investor Education and Protection Fund.

- J. Members are requested to inform immediately any change in their address to the Company's Share Transfer Registrar.
- K. Members are further requested to register or update their email ID with the Company and Depository Participants to enable them to send any correspondence electronically.
- L. Members can avail of the nomination facility by filling Form SH. 13 with the Company. Blank forms will be supplied on request.
- M. Explanatory Statement pursuant to section 102 of the Companies Act 2013 in respect of Special Business at Item No. 5 is appended herewith.

In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

PROCESS FOR MEMBERS OPTING E – VOTING:

I. In case of members receiving e-mail:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for PBM POLYTEX LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

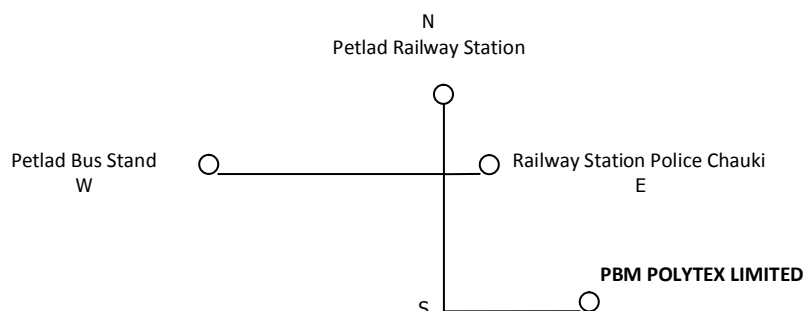
(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. In case of members receiving the physical copy:

Use initial password as provided in the enclosed Form and follow all the steps from Sl. No. i to xvii to cast your vote.

III. Other Instructions:

1. The e-voting period begins on **Wednesday, the 21st September 2016 at 09:00 A. M.** and ends on **Friday, the 23rd September 2016, at 05:00 P. M.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, **Friday, the 16th September 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 05:00 P. M. on the 23rd September 2016.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Friday, the 16th September 2016**.
3. M/s. Samdani Shah & Associates, a firm of Practicing Company Secretary, Vadodara, has been appointed as the Scrutinizers to scrutinize the e-voting process (including the Polling Papers received from the Members who have by e-voting process) in a fair and transparent manner.
4. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
5. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
6. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. **Friday, the 16th September 2016** may obtain User ID and password by sending a request to our RTA, M/s Link Intime India Pvt. Ltd., Vadodara; Email ID vadodara@linkintime.co.in; Tel. No. 0265 – 2356573, 2356794 and follow all the steps from Sl. No. i to xvii to cast your vote.
7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pbmpolytex.com and on the website of CSDL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited and Ahmedabad Stock Exchange Limited, where the shares of the Company are listed.
8. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. The route map of the registered office of the company where the Annual General Meeting of the Company will be held is given below :



By order of the Board
For PBM Polytex Limited

Place : Petlad
Date : 1st August 2016

GOPAL PATODIA
Managing Director
(DIN : 00014247)

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 5

The Cost Records and Statements of the Company are subject to Audit as provided under section 148 of the Companies Act, 2013 for which Mr. B C Desai, Qualified Cost Accountant, has been appointed by the Board of Directors of the Company for the Financial Year 2016 – 17 at a remuneration of Rs. 55,000/- (Rupees Fifty Five Thousand Only) plus service tax and reimbursement of travelling and out-of pocket expenses incurred. The consent of the members is sought for ratification of the remuneration payable to the Cost Auditor.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.5 of the notice.

Details of Director seeking Re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI) and other applicable provisions are as under:

Sl. No.	Name of Director	Shri Mohan Kumar Patodia, Managing Directors cum CFO
1	DIN	00035381
2	Date of Birth	10.06.1948
3	Age (in Years)	68
4	Date of Appointment	09.08.1980
5	Qualifications	B. Com.
6	Expertise in specific functional area	44 years of experience in marketing of Cotton yarn and other textile product and handling VAT and Excise matters. He is Managing Director of the Company since 01.08.2007.
7	Directorship of other Companies	M/s Eurospin Industries Limited M/s Sambhu Investments Private Limited M/s Star Silk Exports Private Limited
8	Chairman of Committees of other Companies	NIL
9	Member of Committees of other Companies	NIL
10	Shareholding in the company	67998
11	Relationship with other Director, Manager & KMP	Brothers: Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia – Directors Son of Brother (Shri Gopal Patodia): Shri Amit Patodia – Senior President cum CEO

By Order of the Board
For PBM Polytex Limited

Place : Petlad
Date : 1st August 2016

GOPAL PATODIA
Managing Director
(DIN : 00014247)

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Ninety Seventh Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars		2015 – 16	2014 – 15
Earnings Before Interest, Depreciation and Tax (EBIDITA)		1746.27	2390.32
Less: Interest and Financial Charges		259.45	324.23
Gross Profit		1486.82	2066.09
Less: Depreciation		384.36	388.80
Profit Before Tax		1102.46	1677.29
Less: Provision for Taxation		440.00	616.26
		662.46	1061.03
(Add) / Less: Deferred Tax Liability / (Asset)		(13.38)	1.82
Profit After Tax (PAT)		675.84	1059.21
Add: Surplus brought forward	2028.56		3019.33
Less: Transitional effect of depreciation of assets as on 01.04.2014	0.00		62.95
		2028.56	2956.38
Amount available for Appropriation		2704.40	4015.59
Appropriation:			
General Reserve	250.00		1400.00
Proposed Dividend	243.87		487.74
Corporate Dividend Tax	49.65		99.29
		543.52	1987.03
Balance carried to Balance Sheet		2160.88	2028.56

2. DIVIDEND

Your Directors are pleased to recommend a Dividend @ 30% (i. e. Rs. 3/- per Equity Share) on the paid up equity share capital of the Company for the Financial Year ended 31st March, 2016, which will absorb Rs. 2,93,51,675/- including dividend distribution tax of Rs. 49,64,615/-.

3. TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 2,50,00,000/- to General Reserve out of the profits of the Company for the financial year 2015-16.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the Financial Year 2015-16.

5. STATE OF COMPANY'S AFFAIRS

Both the units of the Company, established in Gujarat and Madhya Pradesh, manufacture 100% cotton yarn. About 40% of the Company's product is exported every year to various countries. During the year, there was fall in Global prices and glut supply in the international market which hit not only our Company but the Textile Industry in the country as a whole. This heavy reduction in export sales not only affected the international yarn prices but in Indian market also the price of cotton yarn came down by about 30 – 35% during the year. More so, there is drastic increase in spinning capacity over the past few years. Such spinning units gain many incentives under different schemes reducing their net cost of production whereas such benefit is not available to other old Spinning Units like us.

In spite of all the adverse effects under the prevailing circumstances the Company could stand and achieve satisfactory financial results by keeping all costs under control. Realisation from electricity sales which, though, not so significant, was just marginally higher than the previous year.

6. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given the declaration that they meet the criteria of Independence as prescribed under section 149 (6) of the Companies Act, 2013 ("the Act").

7. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Mohan Kumar Patodia, retires by rotation at the ensuing 97th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

None of the Directors are disqualified under Section 164(2) of the Act.

8. KEY MANAGERIAL PERSONNEL

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as Key Managerial Personnel of the Company as on 31st March, 2016;

1. Shri Gopal Patodia
2. Shri Mohan Kumar Patodia
3. Shri Amit Patodia
4. Shri Mukesh Prajapat (w.e.f 08.02.2016)

9. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, Board Committees, as well as, Directors individually including performance of Independent Directors after seeking inputs from all the Directors/Committee members. The result of the evaluation is satisfactory, adequate and meets the requirement of the Company.

10. BOARD MEETINGS

The details of Board Meetings are disclosed in Corporate Governance Report appended to Directors' Report. The Board of Directors have met four times during the financial year ended 31st March 2016.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Provisions of Section 134(3)(c) of the Act, your Directors confirm that –

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the accounting policies adopted are consistently applied and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the said period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. annual accounts have been prepared on a going concern basis;
5. internal financial controls (as required by explanation to section 134(5)(e) of the Act) is being followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. proper systems have been devised to ensure compliance with the provisions of applicable laws and that such systems are adequate and operating effectively.

12. SHARE CAPITAL

The Issued Equity Share Capital as on 31st March 2016 was Rs. 8,13,00,000/- and Paid Up Equity Share Capital was Rs. 8,12,96,080/-. During the year under review, the Company has not issued any shares.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The Company has not given any loans or guarantees to any party. Non - current investments amounting to Rs. 5,45,90,920/- were made prior to the Financial Year 2015 – 16. Current investments amounting to Rs. 18,17,15,007/- outstanding at the end of the year have been made in different mutual funds. These investments are exhibited in Note 13 and 16 respectively in the Balance Sheet. These investments are within the limits prescribed under section 186 of the Act.

14. INDUSTRIAL RELATIONS

Industrial relations continued to be cordial at Borgaon Unit of the Company. However, illegal Go Slow tactics were adopted by workers of Petlad Unit of the Company during the month of January 2016 for few days causing loss of production. The Petlad unit workers are again on illegal strike since 14th May, 2016, causing complete loss of production. The Management is making efforts to educate and convince the workers to avoid to adopt such illegal action and to resume duty. However, till the date of this report, they have not reported on duty inspite of orders of Industrial Courts. It is hoped that situation will be normal in short time.

15. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the year, no complaints of sexual harassment were received by the Committee.

16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company are given in **Annexure "A"**.

17. SUBSIDIARY AND ASSOCIATE COMPANIES

There is no Subsidiary of the Company.

The Company holds 22,31,980 equity shares of Rs. 10/- each of M/s Eurotex Industries and Exports Limited (CIN : L70200MH1987PLC042598) having its registered office at 809 – Raheja Chambers, 8th Floor, 213 – Nariman Point, Mumbai and Spinning Unit at Kolhapur. Form AOC – 1 as required under section 129(3) of the Act is attached as **Annexure "A(1)"**.

These shares were acquired from the year 1992 – 93 onwards in different years. Total cost of the shares so acquired is Rs. 5,45,90,920/-. The total shareholding of our Company in the equity capital of the said M/s Eurotex Industries and Exports Limited is 25.5086% and by virtue of this holding in the said company, it becomes associate company as defined under section 2(6) of the Companies Act, 2013.

In pursuance of section 129 of the Companies Act, 2013, Consolidation of Financial Statements of the Company is to be done and accordingly, the share of our Company in Reserves and Surplus of the associate company upto the period 31.03.2014 has been included under the head Reserves and Surplus as Capital Reserves and the losses for the financial years 2014 – 15 and 2015 – 16 have been incorporated in Consolidated Statement of Profit and Loss. The corresponding effect of the above has been given in the value of shares of the associate company acquired under Note 13 of Non – Current Investments.

18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on Arm's Length basis and were in ordinary course of business. No materially significant related party transactions were done by the Company with Promoters, Directors, Key Managerial Personnel, other designated persons or other related parties, which may have potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee from time to time and also before the Board for approval.

The Policy on Related Party Transactions as approved and as adopted by the Board has been uploaded on the Company's Website at <http://www.pbmpolytex.com/attachments/article/47/related%20party.pdf>. Form AOC – 2 as required under section 134 (3) (h) read with rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure "A(2)"**.

19. DISCLOSURE ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Sub-section 3(m) of Section 134 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure "B"** forming part of this report.

20. EXTRACTS OF ANNUAL RETURN

The details forming part of the extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT – 9 is annexed herewith as **Annexure "C"**.

21. DIFFERENT POLICIES UNDER THE ACT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015.

The Company has approved the following policies:-

- i. Corporate Social Responsibility (CSR) Policy;
- ii. Vigil Mechanism / Whistle Blower Policy;
- iii. Policy on Nomination and Remuneration;
- iv. Risk Management Policy;
- v. Policy on Preservation of Documents;
- vi. Policy for determination of materiality of events or information.

I. Corporate Social Responsibility (CSR) Policy

The details in respect of terms of reference, composition and meeting of CSR Committee are disclosed in Corporate Governance Report attached with this Report. A separate report on CSR activities, forming part of the Directors' Report, is attached as **Annexure "D"**. The CSR Policy has been placed on the Company's website.

II. Vigil Mechanism / Whistle Blower Policy

Your Company has a well-defined "Whistle Blower Policy" and has established Vigil Mechanism to provide for adequate safeguards against victimisation of Directors and employees who follow such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in appropriate cases. The details about this policy are disclosed in Corporate Governance Report appended with Director's Report. The Vigil Mechanism / Whistle Blower Policy have been placed on the Company's website.

III. Policy on Nomination and Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and fixing their remuneration. The policy on Nomination and Remuneration has been given in Corporate Governance Report which forms part of this report.

IV. Risk Management Policy

The Company has a structured Risk Management Policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process so that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

Review of operation of various Committees:

The Company has already formed the following committees to ensure timely compliances of all the applicable rules and regulations: 1) Audit Committee, 2) Nomination & Remuneration Committee, 3) Corporate Social Responsibility Committee, and 4) Stakeholders Relationship Committee. The details about these committees are given in the Corporate Governance Report.

22. 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.

23. AUDITORS

A. Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 96th Annual General Meeting of the Company, have appointed M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN 105775W) Ahmedabad as Statutory Auditors of the Company to hold the office until the conclusion of 98th Annual General Meeting of the Company.

As required under the provisions of Section 139 of the Companies Act, 2013, their appointment as Statutory Auditors is subject to ratification by the Members at every Annual General Meeting. Accordingly, Members are requested to ratify their said appointment at the ensuing Annual General Meeting of the Company.

B. Secretarial Auditors

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Samdani Shah and Associates, a firm of Practicing Company Secretaries, Vadodara, as Secretarial Auditors for the year 2016 – 17 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2015 – 16 is annexed herewith as **Annexure “E”**.

C. Cost Auditor

Shri B. C. Desai, the Cost Accountant (Membership No. M-1077), Ahmedabad has been appointed as Cost Auditor to audit cost records and statements of the Company for the year 2016 – 17. His remuneration for the said year is to be confirmed by the shareholders as required under section 148 of the Companies Act, 2013.

D. Internal Auditors

M/s. Madanlal Sharma & Co. Chartered Accountants and M/s. Shah Baheti Chandak & Co., Chartered Accountants have been appointed as Internal Auditors for conducting internal audit of the Company for the year 2016 – 17.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports;

There have been no disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports, requiring explanation or comments by the Board.

24. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A Report on Corporate Governance and Management Discussion and Analysis as required under Regulation 4(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report and is annexed herewith as **Annexure “F”**.

25. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report except the loss suffered by the Company since middle of May, 2016 on account of complete stoppage of production by the workers of Petlad Unit of the Company.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

27. INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems, commensurate with the size and scale of the Company. Internal Auditors have been appointed for Petlad as well as Borgaon units of the Company who submit their periodical report to the Board and necessary advices are adopted and needful is done, if required for better control.

28. DEPOSITS

The Company has not accepted or continued any public deposits as contemplated under section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

29. ACKNOWLEDGEMENTS

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.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

ANNEXURE “A” TO THE DIRECTORS’ REPORT

Disclosure under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2015 – 16, the percentage increase in remuneration of each director, Chief Executive Officer and Chief Financial Officer during the financial year 2015 – 16:

Sl. No.	Name of Director / KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration during 2015-16(%)
1.	Shri Gopal Patodia	Managing Director	42.93	(-)16.59
2.	Shri Mohan Kumar Patodia	Managing Director cum CFO	28.53	(-)28.98
3.	Shri Amit Patodia	Chief Executive Officer	20.64	7.22
4.	Shri Mukesh Prajapat (w.e.f 08.02.2016)	Asst. Company Secretary	1.87	86.42

Note :

- The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Remuneration Policy. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore, not considered for the above purpose.
 - Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination & Remuneration Committee of the Company during the financial year 2015 – 16.
- The percentage increase in the median remuneration of Employees for the financial year was 10.36%.
 - The Company has 1146 permanent Employees on the rolls of Company as on 31st March 2016.
 - It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- None of the employee was employed throughout the year who was in receipt of remuneration of more than Rs. 102.00 lacs per annum.
- None of the employee employed for part of the year who was in receipt of remuneration of more than Rs. 8.50 lacs per month.
- No employee was in receipt of remuneration in the financial year which, in the aggregate, or as the case may be was at a rate which, in the aggregate, is in excess of that drawn by the managing director and holds by himself or along with his spouse and dependent children, two percent of the equity shares of the Company.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara

Date : 1st August 2016

ANNEXURE “A(1)” TO THE DIRECTORS’ REPORT

Form AOC-I

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies:

	Name of Associates	M/s Eurotex Industries and Exports Ltd
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Shares of Associate held by the company on the year end	
	No.	2231980
	Amount of Investment in Associates (Rs. in Lac)	545.91
	Extent of Holding (%)	25.5086
3.	Description of how there is significant influence	By virtue of 25.5086% shareholding
4.	Reason why the associate is not consolidated	Results of Associate Company is consolidated.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Lac)	1505.28
6.	Profit / (Loss) for the year	
	i. Considered in Consolidation (Rs. in Lac)	(137.27)
	ii. Not Considered in Consolidation (Rs. in Lac)	0

- Names of associates or joint ventures which are yet to commence operations: Not applicable.
- Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable.

NOTE:

- AOC – 1 Part A “Subsidiaries” is not applicable as the Company does not have any subsidiary.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara

Date : 1st August 2016

ANNEXURE "A(2)" TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto :

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
There was no related party transaction which was not at arm's length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
No material contracts or arrangement or transactions have been done by the Company during the year.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

ANNEXURE "B" TO THE DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER SUB-SECTION 3 (M) OF SECTION 134 OF THE ACT AND RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY:

- (a) **Energy conservation measures taken:**
There is always close monitoring of energy consuming equipments. Energy saving devices have been installed wherever necessary.
- (b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**
The Company has replaced the existing Tube-lights by LED Tube-lights in the Factory. Energy Audit is being conducted every year with a view to find out the points if there is any loss of energy.
- (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:**
Quality of yarn is maintained continuously with a view to keep the Overseas buyers satisfied. The concerned Officers have been making Foreign Tours to visit the existing and also new buyers to obtain orders.
- 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)

Particulars	2015 – 16	2014 – 15
Foreign Exchange used	162.82	842.44
Foreign Exchange earned	8137.37	8396.33

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

REPORT ON CONSERVATION OF ENERGY ETC.

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy:-

PARTICULARS	2015 – 16	2014 – 15
(A) POWER AND FUEL CONSUMPTION:-		
(1) ELECTRICITY :		
(a) Purchased Units	3,76,43,496	3,81,84,966
Total Amount (Rs)	24,76,55,652	25,80,72,503
Rate/Unit (Rs)	6.58	6.76
(b) Own Generation		
i. Through D. G. Sets – Units	1,30,631	73,585
Units per liter of Diesel Oil	3.36	3.04
Fuel Cost per Unit (Rs) Diesel Oil	18.09	22.15
ii. Through Steam Turbine/Generator		
Units	–	–
Units per Liter of Fuel Oil/Gas	–	–
Cost/Unit	–	–
(2) AGRO WASTE		
Quantity (Tones)	951.18	1,078.64
Total Cost (Rs)	53,58,400	66,72,062
Average Rate Rs. per Tone	5633	6,186
(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)	3.92	4.02
2. HSD (Per Kg. of Yarn)	0.01	0.02
3. Agro Waste (Kg./per Kg. of Yarn)	0.15	0.16
4. Others	–	–

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

FORM B

Form for Disclosure of Particulars with respect to Technology Absorption:-

(A) RESEARCH & DEVELOPMENT (R & D):-

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

The Company is ISO 9001 certified.

Studies in different departments of mills is carried out by Experts wherever quality is affected.

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

The Company is producing quality yarn, which is well accepted in domestic, 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 the respective heads of expenses in Statement of Profit and Loss and no separate account is maintained.

(B) 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.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara

Date : 1st August 2016

ANNEXURE "C" TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L17110GJ1919PLC000495
Registration Date	24.11.1919
Name of the Company	PBM POLYTEX LIMITED
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of Registered Office and Contact details	Opposite Railway Station, Petlad, Dist. Anand, Gujarat – 388450
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Pvt. Ltd. having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078 (Newly appointed with effect from 07.07.2016). Contact Person:- Mr. Alpesh Gandhi Tel Nos. 0265-2356573, 2356794, Fax No. 0265-2356791 vadodara@linkintime.co.in M/s Sharepro Services (India) Pvt. Ltd. ceased to be RTA with effect from 06.07.2016 under SEBI Order.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Company is engaged mainly in the business of manufacturing and processing of Yarn. It also generates power at Wind Mills, the turnover of which is less than 10 % of the total turnover of the Company.

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1.	Cotton Yarn	2636/2635000	95.57%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1.	M/s Eurotex Industries and Exports Limited	L70200MH1987PLC042598	Associate	25.51	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding:

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/ HUF	1931012	--	1931012	23.75	1928887	--	1928887	23.73	(0.08)
(b)	Central Government	--	--	--	--	--	--	--	--	--
(c)	State Government (s)	--	--	--	--	--	--	--	--	--
(d)	Bodies Corporate	4008052	--	4008052	49.30	4008052	--	4008052	49.30	--
(e)	Banks / FI	--	--	--	--	--	--	--	--	--
(f)	Any Others	--	--	--	--	--	--	--	--	--
	Sub Total(A)(1)	5939064	--	5939064	73.05	5936939	--	5936939	73.03	(0.03)
2	Foreign									
(a)	NRIs – Individuals	92168	--	92168	1.13	92168	--	92168	1.13	--
(b)	Other – Individual									
(c)	Bodies Corporate									
(d)	Banks / FI									
(e)	Any Others									
	Sub Total(A)(2)	92168	--	92168	1.13	92168	--	92168	1.13	--
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	6031232	--	6031232	74.18	6029107	--	6029107	74.16	(0.03)
(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	--	850	850	0.01	--	850	850	0.01	--
(b)	Banks / FI	--	300	300	0.00	--	300	300	0.00	--
(c)	Central Government	--	--	--	--	--	--	--	--	--
(d)	State Government(s)	--	--	--	--	--	--	--	--	--
(e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f)	Insurance Companies	--	--	--	--	--	--	--	--	--
(g)	FIs	--	200	200	0.00	--	200	200	0.00	--
(h)	Foreign Venture Capital Funds / Investors	--	--	--	--	--	--	--	--	--
(i)	Other (specify)	--	--	--	--	--	--	--	--	--
	Sub-Total (B)(1)	--	1350	1350	0.02	--	1350	1350	0.02	--
2	Non-Institutions									
(a)	Bodies Corporate									
	i Indian	154913	8760	163673	2.01	137154	8760	145914	1.79	(10.94)
	ii Overseas	--	--	--	--	--	--	--	--	--
(b)	Individuals									
	i Individual shareholders holding nominal share capital up to Rs 1 lakh	750640	403364	1154004	14.19	849736	386615	1236351	15.21	7.19
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	590700	94231	684931	8.43	621937	75883	697820	8.58	1.78

(c)	Any Other									
	i) Non Resident Repatriates	83509	6978	90487	1.12	6067	6678	12745	0.16	(85.59)
	ii) Non Resident Non Repatriates	400	700	1100	0.01	1285	700	1985	0.02	100.00
	iii) Others	3223	--	3223	0.04	4728	--	4728	0.06	50.00
	Sub-Total (B)(2)	1583385	514033	2097418	25.80	1620907	478636	2099543	25.82	0.08
	Total Public Shareholding (B) = (B)(1)+(B)(2)	1583385	515383	2098768	25.82	1620907	479986	2100893	25.84	0.08
(C)	Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	GRAND TOTAL (A)+(B)+(C)	7614617	515383	8130000	100	7650014	479986	8130000	100	0.00

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Eurotex Industries and Exports Ltd.	1582347	19.46	-	1582347	19.46	-	-
2.	Sambhu Investments Pvt. Ltd.	779320	9.59	-	779320	9.59	-	-
3.	Patodia Syntex Limited	712957	8.77	-	712957	8.77	-	-
4.	Trikon Investments Pvt. Ltd.	557834	6.86	-	557834	6.86	-	-
5.	Rajiv Agencies Pvt. Ltd.	222848	2.74	-	222848	2.74	-	-
6.	Manju Patodia	216744	2.67	-	216744	2.67	-	-
7.	Madhu Patodia	212594	2.61	-	212594	2.61	-	-
8.	Rani Krishan Kumar Patodia	210511	2.59	-	210511	2.59	-	-
9.	Hari Prasad Siotia	199280	2.45	-	199280	2.45	-	-
10.	Anita Patodia	148194	1.82	-	148194	1.82	-	-
11.	Nandini Narayan Patodia	148194	1.82	-	148194	1.82	-	-
12.	Krishan Kumar Patodia	141028	1.73	-	141028	1.73	-	-
13.	Shashank Investments Pvt. Ltd.	89512	1.10	-	89512	1.10	-	-
14.	Amit Patodia	78980	0.97	-	78980	0.97	-	-
15.	Shakuntala Devi Patodia	74386	0.91	-	74386	0.91	-	-
16.	Siddharth Krishan Kumar Patodia	69007	0.85	-	69007	0.85	-	-
17.	Narayan Patodia	68849	0.85	-	68849	0.85	-	-
18.	Mohan Kumar Patodia	67998	0.84	-	67998	0.84	-	-
19.	Aditi Jussawalla	63467	0.78	-	63467	0.78	-	-
20.	Priya Gopal Patodia	56553	0.70	-	56553	0.70	-	-
21.	Chandramauli Investments Pvt. Ltd.	56314	0.69	-	56314	0.69	-	-
22.	Vikash Patodia	49518	0.61	-	49518	0.61	-	-
23.	Kirti Patodia	47173	0.58	-	47173	0.58	-	-
24.	Yashvardhan Patodia	47173	0.58	-	47173	0.58	-	-
25.	Deven Patodia	45917	0.56	-	45917	0.56	-	-
26.	Gaurav Narayan Patodia	44995	0.55	-	44995	0.55	-	-
27.	Gopal Patodia	27369	0.34	-	27369	0.34	-	-
28.	Thrust Investments and Management Consultants Pvt. Ltd.	6473	0.08	-	6473	0.08	-	-
29.	Shailja Patodia	3125	0.04	-	3125	0.04	-	-
30.	* Brijbhushanlal Kabra	2125	0.03	-	0	0.00	-	100
31.	Maharashtra Fibre and Syntex Ltd.	447	0.01	-	447	0.01	-	-
TOTAL		6031232	74.18	-	6029107	74.16	-	0.03

* Shri Brijbhushanlal Kabra has been re-classified as Public Shareholder w.e.f 08.02.2016 without disposal of shares held by him and necessary intimation in this regard has already been given to M/s BSE Limited and M/s Ahmedabad Stock Exchange Limited.

(iii) Change in Promoters' Shareholding:

Sl. No.	Name of Promoters	Shareholding at the beginning of the year (01.04.2015) and Shareholding at the end of the year (31.03.2016)		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Brijbhushanlal Kabra	2125	0.03	08.02.2016	(2125)	Re – classified as Public Shareholder	0	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2015) and Shareholding at the end of the year (31.03.2016)		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Santosh S. Goenka	127056	1.56	08.05.15	(13480)	Sale	113576	1.40
				22.05.15	2345	Purchase	115921	1.43
				29.05.15	5953	Purchase	121874	1.50
				05.06.15	198	Purchase	122072	1.50
				10.07.15	691	Purchase	122763	1.51
				17.07.15	1350	Purchase	124113	1.53
				28.08.15	(1560)	Sale	122553	1.51
				18.12.15	3300	Purchase	125853	1.55
		125853	1.55					
2	Sangeetha S	93611	1.15	11.12.15	2700	Purchase	96311	1.18
		97270	1.20	19.02.16	959	Purchase	97270	1.20
3	Sunita S. Goenka	49426	0.61	10.04.15	275	Purchase	49701	0.61
				01.05.15	(719)	Sale	48982	0.60
				15.05.15	50	Purchase	49032	0.60
				22.05.15	3809	Purchase	52841	0.65
				29.05.15	1305	Purchase	54146	0.67
				05.06.15	18886	Purchase	73032	0.90
				12.06.15	223	Purchase	73255	0.90
				17.07.15	2782	Purchase	76037	0.94
				30.10.15	(1530)	Sale	74507	0.92
		74507	0.92					
4	Raghvendra	45710	0.56	30.06.15	(1700)	Sale	44010	0.54
				24.07.15	9524	Purchase	53534	0.66
				31.07.15	9489	Purchase	63023	0.78
				07.08.15	21580	Purchase	84603	1.04
				14.08.15	1200	Purchase	85803	1.06
				04.11.15	500	Purchase	86303	1.06
				27.11.15	100	Purchase	86403	1.06
				31.12.15	(5175)	Sale	81228	1.00
				08.01.16	(46017)	Sale	35211	0.43
		35211	0.43					
5	Ricky I. Kirpalani	40020	0.49	12.06.15	(21941)	Sale	18079	0.22
		0	0.00	30.06.15	(18079)	Sale	0	0.00

6	Supriya S. Goenka	36305	0.45	01.05.15	(1775)	Sale	34530	0.42
				22.05.15	1037	Purchase	35567	0.44
				29.05.15	10730	Purchase	46297	0.57
				26.06.15	1528	Purchase	47825	0.59
				24.07.15	1050	Purchase	48875	0.60
				18.09.15	500	Purchase	49375	0.61
		49375	0.61					
7	Shyam K. Khatri	31971	0.39	18.09.15	(2400)	Sale	29571	0.36
				25.09.15	(5494)	Sale	24077	0.30
				30.09.15	(2632)	Sale	21445	0.26
				31.10.15	(21445)	Sale	0	0.00
		0	0.00					
8	Ninja Securities Pvt. Ltd.	31970	0.39	24.04.15	(270)	Sale	31700	0.39
				08.05.15	(13580)	Sale	18120	0.22
				15.05.15	8000	Purchase	26120	0.32
				29.05.15	(6044)	Sale	20076	0.25
				30.06.15	(9590)	Sale	10486	0.13
				03.07.15	(500)	Sale	9986	0.12
				31.07.15	(1763)	Sale	8223	0.10
				28.08.15	(3693)	Sale	4530	0.06
		4530	0.06					
		31610	0.39					
9	Muktilal G. Paldiwal	32110	0.39	17.04.15	500	Purchase	32110	0.39
10	Pashupati Capital Services Pvt Ltd	28985	0.36	31.12.15	(2209)	Sale	26776	0.33
		26776	0.33					
11	Kapil Agarwal (29.05.2015)	15260	0.19	26.06.15	11240	Purchase	26500	0.33
				30.06.15	(500)	Sale	26000	0.32
				10.07.15	(1000)	Sale	25000	0.31
				17.07.15	(255)	Sale	24745	0.30
				24.07.15	255	Purchase	25000	0.31
				07.08.15	(2000)	Sale	23000	0.28
				14.08.15	250	Purchase	23250	0.29
				18.09.15	(296)	Sale	22954	0.28
				30.10.15	6046	Purchase	29000	0.36
				06.11.15	2000	Purchase	31000	0.38
				11.12.15	1300	Purchase	32300	0.40
				18.12.15	1000	Purchase	33300	0.41
				25.12.15	(950)	Sale	32350	0.40
				31.12.15	1950	Purchase	34300	0.42
				31.03.16	200	Purchase	34500	0.42
		34500	0.42					
		25000	0.31					
12	Choice Equity Broking Pvt. Ltd. (14.08.2015)	25000	0.31	--	--	--	--	--
13	Manish Todi	22400	0.28	--	--	--	--	--
		22400	0.28					

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2015) and Shareholding at the end of the year (31.03.2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Shri Krishan Kumar Patodia	141028	1.73	--	--	--	--	--
		141028	1.73					
2	Shri Gopal Patodia	27369	0.34	--	--	--	--	--
		27369	0.34					
3	Shri Mohan Kumar Patodia	67998	0.84	--	--	--	--	--
		67998	0.84					
4	Shri Hari Prasad Siotia	199280	2.45	--	--	--	--	--
		199280	2.45					
5	Shri Brijbhushanlal Kabra	2125	0.03	--	--	--	--	--
		2125	0.03					
6	Shri Jugalkishore Todi	0	0.00	--	--	--	--	--
		0	0.00					
7	Smt. Vinitadevi Modi	0	0.00	--	--	--	--	--
		0	0.00					
8	Shri M L Bagaria	0	0.00	--	--	--	--	--
		0	0.00					
9	Shri Amit Patodia (Key Managerial Personnel)	78980	0.97	--	--	--	--	--
		78980	0.97					
10	Shri Mukesh Prajapat (Key Managerial Personnel)	0	0.00	--	--	--	--	--
		0	0.00					

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Rs.):

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	211719244	0	0	211719244
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	765385	0	0	765385
Total (i+ii+iii)	212484629	0	0	212484629
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	88129678	0	0	88129678
Net Change (Reduction)		0	0	
Indebtedness at the end of the financial year				
(i) Principal Amount	123914966	0	0	123914966
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	439985	0	0	439985
Total (i+ii+iii)	124354951	0	0	124354951

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

A Remuneration to Managing Director, Whole-time Directors and/or Manager:				
Sl. No.	Particulars of Remuneration	Name of MDs		Total Amount
		Shri Gopal Patodia, Managing Director	Shri Mohan Kumar Patodia, Managing Director cum Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3300000	1980000	5280000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3599620	2618788	6218408
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	--	--	--
5	Others, please specify (Incentive)	330000	198000	528000
	Non taxable perks	21600	21600	43200
	Total (A)	7251220	4818388	12069608
	Ceiling as per the Act	As per Section 197 and Schedule V of the Companies Act, 2013.		

B. Remuneration to other directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Jugalkishore Todi	Shri Brijbhushanlal Kabra	Smt. Vinita Devi Modi	Shri M L Bagaria	
I	Fee for attending board / committee meetings	100000	100000	30000	20000	250000
	Total (1)					250000

2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Hari Prasad Siotia	Shri Krishan Kumar Patodia	
I	Fee for attending Board / Committee meetings	60000	30000	90000
	Total (2)			90000
	Total (B)=(1+2)			340000
	Total Managerial Remuneration (A+B)			12409608
	Overall Ceiling as per the Act	As per Section 197 and Schedule V of the Companies Act, 2013.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Shri Amit Patodia, Chief Executive Officer	Shri Mukesh Prajapat, Assit. Company Secretary (w.e.f. 08.02.2016)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1380000	44760
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2085222	--
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission / Bonus	--	--
	as % of profit	--	--
5	Others – Non taxable Perks	21600	--
	Total	3486822	44760

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A	COMPANY				
	Penalty		Nil		
	Punishment				
	Compounding				
B	DIRECTORS				
	Penalty		Nil		
	Punishment				
	Compounding				
C	OTHER OFFICERS IN DEFAULT				
	Penalty		Nil		
	Punishment				
	Compounding				

For PBM POLYTEX LIMITED

Place : Vadodara
Date : 1st August 2016

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

ANNEXURE “D” TO DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:**

The Company has framed a CSR Policy in compliance of the provisions of the Companies Act, 2013 and the same is available on the weblink <http://www.pbmpolytex.com/attachments/article/47/CSR%20Policy.pdf>. The CSR Policy covers the various activities in different fields covered under the Companies Act, 2013.

2. **Composition of the CSR Committee:**

Shri Krishan Kumar Patodia, Chairman
Shri Gopal Patodia, Managing Director
Shri Jugalkishore Todi, Independent Director

3. **Average Net Profit of the Company for last three financial years**

Average Net Profit: Rs. 22.50 Crore.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

For the year 2014 – 15, the Company was required to spend Rs.34.52 Lac towards CSR and for the year 2015 – 16, the Company is required to spend Rs. 45.01 Lac.

5. **Details of CSR spent during the financial year:**

- a. **Total amount for the financial year (2014-15):- Due Rs. 34.52 lac. Spent** **Rs. 34.52 Lac.**
- b. **Total amount for the financial year (2015-16):-Due Rs. 45.01 lac. Spent** **Rs. 10.77 lac.**
- c. **Amount unspent for the financial year (2015-16): (Refer Point No. 6 below)** **Rs. 34.24 Lac**
- d. **Manner in which the amount spent during the financial year is detailed below :-**

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/ Programmes:-		Amount outlay (budget) Project or Programs wise :	Amount spent on the projects or programs	Direct expenditure on Projects or programs,	Over-heads	Cumulative expenditure up to the reporting period (Rs.)	Amount spent: Direct or through implementing agency
			Local area or other	specify the State and district, where projects or programs was undertaken						
1.	Upgradation of medical facilities, etc at Shree Krishna Hospital, run by M/s Charutar Arogya Mandal, Karamsand, situated within the district of Anand, Gujarat.	Health care	--	Dist. Anand, Gujarat	11,00,000/-	11,00,000/-	--	Overhead	11,00,000/-	Implementing Agency
2.	Shelter being provided at Old Age homes and for further construction of rooms, M/s Ashara Mahila Utkarsh Trust, situated within the locality of Petlad, Dist. Anand, Gujarat.	Old Age Home	Petlad, Dist. Anand, Gujarat	--	2,00,000/-	2,00,000/-	--	Overhead	13,00,000/-	Implementing Agency
3.	Contribution, Scheme of CCTV (Through Gujarat Police Department).	Traffic and Public safety	Petlad, Dist. Anand, Gujarat	--	1,00,000/-	1,00,000/-	--	Overhead	14,00,000/-	Implementing Agency
4.	Contingencies	Flood Relief	--	Dist. Banaskantha, Gujarat	40,000/-	40,000/-	--	Overhead	14,40,000/-	Implementing Agency
5.	Contribution to Isarama Gram Panchayat for Borwell and Sewerage line.	Safe drinking water and Sanitation	Isarama Gram Panchayat, Petlad, Dist. Anand, Gujarat	--	58,960/-	58,960/-	--	Overhead	14,98,960/-	Implementing Agency

6.	M/s Shram Mandir Trust, Sindhrot, Vadodara.	Health care	--	Dist. Vadodara, Gujarat	5,00,000/-	5,00,000/-	--	Overhead	19,98,960/-	Implementing Agency
7.	M/s Naar Seva Samaj, Naar.	Education	Vill: Naar, Petlad, Dist. Anand, Gujarat	--	6,00,000/-	6,00,000/-	--	Overhead	25,98,960/-	Implementing Agency
8.	M/s Akshar Trust, Vadodara.	Education	--	Dist. Vadodara, Gujarat	4,00,000/-	4,00,000/-	--	Overhead	29,98,960/-	Implementing Agency
9.	M/s Medical Care Centre Trust, Vadodara.	Health Care	--	Dist. Vadodara, Gujarat	6,50,000/-	6,50,000/-	--	Overhead	36,48,960/-	Implementing Agency
10.	M/s Rotary Club of Bombay, Bombay.	Education	--	Bombay, Maharashtra	5,00,000/-	5,00,000/-	--	Overhead	41,48,960/-	Implementing Agency
11.	M/s Rajratan Sheth Naranbhai Keshavlal Dharmada Trust, Petlad (Sanskrit Mahavidyalaya)	Education	Petlad, Dist. Anand, Gujarat	--	29,700/-	29,700/-	--	Overhead	41,78,660/-	Implementing Agency
12.	M/s Ashara Mahila Utkarsh Trust, Petlad	Old Age Homes	Petlad, Dist. Anand, Gujarat	--	2,00,000/-	2,00,000/-	--	Overhead	43,78,660/-	Implementing Agency

6. The Company has subsequently contributed the amount to the following charitable institutions during the year 2016 - 17:
- The Management has programme for contributing Rs. 5,00,000/- each to M/s Naar Seva Samaj, Naar, Anand, an Technical Educational Institute and M/s Medical Care Centre, Vadodara, a Health Care Centre.
 - The Management has identified areas of activities which are sustainable on long term basis and which has benefit to general public and society at large. The management is also critically examining the credentials and genuineness of various projects, implementing authorities and after scrutinising details, the management will take appropriate action.
7. The CSR committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Gopal Patodia
Managing Director
(00014247)

Krishan Kumar Patodia
CSR Committee
(DIN : 00027335)

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

ANNEXURE “E” TO THE DIRECTORS’ REPORT

Form MR-3
Secretarial Audit Report
for the Financial Year ended 31st March, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9
Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PBM Polytex Limited
Opposite Railway Station, Petlad-388450, Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by P B M Polytex Limited (hereinafter referred to as ‘the company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 / 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other sector specific laws as follows:-
 - (a) The Essential Commodities Act, 1955;
 - (b) Ordinances issued by The Textile Commissioner (Textile Control Order).

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited and Ahmedabad Stock Exchange Limited and / or Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Vadodara
12th May 2016

S. Samdani
Partner
Samdani Shah & Asso.
Company Secretaries
FCS No. 3677
CP No. 2863

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

**To,
The Members,
P B M Polytex Limited
Opposite Railway Station
Petlad, Gujarat - 388 450**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Vadodara
12th May 2016

S. Samdani
Partner, M/s Samdani Shah & Asso.
Company Secretaries
FCS No. 3677; CP No. 2863

ANNEXURE “F” TO THE DIRECTORS’ REPORT

CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

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 possible 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

A. Composition of the Board

As per requirement of section 149 of the Companies Act, 2013 (“the Act”) and as per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, atleast 50% of the Board’s Members should be Independent. Accordingly, there is optimum combination of Executive, Non – Executive and Independent Directors including women director in the Company. The Chairman of the Company is Non-Executive Promoter Director. The Composition of the Board is given hereunder:

Name of Directors	Designation	No. of Shares	Category	No. of Directorship in other Companies	Committee(s) Position in other Companies	
					Member	Chairman
Shri Krishan Kumar Patodia	Chairman	141028	Promoter – Non executive	10	1	1
Shri Gopal Patodia	Managing Director	27369	Promoter – Executive	7	0	0
Shri Hari Prasad Siotia	Director	199280	Promoter – Non executive	6	2	1
Shri Mohan Kumar Patodia	Managing Director cum Chief Financial Officer	67998	Promoter – Executive	3	0	0
Shri Brijbhushanlal Kabra	Independent Director	2125	Independent Director	0	0	0
Shri Jugalkishore Todi	Independent Director	0	Independent Director	0	0	0
Smt. Vinitadevi Modi	Independent cum Woman Director	0	Independent Director	0	0	0
Shri M L Bagaria	Independent Director	0	Independent Director	3	1	1

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

Dates on which Board Meetings were held	Total strength of Board	No. of Directors Present
25.05.2015	8	5
06.08.2015	8	7
02.11.2015	8	6
08.02.2016	8	7

C. Attendance of each Director present at the Board Meetings and Last Annual General Meeting:-

Name of the Directors	Attendance at Board Meetings held on				Attendance at AGM held on 24.09.2015
	25.05.15	06.08.15	02.11.15	08.02.16	
Shri K.K. Patodia	Leave of absence	✓	✓	✓	Leave of absence
Shri Gopal Patodia	✓	✓	✓	✓	✓
Shri Hariprasad Siotia	Leave of absence	✓	✓	✓	Leave of absence
Shri Mohankumar Patodia	✓	✓	Leave of absence	Leave of absence	✓
Shri Brijbhushanlal Kabra	✓	✓	✓	✓	Leave of absence
Shri Jugalkishore Todi	✓	✓	✓	✓	Leave of absence
Smt. Vinitadevi Modi	✓	✓	Leave of absence	✓	Leave of absence
Shri M L Bagaria	Leave of absence	Leave of absence	✓	✓	Leave of absence

Disclosure of relationships between directors inter-se

Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia are brothers of each other. No other director is relative of other directors.

COMMITTEES OF THE BOARD

With a view to have more focused attention on business and for better governance and accountability, the Board has constituted the mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The term of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

3. AUDIT COMMITTEE

(i) Terms of Reference

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) Composition

Audit Committee consists of three Non-Executive Directors specialized in accounting and financial management. The constitution of Audit Committee meets with the requirements prescribed under Section 177 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Directors	Category
Shri Brijbhushanlal Kabra	Chairman, Independent Director
Shri Hariprasad Siotia	Member, Non executive Director
Shri Jugalkishore Todi	Member, Independent Director

(iii) Meetings

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

Name of the Directors	Category	Attendance at the Audit Committee Meetings held on			
		25.05.15	06.08.15	02.11.15	08.02.16
Shri Brijbhushanlal Kabra	Chairman, Independent	✓	✓	✓	✓
Shri Hariprasad Siotia	Member, Non executive	Leave of absence	✓	✓	✓
Shri Jugalkishore Todi	Member, Independent	✓	✓	✓	✓

The Internal Auditors and Statutory Auditors are permanent invitees to the meetings. The terms of reference of Audit Committee are in accordance with the section 177 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has system and procedures in place to ensure that the Audit Committee mandatorily review:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Chairman of Audit Committee was present at the last Annual General Meeting to answer the shareholders' queries.

4. NOMINATION AND REMUNERATION COMMITTEE AND REMUNERATION OF MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES

(i) Terms of reference

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.

The Nomination and Remuneration Committee shall act in accordance with the terms of reference which inter alia, include:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- To carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

(ii) Composition

The Nomination and Remuneration Committee was formed on 29th April 2002, which was reconstituted on 31st July 2007 and consists of three Non-Executive Directors.

Name of the Directors	Category
Shri Brijbhushanlal Kabra	Chairman, Independent Director
Shri Hariprasad Siotia	Member, Non executive Director
Shri Jugalkishore Todi	Member, Independent Director

The appointment and remuneration of all the Managerial Personnel and top executives is fixed on the recommendation of the Committee.

(iii) Meetings

During the year, the Nomination and Remuneration Committee has met two times. Attendance of each member at the committee Meeting was as follows:

Name of the Directors	Category	Attendance at the Nomination and Remuneration Committee Meeting held on	
		25.05.2015	08.02.2016
Shri Brijbhushanlal Kabra	Chairman, Independent	✓	✓
Shri Hariprasad Siotia	Member, Non – Executive	Leave of absence	Leave of absence
Shri Jugalkishore Todi	Member, Independent	✓	✓

The Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting to answer the shareholders' queries.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The remuneration of Managing Directors is decided as per the applicable Schedule and sections of the Companies Act, as amended from time to time and subject to approval of the shareholders and other authority(ies), if required and also as recommended by Nomination and Remuneration Committee and Board of Director.

The remuneration of Senior Executives is also decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and also subject to the sanction of the shareholders, if any executive holds Place of Profit.

The selection and appointment of the Whole Time Directors, other directors and Top Executives is done on the basis of their experience, qualifications and knowledge of field.

Performance evaluation criteria for Independent Directors:

All the Independent Directors of the Company have efficiently discharged their roles and responsibilities for the benefit of the Company as a whole. Based on formal and informal appraisals, all the Independent Directors have played vital role in ensuring good corporate governance efficiency.

DETAILS OF REMUNERATION PAID TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Remuneration of Executive Directors

Remuneration paid/accrued to the Executive Directors for the financial year ended March 31, 2016 is as follows (Rs.):

Name of Director	Salary	Perquisites	Commission	Incentives	Other	Total
Shri Gopal Patodia	3300000	3599620	--	330000	21600	7251220
Shri Mohan Kumar Patodia	1980000	2618788	--	198000	21600	4818388
TOTAL	5280000	6218408	--	528000	43200	12069608

The term of appointment of Shri Gopal Patodia and Shri Mohan Kumar Patodia, the Managing Directors, is from 01.04.2015 to 31.03.2018

Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors were paid sitting fees only for attending the meetings of the Board of Directors and Committees within the limits as prescribed under the Companies Act, 2013. Details of remuneration paid to Non-Executive Directors during financial year 2015 – 16 and their shareholding in the Company as at March 31, 2016 are as follows:

Name of Directors	Sitting Fees	No. of shares held in the Company
Shri K.K. Patodia	30000	141028
Shri Hariprasad Siotia	60000	199280
Shri Brijbhushanlal Kabra	100000	2125
Shri Jugalkishore Todi	100000	0
Smt. Vinitadevi Modi	30000	0
Shri M L Bagaria	20000	0

The Company does not have any Stock Option scheme.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee comprising of Shri Hari Prasad Siotia, Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Brijbhushanlal Kabra(w.e.f 08.02.2016) lead by Shri Hari Prasad Siotia. Shri Mukesh Prajapat, Compliance Officer, acts as the Secretary of the Committee.

The Company has appointed M/s Link Intime India Pvt. Ltd., having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078 and Vadodara Office at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020 as New Registrar and Transfer Agent with effect from 07.07.2016 and accordingly, Tri – Partite Agreement has been executed between M/s Link Intime India Pvt. Ltd., M/s National Securities Depository Limited (NSDL) / M/s Central Depository Services (India) Limited (CDSL) and the Company itself 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.

No. of shareholders' complaint received so far: Nil

No. complaint not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

The meetings of the Committee were held on 20.04.2015, 04.05.2015, 20.05.2015, 31.05.2015, 27.06.2015, 10.07.2015, 10.08.2015, 20.08.2015, 30.09.2015, 10.10.2015, 20.10.2015, 27.12.2015 and 15.02.2016.

6. GENERAL BODY MEETINGS

Details about location, dates and details of the Special Resolutions passed in the previous three AGMs are as under:

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2012 – 13	94 th AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Saturday, 27.07.2013 11.00 AM	Revision of remuneration payable to Shri Amit Patodia, Senior President cum CEO.
2013 – 14	95 th AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Thursday, 21.08.2014 11.00 AM	Re-appointment of Shri Gopal Patodia as Managing Director and fixing their remuneration from 01.04.2015 to 31.03.2018. Re-appointment of Shri Mohan Kumar Patodia as Managing Director and fixing their remuneration from 01.04.2015 to 31.03.2018. Revision of remuneration payable to Shri Amit Patodia, Senior President cum CEO.
2014 – 15	96 th AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Thursday, 24.09.2015 at 11.00 AM	Fixing Borrowing Powers of Board of Directors upto Rs. 150 crores over and above Paid up Capital and Free Reserves

Whether any special resolution was passed through Postal Ballot last year – **Yes**

AGM	Last date of Receipt of Postal Ballot cum E-voting	Scrutinizer	No. of Resolutions passed
24.09.2015	21.09.2015	M/s. Samdani Shah & Associates, Company Secretaries, Vadodara	4

Details of Voting Pattern and Special Resolution passed is available on Company website www.pbmpolytex.com.

Whether any resolution proposed to be conducted through Postal Ballot this year - **No**

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, all the Independent Directors of the Company met on 08.02.2016, to discuss and evaluate :-

- the performance of non-independent directors and the Board as a whole;
- the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the meeting. The Familiarisation Programme for Independent Directors is available on Company's Website www.pbmpolytex.com

8. RELATED PARTY TRANSACTIONS

The Policy on Related Parties Transactions is available on Company's Website <http://www.pbmpolytex.com/attachments/article/47/related%20party.pdf>

9. 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 materially significant related party transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the company at large.

The Company has on rent Offices, Godown and Residential Premises at its Offices outside Gujarat which belong to Related Parties namely M/s Sambhu Inv. Pvt. Ltd., M/s Trikon Inv. Pvt. Ltd., M/s Murarilal Mahendrakumar, M/s Eurotex Industries & Exports Ltd., M/s Patodia Syntex Limited, M/s Dharamchand Kesardeo, M/s Brijlal Purushottamdas and M/s B L Patodia Family Trust, to whom rent is paid at reasonable rates (on an Arm's Length Basis).

B. Details of non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) 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 Listing 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 (s) related to the capital markets during the last three years.

C. Whistle Blower Policy / Vigil Mechanism

A Vigil Mechanism provide adequate safeguards against victimization of persons who use such mechanism for reporting genuine concerns. It also makes provision for direct access to the Chairman of the Audit Committee. The Whistle Blower is available on Company's Website www.pbmpolytex.com.

As per the Policy no person has been denied access to the Chairman of Audit Committee.

D. The Company has adopted and complied with mandatory requirements as per Clause 49 of the Listing Agreement or provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Some of the non-mandatory requirements have also been complied with.

Non-Mandatory requirement:

(i) **Reporting of Internal Auditor**

Internal Auditors of the Company submit reports directly to the Audit Committee regularly.

(ii) **Separate Posts of Chairman and CEO**

The Chairman and the Managing Director are two separate individuals with vast experience and expertise.

(iii) **Audit Qualification / Modified Opinion(s)**

There has been no Audit Qualification / Modified Opinion(s) in the Audit Report by the Auditor.

(iv) **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.

(v) **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.

10. MEANS OF COMMUNICATION

The Company generally publishes the quarterly, half yearly, nine months and Annual Audited Financial Results in one english daily newspaper (i.e. The Financial Express) published from Bombay (National) and one daily newspaper (i.e. The Financial Express) published from Ahmedabad (Regional - Gujarati).

All periodical compliance like Announcements, Shareholding Pattern, Corporate Governance Report, Book Closure Dates, etc. are electronically filed with and BSE Limited through 'BSE. LISTING CENTRE'. All material information about the Company is promptly sent through facsimile to Stock Exchanges where the Company's shares are listed and uploaded on the website of the Company www.pbmpolytex.com as may be required from time to time..

11. General Shareholder Information:

1. **97th Annual General Meeting** will be held at **11:00 A. M. on Saturday, the 24th September 2016**, at the Registered Office of the Company situated at Opp. Railway Station, Petlad, Dist. Anand, Gujarat – 388 450.
2. **Financial Year** from 01.04.2015 to 31.03.2016.
3. **Date of Book Closure:** From **17.09.2016** to **24.09.2016 (both days inclusive)**.
4. **Dividend Payment Date:** on or after **01.10.2016**.
5. **Listing of Shares:**

The Company's shares are listed on the following Stock Exchanges, which are given below:

Name of Stock Exchange	Scrip Code / Stock Exchange Code	ISIN No.
BSE Limited	514087	INE501F01018
Ahmedabad Stock Exchange Limited	44610	

6. Stock Market Data (Bombay Stock Exchange) (2015 – 16):

Month	Month's Highest Price (Rs.)	Month's Lowest Price (Rs.)
April	82.90	63.35
May	100.00	67.00
June	104.90	77.65
July	127.00	102.00
August	135.90	97.00
September	111.00	85.50
October	109.00	89.40
November	102.50	80.05
December	120.00	88.20
January	117.90	88.00
February	106.80	69.50
March	88.00	68.00

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

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)	Change (%)
Share price of PBM	69.95	61.55	13.64
BSE Sensex	25341.86	27957.49	(-) 9.36

8. Commodity price risk or foreign exchange risk and hedging activities

During the year, the Company has managed the Foreign Exchange risks and hedged its exposure against exports as it deemed appropriate. The Management monitors yarn prices which are volatile and steps are taken to minimize the risks.

9. Demat Suspense account/ unclaimed suspense account

No unclaimed share certificates are with the Company.

10. Registrars & Share Transfer Agents:

(Share transfers, Demat, communications regarding Share Certificates, Dividends and change of address)

Mr. Alpesh Gandhi

M/s Link Intime India Pvt. Ltd.,

Unit:- PBM Polytex Limited

B-102 & 103, Shangrila Complex, Off. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020; Tel Nos. 0265-2356573, 2356794; Fax No. 0265-2356791;

E-mail: vadodara@linkintime.co.in

11. Share Transfer System:

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

Shareholding Pattern as on 31st March, 2016:

Category	No. of Shares	% of holding
Associated Companies / Promoters	4008052	49.30
Clearing Members	4728	0.06
Domestic Companies	145914	1.79
Foreign Institutional Investors	200	0.00
Individuals	1933191	23.78
Nationalised Banks	300	0.00
NRI Directors / Promoters	92168	1.13
NRI Non Rep	1985	0.02
NRI Rep	12745	0.16
NSDL	980	0.01
Other Mutual Fund	850	0.01
Promoters	1928887	23.74
TOTAL	8130000	100.00

12. Distribution of shareholding as at 31.03.2016

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	Share Holding %
1 – 1000	4702	794871	9.78
1001 – 5000	197	417411	5.12
5001 – 10000	17	121605	1.50
10001 and above	54	6796113	83.60
TOTAL	4970	8130000	100.00

13. Dematerialization of shares:

About 94.10% of Company's paid up equity share capital has been dematerialized up to 31st March, 2016. The shareholders wishing to demat the shares may approach Depository Participants.

14. Outstanding GDRs/Warrants: Not Applicable.**15. Plant Location:****(A) Yarn Manufacturing Plants of the Company are situated at -**

(i) Opp. Station, Petlad – 388450,
Dist. Anand, Gujarat

(ii) Plot No.16 to 19, Sector B,
AKVN Industrial Area, Borgaon,
Kheritaigaon, Dist. Chhindwara (M. P.)

(B) Four Windmills are located in Gujarat at -

(i) Vill : Suthari,
Revenue Survey No. 870/P,
Mouje Suthri of Abdasa Taluka,
Dist. Kutch (Gujarat)

(ii) Vill: Okha Madhi,
Survey No. 24 Part,
Taluka Dwarka,
District Jamnagar (Gujarat)

(iii) Vill: Methan, Survey No. 284,
Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)

(iv) Vill: Methan, Survey No. 284/3/Paiki,
Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)

16. Address for correspondence

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

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

E-Mail pbmmls@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 Control to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman and the Managing Director also give quarterly certification on Financial Results while placing the Financial Results before the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For PBM POLYTEX LIMITED
KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara

Date : 1st August 2016

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

INDUSTRIAL STRUCTURE AND DEVELOPMENTS

Indian Textile Industry has an overwhelming presence in the economic life of the country and provides employment to millions of people. Globally, India has the second largest textile manufacturing capacity. Recently, the Government of India has announced Amended Technology Upgradation Fund Scheme for Textile Industry and therefore, it is expected that it should attract investment.

The Company is having two Cotton Spinning units at Petlad, Gujarat and Borgaon, Madhya Pradesh, three Wind mills in Jamnagar, Gujarat and one Wind Mill in Kutch, Gujarat. Substantial quantity of yarn is exported by the Company to various countries every year.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company, being a Spinning unit, is presently suffering on account of reduced export demand which has resulted in lower realization from domestic sale. Foreign exchange fluctuation, volatility in cotton prices, continued economic slowdown, etc., may pose threat to the Textile Industry in India.

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 also all the transactions are properly accounted and that they meet the test of legal compliance.

Apart from regular review and monitoring Internal Controls 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

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, volatility in cotton and yarn prices are the risks and the matters of concern and may affect profitability.

FINANCIAL AND OPERATIVE PERFORMANCE

During the year 2015 – 16, the yarn market was sluggish on account of fall in exports which substantially affected the prices in domestic market also. The cotton prices also on upward side during the greater part of the year.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

At Borgaon unit of the Company, cordial industrial relation exists. However, at Petlad unit, the Company is facing illegal strike and slowdown by the workers now and then since middle of May 2014 causing loss of production which is cause of concern.

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.

For PBM POLYTEX LIMITED

KRISHAN KUMAR PATODIA
Chairman
(DIN : 00027335)

Place : Vadodara
Date : 1st August 2016

Compliance with Code of Business Conduct and Ethics

As provided under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and Senior Management Personnel have confirmed compliance with the Company's Code of Business Conduct and Ethics for the year ended 31st March, 2016.

For PBM Polytex Limited

Place : Vadodara
Date : 30.05.2016

Amit Patodia
Chief Executive Officer

CEO/CFO CERTIFICATION

We, the undersigned, in our respective capacities Sr. President cum Chief Executive Officer and as Managing Director cum Chief Financial Officer of M/s PBM Polytex Limited ("the Company"), to the best of our knowledge and belief, certify that:

- a. We have reviewed the Financial Statements and Cash Flow Statement for the financial year ended 31st March 2016 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
- b. We further state that to the best of our knowledge and belief, no transactions which are entered into by the Company during the year, are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics;
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For PBM Polytex Limited

Place : Vadodara
Date : 30.05.2016

(Amit Patodia)
Sr. President cum Chief Executive Officer

(Mohan Kumar Patodia)
Managing Director cum Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE TO THE MEMBERS OF PBM POLYTEX LIMITED

We have examined the compliance of the conditions of Corporate Governance by P B M Polytex Limited (hereinafter referred to as 'the Company') for the year ended 31st March, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India and/or Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as may have been applicable.

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

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 the above mentioned Listing Agreement and/or Listing Regulations as may have been applicable.

We state that in respect of investor grievances received during the year ended 31st March, 2016, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Stakeholder's Relationship Committee.

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

Place : Vadodara
Date : 1st August 2016

S. Samdani
Partner
Samdani Shah & Asso.
Company Secretaries
CP # 2863

INDEPENDENT AUDITORS' REPORT

To the Members of
PBM POLYTEX Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PBM Polytex Limited ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company has disclose the impact of pending litigations on its financial position in its financial statements, Refer to Note 2 of Part II of 29 of Notes to accounts to the financial statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
Mahendra N. Shah & Co
Chartered Accountants

FRN 105775W

Mahendra N. Shah (Partner)

Mem. No. F 003969

Place : Ahmedabad
Date : 30.05.2016

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1. In respect of Fixed Assets :
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of five years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
2. In respect of Inventories:

According to information and explanation given to us, Physical verification of inventories has been conducted in reasonable interval by the Management and no material discrepancies were noticed on physical verification during the year.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has not granted loan or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and 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 same.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records,
 - (a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, and service tax value added tax, duty of customs and Cess which have not been deposited with the appropriate authorities on account of any dispute, except in respect to income tax, the following dues have not been deposited by the Company on account of disputes according to information and explanations given to us, :

Name of the Statute	Nature of dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Tax demands on disallowances under Asstt. orders	4.89 4.19	F. Y. 2011-12 F. Y. 2012-13	CIT (Appeals) CIT (Appeals)

8. The company has not defaulted in repayment of dues to Financial Institutions or banks or debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in due compliance of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Mahendra N. Shah & Co
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Date : 30.05.2016

Mahendra N. Shah (Partner)
Mem. No. F 003969

“Annexure B” Annexure to the Independent Auditor's report of even date on the Standalone financial statements of PBM Polytex Limited**Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Sec.143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of PBM Polytex Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting was operating effectively as on March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For and on behalf of
Mahendra N. Shah & Co
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Date : 30.05.2016

Mahendra N. Shah (Partner)
Mem. No. F 003969

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	NOTE	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
EQUITY AND LIABILITIES :				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	8,12,96,080		8,12,96,080
(b) Reserves and Surplus	2	91,53,67,030		87,71,34,429
TOTAL			99,66,63,110	95,84,30,509
2. NON - CURRENT LIABILITIES :				
(a) Long Term Borrowings	3	6,08,75,000		9,23,90,822
(b) Deferred Tax Liabilities (Net)	4	10,33,13,034		10,46,50,844
(c) Other Long Term Liabilities	5	1,36,385		1,36,385
(d) Long Term Provisions	6	67,30,175		65,64,393
TOTAL			17,10,54,594	20,37,42,444
3 CURRENT LIABILITIES:				
(a) Short Term Borrowings	7	3,15,24,144		7,81,78,102
(b) Trade Payables	8	6,37,65,827		5,44,07,434
(c) Other Current Liabilities	9	8,71,52,972		7,54,11,674
(d) Short Term Provisions	10	6,22,09,317		7,91,22,190
TOTAL			24,46,52,260	28,71,19,400
TOTAL LIABILITIES			1,41,23,69,964	1,44,92,92,353
ASSETS:				
NON - CURRENT ASSETS:				
1. Fixed Assets				
(a) Tangible Assets	11	57,96,15,268		60,34,07,358
(b) Capital Work In Progress	12	17,79,917		50,000
2. Non – Current Investments	13	5,45,90,920		5,45,90,920
3. Long Term Loans and Advances	14	1,39,31,861		1,35,45,722
4. Other Non – Current Assets	15	0		0
TOTAL			64,99,17,966	67,15,94,000
CURRENT ASSETS:				
1. Current Investments	16	18,17,15,007		18,99,37,206
2. Inventories	17	43,24,86,190		42,08,72,137
3. Trade Receivables	18	5,77,14,701		7,92,90,376
4. Cash and Cash Equivalents	19	3,01,29,494		2,66,93,396
5. Short Term Loans and Advances	20	2,15,43,435		1,85,71,466
6. Other Current Assets	21	3,88,63,171		4,23,33,772
TOTAL			76,24,51,998	77,76,98,353
TOTAL ASSETS			1,41,23,69,964	1,44,92,92,353

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia

Shri Gopal Patodia

Shri Mohan Kumar Patodia

Shri Hari Prasad Siotia

Shri Brijbhushanlal Kabra

Shri Jugalkishore Todi

Smt. Vinita Devi S. Modi

Shri M L Bagaria

Shri Mukesh Prajapat

Chairman (DIN: 00027335)

Managing Director (DIN: 00014247)

Managing Director cum CFO (DIN: 0035381)

Director (DIN: 00015103)

Independent Director (DIN: 00023410)

Independent Director (DIN: 00598697)

Independent cum Woman Director (DIN: 06965473)

Independent Director (DIN: 01213323)

Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	NOTE	Rs.	2015 – 2016 Rs.	2014 – 15 Rs.
I. Revenue from Operations	22	1,92,39,97,238		2,16,83,84,118
II. Other Income	23	2,92,41,866		3,12,99,480
III. TOTAL REVENUE			1,95,32,39,104	2,19,96,83,598
IV. EXPENSES :				
Cost of Materials Consumed	24	1,14,02,70,585		1,26,64,57,828
Changes in Inventories of Finished Goods, Stock – in – Process and Stock – in – Trade	25	– 3,40,34,971		3,36,00,646
Employee Benefits Expenses	26	22,23,85,920		20,80,82,104
Finance Costs	27	2,59,45,128		3,24,23,323
Depreciation and Amortization Expenses		3,84,36,268		3,88,79,925
Other expenses	28	44,99,89,708		45,25,09,949
TOTAL EXPENSES			1,84,29,92,638	2,03,19,53,775
V. Profit before Exceptional Items and Tax			11,02,46,466	16,77,29,823
VI. Exceptional Items			0	0
VII. Profit Before Tax :			11,02,46,466	16,77,29,823
VIII. Tax Expenses :				
(1) Current tax		4,40,00,000		6,16,26,250
(2) Deferred Tax (Asset) / Liabilities		(13,37,810)		1,82,304
			(4,26,62,190)	(6,18,08,554)
IX. Profit for the Year			6,75,84,276	10,59,21,269
X. Earnings Per Equity Share:				
Basic & Diluted :			8.31	13.03
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	29			

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia	Director (DIN: 00015103)
Shri Brijbhushanlal Kabra	Independent Director (DIN: 00023410)
Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	PARTICULARS	2015 –16 Rs.	2014 –15 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Extraordinary Items	11,02,46,466	16,77,29,823
	<u>Adjustments for :</u>		
	Depreciation (Net)	3,84,36,268	3,88,79,925
	Interest	2,59,45,128	3,24,23,323
	Preliminary expenses written off / Others		
	Loss/(Profit) on Sale of Fixed Assets	(18,27,758)	(8,25,586)
	Operating Profit before Working Capital Changes	17,28,00,104	23,82,07,485
	<u>Adjustments for :</u>		
	Trade and Other Receivables	2,20,74,307	4,46,614
	Inventories	(1,16,14,053)	16,39,73,816
	Trade Payables	4,31,73,196	99,51,976
	Cash generated from operations	22,64,33,554	41,25,79,891
	Interest Paid	(2,59,45,128)	(3,24,23,323)
	Direct Taxes Paid	(4,40,00,000)	(6,16,26,250)
	NET CASH FLOW FROM OPERATING ACTIVITIES	15,64,88,426	31,85,30,318
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(1,84,34,468)	(2,47,51,155)
	Purchase of Investments (Short Term)	82,22,199	(18,99,37,206)
	Sale of Fixed Assets	35,01,992	25,26,250
	NET CASH USED IN INVESTING ACTIVITIES	(67,10,277)	(21,21,62,111)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from long term borrowings (Net)	(3,13,50,040)	(8,31,45,689)
	Dividend paid	(5,87,03,555)	(2,37,76,370)
	Proceeds From Short Term Loan	(5,62,88,456)	2,02,17,524
	NET CASH USED IN FINANCING ACTIVITIES	(14,63,42,051)	(8,67,04,535)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	34,36,098	1,96,63,672
	Opening Balance of Cash and Cash Equivalents	2,66,93,396	70,29,724
	Closing Balance of Cash and Cash Equivalents	3,01,29,494	2,66,93,396

As per our Attached Report of even date
for Mahendra N. Shah & Co.
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia	Director (DIN: 00015103)
Shri Brijbhushanlal Kabra	Independent Director (DIN: 00023410)
Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2016

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 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 AND ISSUED			
81,30,000 Equity Shares of Rs. 10/- each		8,13,00,000	8,13,00,000
PAID UP :			
81,29,020 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) Particulars of Shareholders holding more than 5% equity shares in the Company :-			

	31.03.2016		31.03.2015	
Name	No. of Shares	% of Shares Held	No. of Shares	% of Shares Held
M/s. Eurotex Industries and Exports Ltd.	15,82,347	19.46	15,82,347	19.46
M/s. Sambhu Inv. Pvt. Ltd.	7,79,320	9.59	7,79,320	9.59
M/s. Patodia Syntex Ltd.	7,12,957	8.77	7,12,957	8.77
M/s. Trikon Inv. Pvt. Ltd	5,57,834	6.86	5,57,834	6.86

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 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 :	63,81,56,649		
Balance as per last year			49,81,56,649
Add : Appropriation from Current year's Profit	2,50,00,000		14,00,00,000
Balance at the end of the Year		66,31,56,649	63,81,56,649
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
Balance at the beginning of the Year	20,28,55,820		30,19,32,879
Less: Adjustment relating to the Fixed Assets [Refer Note No. 29 II (5)]	0		62,94,773
	20,28,55,820		29,56,38,106
Add : Profit after tax for the Year	6,75,84,276		10,59,21,269
Amount available for Appropriation	27,04,40,096		40,15,59,375
Less : Appropriations			
Proposed Dividend	2,43,87,060		4,87,74,120
Dividend Distribution Tax	49,64,615		99,29,435
Transferred to General Reserve	2,50,00,000		14,00,00,000
Total Appropriation	5,43,51,675		19,87,03,555
Balance at the end of the Year		21,60,88,421	20,28,55,820
TOTAL		91,53,67,030	87,71,34,429

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 3 - LONG TERM BORROWINGS			
Secured - Refer Note Below			
TERM LOAN FROM BANKS :			
Rupee Term Loan	6,08,75,000		9,23,90,822
TOTAL		6,08,75,000	9,23,90,822

DETAILS OF BORROWINGS:

NAME OF BANK / FINANCIAL INSTITUTION	TOTAL AMOUNT OF LOAN	BALANCE LOAN ON 31.03.2016 (RS.)	PAYABLE IN THE YEAR 2016-17 (Refer Note 9 - OTHER CURRENT LIABILITIES) (Rs.)	LONG TERM BORROWINGS PAYABLE AFTER THE YEAR 2016-17 (RS.)	TERMS OF PAYMENT (PAYABLE IN)
IDBI Bank Ltd.	Rs. 1100 Lacs	4,81,25,000	1,37,50,000	3,43,75,000	10 Quarterly Installments ending by 23.09.2019
Export Import Bank of India	Rs. 770 Lacs	69,65,822	69,65,822	0	3 Quarterly Installments ending by 20.12.2016
Export Import Bank of India	Rs. 560 Lacs	3,73,00,000	1,08,00,000	2,65,00,000	11 Quarterly Installments ending by 20.12.2019
TOTAL		9,23,90,822	3,15,15,822	6,08,75,000	
PREVIOUS YEAR		13,35,41,142	4,11,50,320	9,23,90,822	

DESCRIPTION OF SECURITY

IDBI BANK LOANS OF RS. 1100 LACS

Secured by hypothecation of Movable Current Assets (subject to prior charge of SBI and IDBI Bank for Working Capital Facilities) and also secured by First Charge Pari Passu with EXIM Bank by way of Mortgage of Immovable Properties (excluding assets of Windmills).

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

Secured by hypothecation of movable fixed assets (excluding assets of Windmills) and also secured by first charge pari passu with IDBI Bank by way of mortgage of immovable properties.

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 4 – DEFERRED TAX LIABILITIES (NET)			
Liability Relating to earlier years	10,46,50,844		10,76,68,145
Less: Amount reversed on Excess book depreciation of earlier year	0		31,99,605
	10,46,50,844		10,44,68,540
Add/(Less): Liability/(Asset) for the year	(13,37,810)		1,82,304
NET TOTAL		10,33,13,034	10,46,50,844
NOTE : 5 - OTHER LONG TERM LIABILITIES			
Security Deposits (From Debtors, Employees and Contractors)		1,36,385	1,36,385
NOTE : 6 - LONG TERM PROVISIONS			
Employees' Privilege Leave (On Actuarial Valuation Basis, Refer Note - 29 (II) (4))		67,30,175	65,64,393
NOTE : 7 - SHORT TERM BORROWING			
WORKING CAPITAL LOAN (SECURED) * :			
State Bank Of India	2,72,64,364		7,14,00,312
IDBI Bank	42,59,780		67,77,790
TOTAL		3,15,24,144	7,81,78,102
* Secured by First Pari Passu Charge (SBI and IDBI Bank) by way of hypothecation of Current Assets and also by Mortgage of Immovable Properties of the Company subject to prior charge of EXIM Bank and IDBI for Term Loans (except assets of Windmills).			

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 8 - TRADE PAYABLES			
Micro, Small and Medium Enterprises – Refer Note 29 (II) (2)	8,41,458		34,392
For Supplies	2,88,59,751		1,53,95,264
Others	3,40,64,618		3,89,77,778
TOTAL		6,37,65,827	5,44,07,434
NOTE : 9 - OTHER CURRENT LIABILITIES			
Current Maturity of Long Term Borrowings	3,15,15,822		4,11,50,320
Interest Accrued but not due	4,39,985		7,65,385
Unclaimed Dividend	34,91,159		21,14,886
Statutory Dues	53,82,311		67,60,503
Salary, Wages and Dues to Employees	1,30,16,470		2,06,57,995
Advance from Customers	3,02,89,482		21,08,012
Others	30,17,743		18,54,573
TOTAL		8,71,52,972	7,54,11,674
NOTE : 10 - SHORT TERM PROVISIONS			
For Employees (Privilege Leave) – Refer Note - 29 (II) (4)	46,47,141		43,73,398
Bonus	1,79,19,997		96,15,933
Gratuity	28,06,952		32,82,747
Taxation	74,83,552		30,20,307
Wealth Tax	0		1,26,250
Dividend	2,43,87,060		4,87,74,120
Dividend Distribution Tax	49,64,615		99,29,435
TOTAL		6,22,09,317	7,91,22,190
NOTE : 11 - TANGIBLE ASSETS			
GROSS FIXED ASSETS	1,52,24,43,848		1,52,99,94,780
LESS : DEPRECIATION	94,28,28,580		92,65,87,422
TOTAL		57,96,15,268	60,34,07,358

NOTE 11 - FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2015	ADDI- TIONS DURING THE YEAR	ADJUST- MENTS/ DEDUCT- IONS DURING THE YEAR	BALANCE AS ON 31.03.2016	PROVIDED UPTO 31.03.2015	PROVIDED DURING THE YEAR	DEDUCT- IONS DURING THE YEAR	TOTAL UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
LAND (LEASE HOLD)	2715568	0	35870	2679698	0	0	0	0	2679698	2715568
LAND (FREE HOLD)*	3742623	9982130	0	13724753	0	0	0	0	13724753	3742623
BUILDING	215023580	0	0	215023580	83186607	5047751	0	88234358	126789222	131836973
PLANT AND MACHINERY	1191881068	1287606	20982908	1172185766	763607386	22728702	19844320	766491768	405693998	428273681
ELECTRICAL INSTALLATION	53246065	852418	466103	53632380	44690160	3445734	442798	47693096	5939284	8555905
FURNITURE, FIXTURES, FANS & ELECTRICAL APPLIANCES	19231099	740769	72760	19899108	12393809	1197173	69288	13521694	6377414	6837290
OFFICE EQUIPMENTS	4852976	329865	8490	5174351	2988985	728105	3393	3713697	1460654	1863991
COMPUTER	5929293	2101439	0	8030732	4225264	1061699	0	5286963	2743769	1704028
VEHICLES	33372511	1024185	2303219	32093477	15495211	4227104	1835312	17887003	14206474	17877298
TOTAL	1529994783	16318412	23869350	1522443848	926587422	38436268	22195111	942828580	579615268	603407358
2014 – 2015	1520062528	28590725	18658473	1529994780	904665308	38879925	16957811	926587422	603407358	624891599

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

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 12 - CAPITAL WORK IN PROGRESS			
Plant and Machinery		17,79,917	0
Computers		0	50,000
TOTAL		17,79,917	50,000
NOTE : 13 - NON CURRENT INVESTMENTS			
1. Quoted : (Trade - At Cost)			
22,31,980 Equity Shares of Rs. 10/- each (Previous Year 22,31,980 Shares) of M/s Eurotex Industries and Exports Limited		5,45,90,920	5,45,90,920
NOTE : 14 - LONG TERMS LOANS AND ADVANCES			
Capital Advances (Unsecured considered good)	48,41,795		48,41,795
Security Deposits with Related Parties	8,00,000		8,00,000
Security Deposits with Others	82,90,066		79,03,927
TOTAL		1,39,31,861	1,35,45,722
NOTE : 15 – OTHER NON – CURRENT ASSETS		0	0
NOTE : 16 – CURRENT INVESTMENTS			
Mutual Funds (Quoted)	Units	Value	
1. Franklin India Low Duration Fund G.	38,58,632.54	6,10,63,156	
2. HDFC High Interest Fund (STP) Growth	16,09,249.56	4,44,72,105	
3. IDFC Dynamic Bond Fund Growth	10,77,647.73	1,75,58,244	
4. IDFC Ultra Short Term Fund – G	4,34,612.58	91,64,540	
5. Kotak Bond Short Term Plan – G	71,148.78	18,13,739	
6. Birla Sunlife Savings Fund Growth	33,939.41	98,55,035	
7. Birla Sunlife Enhanced Arbitrage Fund	7,17,394.05	77,88,188	
8. Ambit Alpha Fund Scheme – 1	30,000.00	3,00,00,000	
Market Value of Quoted Investments Rs. 19,25,86,869/-		18,17,15,007	18,99,37,206
PREVIOUS YEAR (2014 – 15) :-			
Mutual Funds (Quoted):-	Units	Value	
1.Franklin India low duration fund G.	196,788.14	28,00,000	
2.Franklin India saving plus fund G	145,666.42	35,00,000	
3.HDFC D.B.F STP Growth	1,746,530.77	4,60,19,762	
4.IDFC D.B.F REG. Growth	786,737.42	1,25,58,244	
5.IDFC SSIF short term REG. Growth	640,166.52	1,70,00,000	
6.Kotak bond short term plan REG. G	2,314,018.79	5,80,59,200	
7.L & T short term opportunities fund G	1,755,704.49	2,24,00,000	
8.Reliance Short Term fund growth	296,047.77	75,00,000	
		16,98,37,206	
Mutual Funds (Unquoted):-			
1. Ambit Alpha Fund Scheme – 1	20,000.00	2,01,00,000	
Market Value of Quoted Investments Rs. 17,82,32,000/-		18,99,37,206	
NOTE : 17 – INVENTORIES			
(As taken, Certified by Management and valued at lower of cost or Net Realisable value)			
(A) Stores, Spares and Fuel		1,62,53,593	1,68,37,073
(B) Raw Material		30,75,37,814	33,11,47,115
(C)Finished Goods (Yarn)		6,56,49,773	3,89,74,736
(D) Cotton / Yarn Waste		58,93,210	24,64,217
(E) Stock in Process		3,31,11,329	2,91,80,388
(F) Goods in Transit		40,40,471	22,68,608
TOTAL		43,24,86,190	42,08,72,137
NOTE : 18 - TRADE RECEIVABLES (Unsecured, Considered Goods)			
More Than Six Months	1,33,377		0
Other Debtors (Includes Rs. 12,04,168 due from Associate Company)	5,75,81,324		7,92,90,376
TOTAL		5,77,14,701	7,92,90,376

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 19 - CASH AND CASH EQUIVALENTS			
Cash on Hand :	6,75,214		10,29,205
Balance With Banks :			
(A) In Current Account	2,79,67,296		2,42,13,308
Fixed Deposit Maturing within 1 year (Under Lien against Bank Guarantees)	14,78,984		14,38,370
(C) Fixed Deposit Maturing after 1 year	8,000		12,513
TOTAL		3,01,29,494	2,66,93,396
NOTE : 20 - SHORT TERM LOANS AND ADVANCES			
(Unsecured - Considered Good)			
Capital Advance	17,28,000		16,52,000
Security Deposits	5,34,792		5,20,947
Loans and Advances to Employees	40,66,742		49,72,379
Balance with Statutory Authorities	259		34
Advances to Suppliers and Others	1,52,13,642		1,14,26,106
TOTAL		2,15,43,435	1,85,71,466
NOTE : 21 - OTHER CURRENT ASSETS			
Duty Draw Back / DEPB Receivable	59,85,295		1,37,70,838
Interest Receivables	1,41,546		38,928
Other Dues from Government Departments	3,22,26,597		2,78,57,627
Others	5,09,733		6,66,379
TOTAL		3,88,63,171	4,23,33,772

NOTES ON STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	Rs.	2015 – 16 Rs.	2014-15 Rs.
NOTE : 22 - REVENUE FROM OPERATIONS			
Yarn Sales	1,81,83,54,489		2,05,71,53,325
Cotton / Yarn Waste Sales	6,69,80,314		7,85,74,906
Sale of Electricity Units	1,73,65,953		1,61,85,610
TOTAL	1,90,27,00,756		2,15,19,13,841
Less : Excise Duty	39,98,662		1,01,26,211
NET SALES	1,89,87,02,094		2,14,17,87,630
OTHER OPERATIVE REVENUES			
Sale of DEPB License	0		1,39,400
Duty Draw Back	2,35,91,841		2,46,26,558
Sale of Scrap	17,03,303		18,30,530
TOTAL	2,52,95,144		2,65,96,488
TOTAL REVENUE FROM OPERATIONS		1,92,39,97,238	2,16,83,84,118

PARTICULARS	Rs.	2015 – 16 Rs.	2014-15 Rs.
NOTE : 23 - OTHER INCOME			
Interest Income	11,73,704		23,74,760
Dividend Income	88,188		11,15,990
Net Gain on Sale Investments	1,74,45,915		72,99,062
Insurance Claims Received	5,64,130		22,07,641
Other Income	1,92,213		1,812
Cash Discount earned	48,83,563		55,10,366
Balance Written Back	1,04,684		50,489
Excess Provisions For Earlier Years	10,80,806		9,81,567
Profit on Sale of Fixed Assets	18,27,758		8,25,586
Foreign Exchange Fluctuation Gain (Net)	11,62,517		88,34,652
Foreign Exchange Premium	1,15,668		0
Sales Tax Refund Received	18,543		0
Other Receipts	5,84,177		20,97,555
TOTAL OF OTHER INCOME		2,92,41,866	3,12,99,480
NOTE : 24 - COST OF RAW MATERIAL CONSUMED			
Opening Stock	33,11,47,115		46,02,75,767
Add: Purchases	1,11,66,61,284		1,13,73,29,176
TOTAL	1,44,78,08,399		1,59,76,04,943
Less: Closing Stock	30,75,37,814		33,11,47,115
Consumption		1,14,02,70,585	1,26,64,57,828
Details of Raw Material Consumption:			
Cotton	1,13,72,94,128		1,26,33,49,735
Cotton Yarn	29,76,457		31,08,093
TOTAL	1,14,02,70,585		1,26,64,57,828
NOTE : 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK – IN – PROCESS			
Stocks as at Close:-			
(1) Finished Goods			
(a) Yarn	6,56,49,773		3,89,74,736
(b) Waste	58,93,210		24,64,217
(2) Stock in Process	3,31,11,329		2,91,80,388
	10,46,54,312		7,06,19,341
Less : Stocks as at Commencement:-			
(1) Finished Goods			
(a) Yarn	3,89,74,736		6,69,51,719
(b) Waste	24,64,217		32,76,999
(2) Stock in Process	2,91,80,388		3,39,91,269
	7,06,19,341		10,42,19,987
DECREASE / (INCREASE)		-3,40,34,971	3,36,00,646
NOTE : 26 - EMPLOYEES BENEFITS EXPENSES			
Salary, Wages, Bonus and Allowances	18,65,43,973		17,04,00,574
Contribution to Provident, Gratuity & Other Funds	1,52,38,951		1,37,83,710
Managerial Remuneration	1,10,13,608		1,46,14,787
Contribution to Superannuation Trust Fund	16,08,000		13,68,000
Welfare Expenses	79,81,388		79,15,033
TOTAL		22,23,85,920	20,80,82,104
NOTE : 27 - FINANCE COSTS			
Interest on Term Loan	1,32,81,778		1,85,70,510
Interest on Working Capital	7,05,518		19,24,875
Finance and Bank Charges	1,19,57,832		1,19,27,938
TOTAL		2,59,45,128	3,24,23,323

PARTICULARS	Rs.	2015 – 16 Rs.	2014 – 15 Rs.
NOTE : 28 - OTHER EXPENSES			
Consumption of Stores and Packing Material	4,89,94,033		5,44,06,523
Power and Fuel (Ref. Note 29 – II – 3)	26,82,27,764		26,95,04,883
Processing Charges	3,88,389		5,08,367
Rent	33,18,402		30,13,753
Repairs:-			
(Machinery (Including Spares)	2,89,44,793		2,34,88,826
Building	55,32,220		59,02,982
Others	34,37,540		37,45,692
Insurance	44,70,754		51,76,392
Rates and Taxes	1,02,63,473		1,32,51,233
License and Legal Fees	52,36,643		36,24,666
Sales and Distribution Expenses	4,40,13,274		4,80,34,969
Travelling and Conveyance	1,34,30,090		1,33,29,615
Directors Sitting Fees	3,40,000		3,40,000
Audit Fees and Expenses	5,87,322		5,45,393
Donation	6,00,507		6,48,333
CSR Expenses	43,78,660		1,50,000
General Expenses	78,25,844		68,38,322
TOTAL		44,99,89,708	45,25,09,949

NOTE 29

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

(1) Corporate Information:

PBM Polytex Limited is a public company incorporated in India. Its shares are listed on the BSE Limited and the Ahmedabad Stock Exchange Limited. The Company is engaged in manufacture and processing of yarn. The Company is focusing more on exports.

(2) Basis of Preparation:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

(3) 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.

(4) 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.

(5) Depreciation: Depreciation has been provided as under during the year:

A) PETLAD AND BORGAON UNITS:

(a) On Assets other than Plant and Machineries:

Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013.

(b) On Plant and Machineries :

Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013 applicable to continues process plant (CPP) as certified the Chartered Engineer.

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

B) WINDMILLS:

(a) Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013.

(b) The difference between the depreciation lower/excess charge than in the previous year has been adjusted in the current year.

(6) Inventories:

The cost of various categories of inventory is determined as follows:

(a) Stores, Spares, Packing Material, Fuel & others	-	At Lower of Cost or Net realisable value
(b) Raw material	-	At Average value of Opening Stock and Purchase
(c) Stock – in – Process	-	At Lower of Cost or Net realisable value
(d) Finished Goods	-	At Lower of Cost or Net realisable value
(e) Material in Transit	-	At Cost
(f) Waste (Cotton and Yarn)	-	At Net Realisable value

(7) 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 are 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.

(8) 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. ESI 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.

(9) 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.

(10) Revenue Recognition:

Items of Income and Expenditure are recognized on accrual basis except Insurance Claims, DEPB / Focus Marketing License, TUFs Rebate and Service Tax Refund which are accounted for on transfer or receipt.

- (a) Expenses are net of taxes recoverable wherever applicable.

(11) 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 applicable 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.

(12) 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.

(13) 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.

(14) 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.

(15) Investments:

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

(16) 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 probable obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

(17) 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.

II. NOTES ON ACCOUNTS:

1. Contingent Liabilities:

- Estimated amount of contracts remaining unexecuted on Capital Accounts not provided for Rs. 4,43,10,644/- (Net of advances) (Previous year Rs. 4,48,24,155/-).
- Bills discounted under Export / Inland Letter of Credit Rs. 7,93,08,334/- since realized in full (Previous Year Rs. 9,47,46,104/-)
- Income Tax Demands for the F. Y. 2011 – 12 and 2012 – 13 of Rs. 9,08,480/- against which Company has preferred appeals before appropriate authorities.
- Bank guarantees amounting to Rs. 2,38,29,224/- and Rs. 2,08,725/- in favour of Madhya Gujarat Viz Company Limited and Gujarat Gas Limited respectively for contract demand of Electricity and PNG.
- Bonus for employees amounting to Rs. 93,38,000/- for the year 2014 – 15 in accordance with the Notification by the Central Government but stayed by the Order of Gujarat High Court.
- Civil Suit filed by Director of Industries, Gujarat for non – supply of yarn against which appeal has been preferred – Rs. 1,08,000/-.

- 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:

Sl. No.	Particulars	2015 – 16		2014 – 15	
		Principal Rs.	Interest	Principal Rs.	Interest
a)	Principal Amount and Interest thereon due, remaining unpaid at the end of the year	8,41,458	N. A.	34,392	N. A.
b)	Interest due / paid during the year	N. A.	N. A.	N. A.	N. 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 gain of Rs. 11,62,517/- (Previous year net gain of Rs. 85,89,114/-) on account of foreign exchange fluctuation pertaining to foreign currency borrowings / transactions, which has been exhibited in Statement of Profit & Loss under the heads "Other Income" and "Other Expenses".

Power was purchased through approved Power Exchange also under permission of GRC & IERC authorities during part of the current year. Thereby, saving of Rs. 1,31,99,713/- during the year.

- 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.

The Amount (in Rs.) as certified by the Approved Value is as under:

(Amount in Rs.)

	GRATUITY (FUNDED)	
	31.03.2016	31.03.2015
(A) Funded Status of the Plan		
Present Value of unfunded Obligations	—	2,51,51,493
Present Value of Funded Obligations	8,85,41,655	5,52,01,909
Fair Value of Plan Assets	10,95,18,664	8,04,27,106
Net Liability (Asset)	(2,09,77,009)	(73,704)
(B) Profit and Loss account for the current period		
Current Service Cost	45,62,816	42,51,564
Interest on Obligation	58,05,955	59,19,984
Expected Return on Plan Assets	(71,98,265)	(68,47,136)
Net Actuarial Loss /(Gains)	27,65,589	10,00,160
Past service cost	—	—
Loss/(gain) on curtailments and settlement	—	—
Total included in "Employee Benefit Expense"	59,36,095	43,24,572
Expenses deducted from the fund	2,81,148	—

	GRATUITY (FUNDED)	
	31.03.2016	31.03.2015
Adjustment to the Opening fund	(2,18,88,125)	—
Total Charge to P&L	(1,56,70,882)	43,24,572
Loss/(Gain) on obligation	44,68,188	7,48,717
Loss/(Gain) on assets	(17,02,599)	2,51,443
Net actuarial Loss/(Gain)	27,65,589	10,00,160
(C) Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	8,03,53,402	7,27,56,062
Transfer in/(out) obligation	—	—
Current Service Cost	45,62,816	42,51,564
Interest cost	58,05,955	59,19,984
Actuarial loss (gain)	44,68,188	7,48,717
Past service cost	—	—
Loss (gain) on Curtailments	—	—
Liabilities extinguished on settlements	—	—
Liabilities assumed in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits Paid	(66,48,706)	(33,22,925)
Benefits payable	—	—
Closing Defined Benefit obligation	8,85,41,655	8,03,53,402
(D) Reconciliation of plan assets		
Opening value of plan assets	10,22,28,341	7,34,99,626
Transfer in/(out) plan assets	—	—
Expenses deducted from the fund	(2,81,148)	—
Expected Return	71,98,265	68,47,136
Actuarial gain/(loss)	17,02,599	(2,51,443)
Assets distributed on settlements	—	—
Contributions by employer	52,32,423	31,42,554
Assets acquired in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits Paid	(66,48,706)	(28,10,767)
Adjustment to the Opening fund	86,890	—
Closing value of plan assets	10,95,18,664	8,04,27,106
(E) Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	(73,704)	(7,43,564)
Transfer in/out obligation	—	—
Transfer (in)/out plan assets	—	—
Charge to P&L	(1,56,70,882)	43,24,572
	(1,57,44,586)	35,81,008
Benefits paid by the company	—	(5,12,158)
Amounts transferred to "Payable account"	—	—
Contributions to plan assets	(52,32,423)	(31,42,554)
Closing provision in books of accounts	(2,09,77,009)	(73,704)
(F) Composition of the plan assets		
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

	GRATUITY (FUNDED)	
	31.03.2016	31.03.2015
(G) Bifurcation of liability as per schedule VI		
Current Liability	(16,96,573)	(2,30,55,164)
Non-Current Liability	(1,92,80,436)	2,29,81,460
Net Liability	(2,09,77,009)	(73,704)
(H) Table of experience adjustments		
Defined Benefit obligation	8,85,41,655	8,03,53,402
Plan Assets	10,95,18,664	8,04,27,106
Surplus/(Deficit)	2,09,77,009	73,704
Experience adjustments on plan liabilities	50,12,915	(90,02,025)
Actuarial loss (gain) due to change in demographic assumption	---	---
Actuarial loss (gain) due to change in financial assumptions	(5,44,727)	97,50,742
Experience adjustments on plan assets	(17,02,597)	2,51,443
Net actuarial Loss/(Gain) for the year	27,65,589	10,00,160
(I) Principle actuarial assumptions		
Discount Rate	7.90%	9.10%
Expected Return on Plan Assets	---	---
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	---	---

(I) The Company has participated in LIC and SBI Life Insurance managed Scheme for gratuity and has made provision of Rs. 26,20,000/- (previous year Rs. 3,60,000/-) for Managing Directors and Rs. 21,02,569/- (previous year Rs. 44,12,825/-) for other employees. The Company has also participated in LIC managed Superannuation Fund for Managerial Personnel and has contributed Rs. 16,08,000/- (Previous year Rs. 13,68,000/-) to the Fund.

(II) Leave Encashment Benefits for the year have been provided in the Statement of Profit & Loss on actuarial valuation of the company Rs. 31,50,769/- (Previous Year Rs. 36,28,788/-)

5. (i) 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.
- (ii) Pursuant to the Companies Act, 2013, the written down value of fixed assets, useful life of which was over on 1st April 2014, were adjusted in the Statement of Profit and Loss amounting to Rs. 62.95 lacs in the year 2014-15.
6. Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated / amortised over the revised / remaining useful life of particular assets.

	(Rs.)	(Rs.)
7. AUDITORS' REMUNERATION:-	2015 – 16	2014 – 15
1. Audit Fees (Including Service Tax)	4,58,000	3,98,878
2. Tax Audit	51,525	50,562
3. Traveling expenses	90,197	95,953
TOTAL	5,87,322	5,45,393
8. DETAILS OF GOODS IMPORTED:-		
1. CIF value of goods imported:		
(a) Cotton	0	4,90,27,327
(b) Machineries, Spares and Stores	33,42,853	42,99,708
(c) Plant and Machinery	0	1,27,76,173
TOTAL	33,42,853	6,61,03,208
2. CONSUMPTION:-		
(a) Raw Materials:		
(i) Imported goods	0	4,90,27,327
(ii) Indigenous goods:		
Cotton	1,13,72,94,128	1,21,43,22,408
Cotton yarn	29,76,457	31,08,093
TOTAL	1,14,02,70,585	1,26,64,57,828

Imported	0%	3.87%
Indigenous	100%	96.13%
(b) Machinery Spares and Stores:		
(i) Imported goods	34,70,374	43,08,497
(ii) Indigenous goods	2,58,88,293	6,66,04,036
TOTAL	2,93,58,667	7,09,12,533
Imported	11.82%	6.08%
Indigenous	88.18%	93.92%
9. 1. Earning in Foreign Exchange:		
Exports: Direct (FOB Value)	81,20,05,952	83,85,02,404
Through Merchant Exporters	17,31,346	11,30,553
	81,37,37,298	83,96,32,957
2. Expenditure in Foreign Currency:		
Purchase of Plant and Machinery, Stores, Spares and Cotton	33,42,853	6,61,03,208
Travelling and Others	22,80,814	13,31,914
Interest on Foreign Currency Loan	0	2,20,386
Freight	51,07,038	1,38,88,969
Commission	55,51,065	26,99,605
TOTAL	1,62,81,770	8,42,44,082
3. Remittances of Dividend in Foreign Currency		N.A.

10. RELATED PARTY DISCLOSURE:

A. LIST OF RELATED PARTIES AND RELATIONSHIP:

Associates & Enterprises with whom the Company entered into transactions during the year

M/s Patodia Syntex Limited

M/s B. L. Patodia Family Trust

M/s Eurotex Industries and Exports Limited

M/s Murarilal Mahendrakumar

M/s Trikon Investments Pvt. Limited

M/s Brijlal Purushottamdas

M/s Sambhu Investments Pvt. Limited

M/s Dharamchand Keshardeo

B. KEY MANAGERIAL PERSONNEL / DIRECTORS AND RELATIVES:

Shri Gopal Patodia

Managing Director

Shri Mohan Kumar Patodia

Managing Director cum Chief Financial Officer

Shri Amit Patodia

Senior President cum Chief Executive Officer

Shri Mukesh Prajapat

Assistant Company Secretary

C. RELATED PARTIES TRANSACTIONS (RS.):

Transactions	Associates / Shareholders	Enterprises owned or Significantly influenced by Key Managerial Personnel	Key Managerial Personnel
Purchase of Goods	4,91,873	NIL	NIL
Sale of Goods	12,25,971	NIL	NIL
Rent	11,40,000	10,98,000	NIL
Salary & Perk:-			
Managing Directors	NIL	NIL	1,20,69,608
Chief Executive Officer	NIL	NIL	34,86,822

D. OUTSTANDING BALANCES AS ON 31.03.2016 (RS.):

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Managerial Personnel
Security Deposit Given (M/s Trikon Inv. Pvt. Ltd. & M/s Sambhu Inv. Pvt. Ltd.)	8,00,000	NIL	NIL
Investments in shares of M/s Eurotex Industries and Exports Ltd.	5,45,90,920	NIL	NIL
Outstanding Dues from M/s Eurotex Industries and Exports Ltd. for Sale of Goods	12,04,168	NIL	NIL

11. DERIVATIVES INSTRUMENT

Following are the outstanding Forward Foreign Exchange Contracts entered into by the Company:

Currency	As at 31 st March 2016		
	Amount in Foreign Currency	Buy / Sell	Cross Currency INR
USD @ 66.385	1432341.90	Sell	9,50,86,017

As per our Attached Report of even date
for Mahendra N. Shah & Co.
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia	Director (DIN: 00015103)
Shri Brijbhushanlal Kabra	Independent Director (DIN: 00023410)
Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PBM POLYTEX LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PBM POLYTEX LIMITED (hereinafter referred to as "the Holding Company") and its associate company, comprising the Consolidated Balance Sheet as at March 31, 2016 and the Consolidated Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance of the Company including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Company and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 involved performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error in making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company and its associate as at March 31, 2016 and their consolidated profit for the year ended on that date.

Other Matter

The Consolidated financial statements also include the Associate company share of loss of Rs.137.27 lacs for the year ended March 31, 2016, as considered in the consolidated financial statements in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished by the Management and our opinion on the consolidated financial statements, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on other Legal & Regulatory Requirements, below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
- (c) The consolidated Balance Sheet and the Consolidated Statement of Profit & Loss dealt with by this report are in agreement with the relevant books of account, working and records maintained for the purpose of preparing of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company none of the directors of Company and its associate company is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

-
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate company and the operating effectiveness of such controls, refer to our separate report in Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company (Refer sub Note No. 1 of Note no. 29(II) to the consolidated financial statements).
 - ii. The Company and its associate did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, which were required to be transferred to the investor Education and Protection Fund by the Holding Company and its associate company incorporated in India.

For Mahendra N. Shah & Co.
Chartered Accountants
(Firm Regn.No.105775W)

Place: Ahmedabad
Date: 30/05/2016

Mahendra N. Shah
Partner
(Membership No.003969)

ANNEXURE A TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of PBM POLYTEX LIMITED ("the Holding Company") and its associate company which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds, and errors, the accordance and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of an agent and directors of the Company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluate of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its associate which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over Financial reporting criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accounts of India.

Other Matters

Our aforesaid reports under Clause (i) of Sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company incorporated in India, is based on the corresponding report of the auditor of such associate company incorporated in India.

For Mahendra N. Shah & Co.
Chartered Accountants
(Firm Regn.No.105775W)

Mahendra N. Shah
Partner
(Membership No.003969)

Place: Ahmedabad
Date: 30/05/2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	NOTE	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
EQUITY AND LIABILITIES :				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	8,12,96,080		8,12,96,080
(b) Reserves and Surplus	2	1,04,17,51,229		1,01,72,45,704
TOTAL			1,12,30,47,309	1,09,85,41,784
2. NON - CURRENT LIABILITIES :				
(a) Long Term Borrowings	3	6,08,75,000		9,23,90,822
(b) Deferred Tax Liabilities (Net)	4	10,33,13,034		10,46,50,844
(c) Other Long Term Liabilities	5	1,36,385		1,36,385
(d) Long Term Provisions	6	67,30,175		65,64,393
TOTAL			17,10,54,594	20,37,42,444
3 CURRENT LIABILITIES:				
(a) Short Term Borrowings	7	3,15,24,144		7,81,78,102
(b) Trade Payables	8	6,37,65,827		5,44,07,434
(c) Other Current Liabilities	9	8,71,52,972		7,54,11,674
(d) Short Term Provisions	10	6,22,09,317		7,91,22,190
TOTAL			24,46,52,260	28,71,19,400
TOTAL LIABILITIES			1,53,87,54,163	1,58,94,03,628
ASSETS:				
NON - CURRENT ASSETS:				
1. Fixed Assets				
(a) Tangible Assets	11	57,96,15,268		60,34,07,358
(b) Capital Work In Progress	12	17,79,917		50,000
2. Non – Current Investments	13	18,09,75,119		19,47,02,195
3. Long Term Loans and Advances	14	1,39,31,861		1,35,45,722
4. Other Non – Current Assets	15	0		0
TOTAL			77,63,02,165	81,17,05,275
CURRENT ASSETS:				
1. Current Investments	16	18,17,15,007		18,99,37,206
2. Inventories	17	43,24,86,190		42,08,72,137
3. Trade Receivables	18	5,77,14,701		7,92,90,376
4. Cash and Cash Equivalents	19	3,01,29,494		2,66,93,396
5. Short Term Loans and Advances	20	2,15,43,435		1,85,71,466
6. Other Current Assets	21	3,88,63,171		4,23,33,772
TOTAL			76,24,51,998	77,76,98,353
TOTAL ASSETS:			1,53,87,54,163	158,94,03,628

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia	Director (DIN: 00015103)
Shri Brijbhushanlal Kabra	Independent Director (DIN: 00023410)
Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	NOTE	Rs.	2015 – 2016 Rs.	2014 – 15 Rs.
I. Revenue from Operations	22	1,92,39,97,238		2,16,83,84,118
II. Other Income	23	2,92,41,866		3,12,99,480
III. TOTAL REVENUE			1,95,32,39,104	2,19,96,83,598
IV. EXPENSES :				
Cost of Materials Consumed	24	1,14,02,70,585		1,26,64,57,828
Changes in Inventories of Finished Goods, Stock – in – Process and Stock – in – Trade	25	– 3,40,34,971		3,36,00,646
Employee Benefits Expenses	26	22,23,85,920		20,80,82,104
Finance Costs	27	2,59,45,128		3,24,23,323
Depreciation and Amortization Expenses		3,84,36,268		3,88,79,925
Other expenses	28	44,99,89,358		45,25,09,949
TOTAL EXPENSES			1,84,29,92,638	2,03,19,53,775
V. Profit before Exceptional Items and Tax			11,02,46,466	16,77,29,823
VI. Exceptional Items			0	0
VII. Profit Before Tax			11,02,46,466	16,77,29,823
VIII. Tax Expenses :				
(1) Current tax		4,40,00,000		6,16,26,250
(2) Deferred Tax (Asset) / Liabilities		(13,37,810)		1,82,304
			(4,26,62,190)	(6,18,08,554)
IX. Profit for the Year before consolidation			6,75,84,276	10,59,21,269
Add / (Less):- Current year's share in Profit / (Loss) of Associate Company			(1,37,27,076)	(82,27,839)
X. Profit for the Year after consolidation			5,38,57,200	9,76,93,430
X. Earnings Per Equity Share:				
Basic & Diluted :			6.62	12.02
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	29			

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
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Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	PARTICULARS	2015 –16 Rs.	2014 –15 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Extraordinary Items	11,02,46,466	16,77,29,823
	Adjustments for :		
	Depreciation (Net)	3,84,36,268	3,88,79,925
	Interest	2,59,45,128	3,24,23,323
	Preliminary expenses written off / Others		
	Loss/(Profit) on Sale of Fixed Assets	(18,27,758)	(8,25,586)
	Operating Profit before Working Capital Changes	17,28,00,104	23,82,07,485
	Adjustments for :		
	Trade and Other Receivables	2,20,74,307	4,46,614
	Inventories	(1,16,14,053)	16,39,73,816
	Trade Payables	4,31,73,196	99,51,976
	Cash generated from operations	22,64,33,554	41,25,79,891
	Interest Paid	(2,59,45,128)	(3,24,23,323)
	Direct Taxes Paid	(4,40,00,000)	(6,16,26,250)
	NET CASH FLOW FROM OPERATING ACTIVITIES	15,64,88,426	31,85,30,318
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(1,84,34,468)	(2,47,51,155)
	Purchase of Investments (Short Term)	82,22,199	(18,99,37,206)
	Sale of Fixed Assets	35,01,992	25,26,250
	NET CASH USED IN INVESTING ACTIVITIES	(67,10,277)	(21,21,62,111)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from long term borrowings (Net)	(3,13,50,040)	(8,31,45,689)
	Dividend paid	(5,87,03,555)	(2,37,76,370)
	Proceeds From Short Term Loan	(5,62,88,456)	2,02,17,524
	NET CASH USED IN FINANCING ACTIVITIES	(14,63,42,051)	(8,67,04,535)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	34,36,098	1,96,63,672
	Opening Balance of Cash and Cash Equivalents	2,66,93,396	70,29,724
	Closing Balance of Cash and Cash Equivalents	3,01,29,494	2,66,93,396

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia Chairman (DIN: 00027335)
Shri Gopal Patodia Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia Director (DIN: 00015103)
Shri Brijbhushanlal Kabra Independent Director (DIN: 00023410)
Shri Jugalkishore Todi Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria Independent Director (DIN: 01213323)
Shri Mukesh Prajapat Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2016

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 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 AND ISSUED				
81,30,000 Equity Shares of Rs. 10/- each		8,13,00,000	8,13,00,000	
PAID UP :				
81,29,020 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) Particulars of Shareholders holding more than 5% equity shares in the Company :-				
	31.03.2016		31.03.2015	
Name	No. of Shares	% of Shares Held	No. of Shares	% of Shares Held
M/s. Eurotex Industries and Exports Ltd.	15,82,347	19.46	15,82,347	19.46
M/s. Sambhu Inv. Pvt. Ltd.	7,79,320	9.59	7,79,320	9.59
M/s. Patodia Syntex Ltd.	7,12,957	8.77	7,12,957	8.77
M/s. Trikon Inv. Pvt. Ltd	5,57,834	6.86	5,57,834	6.86
PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.	
NOTE : 2 - RESERVES AND SURPLUS				
SHARE CAPITAL FORFEITURE		16,880	16,880	
SHARE PREMIUM		3,61,05,080	3,61,05,080	
CAPITAL RESERVES:				
Share in Reserves and Surplus of Associate Company (M/s Eurotex Industries and Exports Ltd)		14,83,39,114	14,83,39,114	
GENERAL RESERVE :	63,81,56,649			
Balance as per last year			49,81,56,649	
Add : Appropriation from Current year's Profit	2,50,00,000		14,00,00,000	
Balance at the end of the Year		66,31,56,649	63,81,56,649	
SURPLUS IN STATEMENT OF PROFIT AND LOSS:				
Balance at the beginning of the Year	19,46,27,981		30,19,32,879	
Less: Adjustment relating to the Fixed Assets [Refer Note No. 29 II (6)]	0		62,94,773	
	19,46,27,981		29,56,38,106	
Add : Profit after tax for the Year	5,38,57,200		9,76,93,430	
Amount available for Appropriation	24,84,85,181		39,33,31,536	
Less : Appropriations				
Proposed Dividend	2,43,87,060		4,87,74,120	
Dividend Distribution Tax	49,64,615		99,29,435	
Transferred to General Reserve	2,50,00,000		14,00,00,000	
Total Appropriation	5,43,51,675		19,87,03,555	
Balance at the end of the Year		19,41,33,506	19,46,27,981	
TOTAL		1,04,17,51,229	1,01,72,45,704	

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 3 - LONG TERM BORROWINGS			
Secured - Refer Note Below			
TERM LOAN FROM BANKS :			
Rupee Term Loan	6,08,75,000		9,23,90,822
TOTAL		6,08,75,000	9,23,90,822

DETAILS OF BORROWINGS:

NAME OF BANK / FINANCIAL INSTITUTION	TOTAL AMOUNT OF LOAN	BALANCE LOAN ON 31.03.2016 (RS.)	PAYABLE IN THE YEAR 2016-17 (Refer Note 9 - OTHER CURRENT LIABILITIES) (Rs.)	LONG TERM BORROWINGS PAYABLE AFTER THE YEAR 2016-17 (RS.)	TERMS OF PAYMENT (PAYABLE IN)
IDBI Bank Ltd.	Rs. 1100 Lacs	4,81,25,000	1,37,50,000	3,43,75,000	10 Quarterly Installments ending by 23.09.2019
Export Import Bank of India	Rs. 770 Lacs	69,65,822	69,65,822	0	3 Quarterly Installments ending by 20.12.2016
Export Import Bank of India	Rs. 560 Lacs	3,73,00,000	1,08,00,000	2,65,00,000	11 Quarterly Installments ending by 20.12.2019
TOTAL		9,23,90,822	3,15,15,822	6,08,75,000	
PREVIOUS YEAR		13,35,41,142	4,11,50,320	9,23,90,822	

DESCRIPTION OF SECURITY

IDBI BANK LOANS OF RS. 1100 LACS

Secured by hypothecation of Movable Current Assets (subject to prior charge of SBI and IDBI Bank for Working Capital Facilities) and also secured by First Charge Pari Passu with EXIM Bank by way of Mortgage of Immovable Properties (excluding assets of Windmills).

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

Secured by hypothecation of movable fixed assets (excluding assets of Windmills) and also secured by first charge pari passu with IDBI Bank by way of mortgage of immovable properties.

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 4 – DEFERRED TAX LIABILITIES (NET)			
Liability Relating to earlier years	10,46,50,844		10,76,68,145
Less: Amount reversed on Excess book depreciation of earlier year	0		31,99,605
	10,46,50,844		10,44,68,540
Add/(Less): Liability/(Asset) for the year	(13,37,810)		1,82,304
NET TOTAL		10,33,13,034	10,46,50,844
NOTE : 5 - OTHER LONG TERM LIABILITIES			
Security Deposits (From Debtors, Employees and Contractors)		1,36,385	1,36,385
NOTE : 6 - LONG TERM PROVISIONS			
Employees' Privilege Leave (On Actuarial Valuation Basis, Refer Note - 29 (II) (5))		67,30,175	65,64,393
NOTE : 7 - SHORT TERM BORROWING			
WORKING CAPITAL LOAN (SECURED) * :			
State Bank Of India	2,72,64,364		7,14,00,312
IDBI Bank	42,59,780		67,77,790
TOTAL		3,15,24,144	7,81,78,102
* Secured by First Pari Passu Charge (SBI and IDBI Bank) by way of hypothecation of Current Assets and also by Mortgage of Immovable Properties of the Company subject to prior charge of EXIM Bank and IDBI for Term Loans (except assets of Windmills).			

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 8 - TRADE PAYABLES			
Micro, Small and Medium Enterprises – Refer Note 29 (II) (3)	8,41,458		34,392
For Supplies	2,88,59,751		1,53,95,264
Others	3,40,64,618		3,89,77,778
TOTAL		6,37,65,827	5,44,07,434
NOTE : 9 - OTHER CURRENT LIABILITIES			
Current Maturity of Long Term Borrowings	3,15,15,822		4,11,50,320
Interest Accrued but not due	4,39,985		7,65,385
Unclaimed Dividend	34,91,159		21,14,886
Statutory Dues	53,82,311		67,60,503
Salary, Wages and Dues to Employees	1,30,16,470		2,06,57,995
Advance from Customers	3,02,89,482		21,08,012
Others	30,17,743		18,54,573
TOTAL		8,71,52,972	7,54,11,674
NOTE : 10 - SHORT TERM PROVISIONS			
For Employees (Privilege Leave) – Refer Note - 29 (II) (5)	46,47,141		43,73,398
Bonus	1,79,19,997		96,15,933
Gratuity	28,06,952		32,82,747
Taxation	74,83,552		30,20,307
Wealth Tax	0		1,26,250
Dividend	2,43,87,060		4,87,74,120
Dividend Distribution Tax	49,64,615		99,29,435
TOTAL		6,22,09,317	7,91,22,190
NOTE : 11 - TANGIBLE ASSETS			
GROSS FIXED ASSETS	1,52,24,43,848		1,52,99,94,780
LESS : DEPRECIATION	94,28,28,580		92,65,87,422
TOTAL		57,96,15,268	60,34,07,358

NOTE 11 -

FIXED ASSETS (Amount in Rs.): -

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2015	ADDI- TIONS DURING THE YEAR	ADJUST- MENTS/ DEDUCT- IONS DURING THE YEAR	BALANCE AS ON 31.03.2016	PROVIDE D UPTO 31.03.2015	PROVIDE D DURING THE YEAR	DEDUCT- IONS DURING THE YEAR	TOTAL UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)		(Rs.)
LAND (LEASE HOLD)	2715568	0	35870	2679698	0	0	0	0	2679698	2715568
LAND (FREE HOLD)*	3742623	9982130	0	13724753	0	0	0	0	13724753	3742623
BUILDING	215023580	0	0	215023580	83186607	5047751	0	88234358	126789222	131836973
PLANT AND MACHINERY	1191881068	1287606	20982908	1172185766	763607386	22728702	19844320	766491768	405693998	428273681
ELECTRICAL INSTALLATION	53246065	852418	466103	53632380	44690160	3445734	442798	47693096	5939284	8555905
FURNITURE, FIXTURES, FANS & ELECTRICAL APPLIANCES	19231099	740769	72760	19899108	12393809	1197173	69288	13521694	6377414	6837290
OFFICE EQUIPMENTS	4852976	329865	8490	5174351	2988985	728105	3393	3713697	1460654	1863991
COMPUTER	5929293	2101439	0	8030732	4225264	1061699	0	5286963	2743769	1704028
VEHICLES	33372511	1024185	2303219	32093477	15495211	4227104	1835312	17887003	14206474	17877298
T O T A L	1529994783	16318412	23869350	1522443848	926587422	38436268	22195111	942828580	579615268	603407358
2014 – 2015	1520062528	28590725	18658473	1529994780	904665308	38879925	16957811	926587422	603407358	624891599

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 12 - CAPITAL WORK IN PROGRESS			
Plant and Machinery		17,79,917	0
Computers		0	50,000
TOTAL		17,79,917	50,000
NOTE : 13 - NON CURRENT INVESTMENTS			
Quoted : (Trade - At Cost)			
22,31,980 Equity Shares of Rs. 10/- each (Previous Year 22,31,980 Shares) of M/s Eurotex Industries and Exports Limited (Original Cost)		5,45,90,920	5,45,90,920
Add: Share of the Company in Reserves and Surplus of Associate company upto the previous year		14,01,11,275	14,83,39,114
Add / (Less) : Share of the Company in Current Year's Profit / (Loss) of Associate company		(1,37,27,076)	(82,27,839)
TOTAL		18,09,75,119	19,47,02,195
NOTE : 14 - LONG TERMS LOANS AND ADVANCES			
Capital Advances (Unsecured considered good)	48,41,795		48,41,795
Security Deposits with Related Parties	8,00,000		8,00,000
Security Deposits with Others	82,90,066		79,03,927
TOTAL		1,39,31,861	1,35,45,722
NOTE : 15 – OTHER NON – CURRENT ASSETS		0	0
NOTE : 16 – CURRENT INVESTMENTS			
Mutual Funds (Quoted)	Units	Value	
1. Franklin India Low Duration Fund G.	38,58,632.54	6,10,63,156	
2. HDFC High Interest Fund (STP) Growth	16,09,249.56	4,44,72,105	
3. IDFC Dynamic Bond Fund Growth	10,77,647.73	1,75,58,244	
4. IDFC Ultra Short Term Fund – G	4,34,612.58	91,64,540	
5. Kotak Bond Short Term Plan – G	71,148.78	18,13,739	
6. Birla Sunlife Savings Fund Growth	33,939.41	98,55,035	
7. Birla Sunlife Enhanced Arbitrage Fund	7,17,394.05	77,88,188	
8. Ambit Alpha Fund Scheme – 1	30,000.00	3,00,00,000	
Market Value of Quoted Investments Rs. 19,25,86,869/-		18,17,15,007	18,99,37,206
PREVIOUS YEAR (2014 – 15) :-			
Mutual Funds (Quoted):-	Units	Value	
1. Franklin India low duration fund G.	196,788.14	28,00,000	
2. Franklin India saving plus fund G	145,666.42	35,00,000	
3. HDFC D.B.F STP Growth	1,746,530.77	4,60,19,762	
4. IDFC D.B.F REG. Growth	786,737.42	1,25,58,244	
5. IDFC SSIF short term REG. Growth	640,166.52	1,70,00,000	
6. Kotak bond short term plan REG. G	2,314,018.79	5,80,59,200	
7. L & T short term opportunities fund G	1,755,704.49	2,24,00,000	
8. Reliance Short Term fund growth	296,047.77	75,00,000	
		16,98,37,206	
Mutual Funds (Unquoted):-			
1. Ambit Alpha Fund Scheme – 1	20,000.00	2,01,00,000	
Market Value of Quoted Investments Rs. 17,82,32,000/-		18,99,37,206	
NOTE : 17 – INVENTORIES			
(As taken, Certified by Management and valued at lower of cost or Net Realisable value)			
(A) Stores, Spares and Fuel		1,62,53,593	1,68,37,073
(B) Raw Material		30,75,37,814	33,11,47,115
(C) Finished Goods (Yarn)		6,56,49,773	3,89,74,736
(D) Cotton / Yarn Waste		58,93,210	24,64,217
(E) Stock in Process		3,31,11,329	2,91,80,388
(F) Goods in Transit		40,40,471	22,68,608
TOTAL		43,24,86,190	42,08,72,137
NOTE : 18 - TRADE RECEIVABLES (Unsecured, Considered Goods)			
More Than Six Months	1,33,377		0
Other Debtors (Includes Rs. 12,04,168 due from Associate Company)	5,75,81,324		7,92,90,376
TOTAL		5,77,14,701	7,92,90,376

PARTICULARS	Rs.	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
NOTE : 19 - CASH AND CASH EQUIVALENTS			
Cash on Hand :	6,75,214		10,29,205
Balance With Banks :			
(A) In Current Account	2,79,67,296		2,42,13,308
(B) Fixed Deposit Maturing within 1 year (Under Lien against Bank Guarantees)	14,78,984		14,38,370
(C) Fixed Deposit Maturing after 1 year	8,000		12,513
TOTAL		3,01,29,494	2,66,93,396
NOTE : 20 - SHORT TERM LOANS AND ADVANCES			
(Unsecured - Considered Good)			
Capital Advance	17,28,000		16,52,000
Security Deposits	5,34,792		5,20,947
Loans and Advances to Employees	40,66,742		49,72,379
Balance with Statutory Authorities	259		34
Advances to Suppliers and Others	1,52,13,642		1,14,26,106
TOTAL		2,15,43,435	1,85,71,466
NOTE : 21 - OTHER CURRENT ASSETS			
Duty Draw Back / DEPB Receivable	59,85,295		1,37,70,838
Interest Receivables	1,41,546		38,928
Other Dues from Government Departments	3,22,26,597		2,78,57,627
Others	5,09,733		6,66,379
TOTAL		3,88,63,171	4,23,33,772

NOTES ON CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	Rs.	2015 – 16 Rs.	2014-15 Rs.
NOTE : 22 - REVENUE FROM OPERATIONS			
Yarn Sales	1,81,83,54,489		2,05,71,53,325
Cotton / Yarn Waste Sales	6,69,80,314		7,85,74,906
Sale of Electricity Units	1,73,65,953		1,61,85,610
TOTAL	1,90,27,00,756		2,15,19,13,841
Less : Excise Duty	39,98,662		1,01,26,211
NET SALES	1,89,87,02,094		2,14,17,87,630
OTHER OPERATIVE REVENUES			
Sale of DEPB License	0		1,39,400
Duty Draw Back	2,35,91,841		2,46,26,558
Sale of Scrap	17,03,303		18,30,530
TOTAL	2,52,95,144		2,65,96,488
TOTAL REVENUE FROM OPERATIONS		1,92,39,97,238	2,16,83,84,118

PARTICULARS	Rs.	2015 – 16 Rs.	2014 – 15 Rs.
NOTE : 23 - OTHER INCOME			
Interest Income	11,73,704		23,74,760
Dividend Income	88,188		11,15,990
Net Gain on Sale Investments	1,74,45,915		72,99,062
Insurance Claims Received	5,64,130		22,07,641
Other Income	1,92,213		1,812
Cash Discount earned	48,83,563		55,10,366
Balance Written Back	1,04,684		50,489
Excess Provisions For Earlier Years	10,80,806		9,81,567
Profit on Sale of Fixed Assets	18,27,758		8,25,586
Foreign Exchange Fluctuation Gain (Net)	11,62,517		88,34,652
Foreign Exchange Premium	1,15,668		0
Sales Tax Refund Received	18,543		0
Other Receipts	5,84,177		20,97,555
TOTAL OF OTHER INCOME		2,92,41,866	3,12,99,480
NOTE : 24 - COST OF RAW MATERIAL CONSUMED			
Opening Stock	33,11,47,115		46,02,75,767
Add: Purchases	1,11,66,61,284		1,13,73,29,176
TOTAL	1,44,78,08,399		1,59,76,04,943
Less: Closing Stock	30,75,37,814		33,11,47,115
Consumption		1,14,02,70,585	1,26,64,57,828
Details of Raw Material Consumption:			
Cotton	1,13,72,94,128		1,26,33,49,735
Cotton Yarn	29,76,457		31,08,093
TOTAL	1,14,02,70,585		1,26,64,57,828
NOTE : 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK – IN – PROCESS			
<u>Stocks as at Close:-</u>			
(1) Finished Goods			
(a) Yarn	6,56,49,773		3,89,74,736
(b) Waste	58,93,210		24,64,217
(2) Stock in Process	3,31,11,329		2,91,80,388
	10,46,54,312		7,06,19,341
<u>Less : Stocks as at Commencement:-</u>			
(1) Finished Goods			
(a) Yarn	3,89,74,736		6,69,51,719
(b) Waste	24,64,217		32,76,999
(2) Stock in Process	2,91,80,388		3,39,91,269
	7,06,19,341		10,42,19,987
DECREASE / (INCREASE)		-3,40,34,971	3,36,00,646
NOTE : 26 - EMPLOYEES BENEFITS EXPENSES			
Salary, Wages, Bonus and Allowances	18,65,43,973		17,04,00,574
Contribution to Provident, Gratuity & Other Funds	1,52,38,951		1,37,83,710
Managerial Remuneration	1,10,13,608		1,46,14,787
Contribution to Superannuation Trust Fund	16,08,000		13,68,000
Welfare Expenses	79,81,388		79,15,033
TOTAL		22,23,85,920	20,80,82,104
NOTE : 27 - FINANCE COSTS			
Interest on Term Loan	1,32,81,778		1,85,70,510
Interest on Working Capital	7,05,518		19,24,875
Finance and Bank Charges	1,19,57,832		1,19,27,938
TOTAL		2,59,45,128	3,24,23,323

PARTICULARS	Rs.	2015 – 16 Rs.	2014 – 15 Rs.
NOTE : 28 - OTHER EXPENSES			
Consumption of Stores and Packing Material	4,89,94,033		5,44,06,523
Power and Fuel (Ref. Note 29 – II – 4)	26,82,27,764		26,95,04,883
Processing Charges	3,88,389		5,08,367
Rent	33,18,402		30,13,753
Repairs:-			
(Machinery (Including Spares)	2,89,44,793		2,34,88,826
Building	55,32,220		59,02,982
Others	34,37,540		37,45,692
Insurance	44,70,754		51,76,392
Rates and Taxes	1,02,63,473		1,32,51,233
License and Legal Fees	52,36,643		36,24,666
Sales and Distribution Expenses	4,40,13,274		4,80,34,969
Travelling and Conveyance	1,34,30,090		1,33,29,615
Directors Sitting Fees	3,40,000		3,40,000
Audit Fees and Expenses	5,87,322		5,45,393
Donation	6,00,507		6,48,333
CSR Expenses	43,78,660		1,50,000
General Expenses	78,25,844		68,38,322
TOTAL		44,99,89,708	45,25,09,949

NOTE 29

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

(1) Corporate Information:

PBM Polytex Limited is a public company incorporated in India. Its shares are listed on the BSE Limited and the Ahmedabad Stock Exchange Limited. The Company is engaged in manufacture and processing of yarn. The Company is focusing more on exports.

(2) Basis of Preparation:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

(3) 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.

(4) 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.

(5) Depreciation: Depreciation has been provided as under during the year:

A) PETLAD AND BORGAON UNITS:

(a) On Assets other than Plant and Machineries:

Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013.

(b) On Plant and Machineries :

Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013 applicable to continues process plant (CPP) as certified the Chartered Engineer.

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

B) WINDMILLS:

(a) Computed considering the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013.

(b) The difference between the depreciation lower/excess charge than in the previous year has been adjusted in the current year.

(6) Inventories:

The cost of various categories of inventory is determined as follows:

- | | | |
|-----------------------------------------------------|---|------------------------------------------------|
| (a) Stores, Spares, Packing Material, Fuel & others | - | At Lower of Cost or Net realisable value |
| (b) Raw material | - | At Average value of Opening Stock and Purchase |
| (c) Stock – in – Process | - | At Lower of Cost or Net realisable value |
| (d) Finished Goods | - | At Lower of Cost or Net realisable value |
| (e) Material in Transit | - | At Cost |
| (f) Waste (Cotton and Yarn) | - | At Net Realisable value |

(7) 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 are 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.

(8) 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. ESI 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.

(9) 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.

(10) Revenue Recognition:

Items of Income and Expenditure are recognized on accrual basis except Insurance Claims, DEPB / Focus Marketing License, TUFs Rebate and Service Tax Refund which are accounted for on transfer or receipt.

- (a) Expenses are net of taxes recoverable wherever applicable.

(11) 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 applicable 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.

(12) 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.

(13) 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.

(14) 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.

(15) Investments:

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

(16) 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 probable obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

(17) 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.

II. NOTES ON ACCOUNTS:

1. Consolidated Financial Results:

In pursuance to the Sec. 129(3) of the Companies Act, 2013, Rule 5 & 6 of the Companies (Accounts) Rules, 2014 read with Accounting Standard 23 of ICAI, "Accounting for Investments in Associate Enterprise" which has been made effective from Accounting Year 2015-16, the Company has given treatment for investments in Associate Concern, M/s Eurotex Industries and Exports Limited, under "Equity Method of Accounting".

The difference between purchase price and Net Assets Value on the basis of Audited Annual Accounts of Associate for period till last year i.e. upto 31.03.2015 has given rise to Capital Reserve of Rs. 14,83,39,114/-.

The share in loss for the current year 2015-16 is Rs. 1,37,27,076/- (Previous Year Rs. 82,27,839/-) has been credited to Profit & Loss Account of the current year.

2. Contingent Liabilities:

- Estimated amount of contracts remaining unexecuted on Capital Accounts not provided for Rs. 4,43,10,644/- (Net of advances) (Previous year Rs. 4,48,24,155/-).
- Bills discounted under Export / Inland Letter of Credit Rs. 7,93,08,334/- since realized in full (Previous Year Rs. 9,47,46,104/-)
- Income Tax Demands for the F. Y. 2011 – 12 and 2012 – 13 of Rs. 9,08,480/- against which Company has preferred appeals before appropriate authorities.
- Bank guarantees amounting to Rs. 2,38,29,224/- and Rs. 2,08,725/- in favour of Madhya Gujarat Viz Company Limited and Gujarat Gas Limited respectively for contract demand of Electricity and PNG.
- Bonus for employees amounting to Rs. 93,38,000/- for the year 2014 – 15 in accordance with the Notification by the Central Government but stayed by the Order of Gujarat High Court.
- Civil Suit filed by Director of Industries, Gujarat for non – supply of yarn against which appeal has been preferred – Rs. 1,08,000/-

3. 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:

Sl. No.	Particulars	2015 – 16		2014 – 15	
		Principal Rs.	Interest	Principal Rs.	Interest
a)	Principal Amount and Interest thereon due, remaining unpaid at the end of the year	8,41,458	N. A.	34,392	N. A.
b)	Interest due / paid during the year	N. A.	N. A.	N. A.	N. A.

4. 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 gain of Rs. 11,62,517/- (Previous year net gain of Rs. 85,89,114/-) on account of foreign exchange fluctuation pertaining to foreign currency borrowings / transactions, which has been exhibited in Statement of Profit & Loss under the heads "Other Income" and "Other Expenses".

Power was purchased through approved Power Exchange also under permission of GRC & IERC authorities during part of the current year. Thereby, saving of Rs. 1,31,99,713/- during the year.

5. 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.

The Amount (in Rs.) as certified by the Approved Value is as under:

(Amount in Rs.)

	GRATUITY (FUNDED)	
	31.03.2016	31.03.2015
(A) Funded Status of the Plan		
Present Value of unfunded Obligations	—	2,51,51,493
Present Value of Funded Obligations	8,85,41,655	5,52,01,909
Fair Value of Plan Assets	10,95,18,664	8,04,27,106
Net Liability (Asset)	(2,09,77,009)	(73,704)
(B) Profit and Loss account for the current period		
Current Service Cost	45,62,816	42,51,564
Interest on Obligation	58,05,955	59,19,984
Expected Return on Plan Assets	(71,98,265)	(68,47,136)

	GRATUITY (FUNDED)	
	31.03.2016	31.03.2015
Net Actuarial Loss /(Gains)	27,65,589	10,00,160
Past service cost	—	—
Loss/(gain) on curtailments and settlement	—	—
Total included in "Employee Benefit Expense"	59,36,095	43,24,572
Expenses deducted from the fund	2,81,148	—
Adjustment to the Opening fund	(2,18,88,125)	—
Total Charge to P&L	(1,56,70,882)	43,24,572
Loss/(Gain) on obligation	44,68,188	7,48,717
Loss/(Gain) on assets	(17,02,599)	2,51,443
Net actuarial Loss/(Gain)	27,65,589	10,00,160
(C) Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	8,03,53,402	7,27,56,062
Transfer in/(out) obligation	—	—
Current Service Cost	45,62,816	42,51,564
Interest cost	58,05,955	59,19,984
Actuarial loss (gain)	44,68,188	7,48,717
Past service cost	—	—
Loss (gain) on Curtailments	—	—
Liabilities extinguished on settlements	—	—
Liabilities assumed in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits Paid	(66,48,706)	(33,22,925)
Benefits payable	—	—
Closing Defined Benefit obligation	8,85,41,655	8,03,53,402
(D) Reconciliation of plan assets		
Opening value of plan assets	10,22,28,341	7,34,99,626
Transfer in/(out) plan assets	—	—
Expenses deducted from the fund	(2,81,148)	—
Expected Return	71,98,265	68,47,136
Actuarial gain/(loss)	17,02,599	(2,51,443)
Assets distributed on settlements	—	—
Contributions by employer	52,32,423	31,42,554
Assets acquired in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits Paid	(66,48,706)	(28,10,767)
Adjustment to the Opening fund	86,890	—
Closing value of plan assets	10,95,18,664	8,04,27,106
(E) Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	(73,704)	(7,43,564)
Transfer in/out obligation	—	—
Transfer (in)/out plan assets	—	—
Charge to P&L	(1,56,70,882)	43,24,572
	(1,57,44,586)	35,81,008
Benefits paid by the company	—	(5,12,158)
Amounts transferred to "Payable account"	—	—
Contributions to plan assets	(52,32,423)	(31,42,554)
Closing provision in books of accounts	(2,09,77,009)	(73,704)
(F) Composition of the plan assets		
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

	GRATUITY (FUNDED)	
(G) Bifurcation of liability as per schedule VI	31.03.2016	31.03.2015
Current Liability	(16,96,573)	(2,30,55,164)
Non-Current Liability	(1,92,80,436)	2,29,81,460
Net Liability	(2,09,77,009)	(73,704)
(H) Table of experience adjustments		
Defined Benefit obligation	8,85,41,655	8,03,53,402
Plan Assets	10,95,18,664	8,04,27,106
Surplus/(Deficit)	2,09,77,009	73,704
Experience adjustments on plan liabilities	50,12,915	(90,02,025)
Actuarial loss (gain) due to change in demographic assumption	---	---
Actuarial loss (gain) due to change in financial assumptions	(5,44,727)	97,50,742
Experience adjustments on plan assets	(17,02,597)	2,51,443
Net actuarial Loss/(Gain) for the year	27,65,589	10,00,160
(I) Principle actuarial assumptions		
Discount Rate	7.90%	9.10%
Expected Return on Plan Assets	---	---
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	---	---

- (I) The Company has participated in LIC and SBI Life Insurance managed Scheme for gratuity and has made provision of Rs. 26,20,000/- (previous year Rs. 3,60,000/-) for Managing Directors and Rs. 21,02,569/- (previous year Rs. 44,12,825/-) for other employees. The Company has also participated in LIC managed Superannuation Fund for Managerial Personnel and has contributed Rs. 16,08,000/- (Previous year Rs. 13,68,000/-) to the Fund.
- (II) Leave Encashment Benefits for the year have been provided in the Statement of Profit & Loss on actuarial valuation of the company Rs. 31,50,769/- (Previous Year Rs. 36,28,788/-)
6. (i) 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.
- (ii) Pursuant to the Companies Act, 2013, the written down value of fixed assets, useful life of which was over on 1st April 2014, were adjusted in the Statement of Profit and Loss amounting to Rs. 62.95 lacs in the year 2014-15.
7. Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated / amortised over the revised / remaining useful life of particular assets.

	(Rs.)	(Rs.)
8. AUDITORS' REMUNERATION:-	2015 – 16	2014 – 15
1. Audit Fees (Including Service Tax)	4,58,000	3,98,878
2. Tax Audit	51,525	50,562
3. Traveling expenses	90,197	95,953
TOTAL	5,87,322	5,45,393
9. DETAILS OF GOODS IMPORTED:-		
1. CIF value of goods imported:		
(a) Cotton	0	4,90,27,327
(b) Machineries, Spares and Stores	33,42,853	42,99,708
(c) Plant and Machinery	0	1,27,76,173
TOTAL	33,42,853	6,61,03,208
2. CONSUMPTION:-		
(a.) Raw Materials:		
(i) Imported goods	0	4,90,27,327
(ii) Indigenous goods:		
Cotton	1,13,72,94,128	1,21,43,22,408
Cotton yarn	29,76,457	31,08,093
TOTAL	1,14,02,70,585	1,26,64,57,828
Imported	0%	3.87%
Indigenous	100%	96.13%
(b.) Machinery Spares and Stores:		
(i) Imported goods	34,70,374	43,08,497
(ii) Indigenous goods	2,58,88,293	6,66,04,036
TOTAL	2,93,58,667	7,09,12,533
Imported	11.82%	6.08%
Indigenous	88.18%	93.92%
10. 1. Earning in Foreign Exchange:		
Exports: Direct (FOB Value)	81,20,05,952	83,85,02,404
Through Merchant Exporters	17,31,346	11,30,553
	81,37,37,298	83,96,32,957

2. Expenditure in Foreign Currency:		
Purchase of Plant and Machinery, Stores, Spares and Cotton	33,42,853	6,61,03,208
Travelling and Others	22,80,814	13,31,914
Interest on Foreign Currency Loan	0	2,20,386
Freight	51,07,038	1,38,88,969
Commission	55,51,065	26,99,605
TOTAL	1,62,81,770	8,42,44,082
3. Remittances of Dividend in Foreign Currency		N.A.

11. RELATED PARTY DISCLOSURE:

A. LIST OF RELATED PARTIES AND RELATIONSHIP

Associates & Enterprises with whom the Company entered into transactions during the year

M/s Patodia Syntex Limited	M/s B. L. Patodia Family Trust
M/s Eurotex Industries and Exports Limited	M/s Murarilal Mahendrakumar
M/s Trikon Investments Pvt. Limited	M/s Brijlal Purushottamas
M/s Sambhu Investments Pvt. Limited	M/s Dharamchand Keshardeo

B. KEY MANAGERIAL PERSONNEL / DIRECTORS AND RELATIVES:

Shri Gopal Patodia	Managing Director
Shri Mohan Kumar Patodia	Managing Director cum Chief Financial Officer
Shri Amit Patodia	Senior President cum Chief Executive Officer
Shri Mukesh Prajapat	Assistant Company Secretary

C. RELATED PARTIES TRANSACTIONS (RS.):

Transactions	Associates / Shareholders	Enterprises owned or Significantly influenced by Key Managerial Personnel	Key Managerial Personnel
Purchase of Goods	4,91,873	NIL	NIL
Sale of Goods	12,25,971	NIL	NIL
Rent	11,40,000	10,98,000	NIL
Salary & Perks:-			
Managing Directors	NIL	NIL	1,20,69,608
Chief Executive Officer	NIL	NIL	34,86,822

D. OUTSTANDING BALANCES AS ON 31.03.2016 (RS.):

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Managerial Personnel
Security Deposit Given (M/s Trikon Inv. Pvt. Ltd. & M/s Sambhu Inv. Pvt. Ltd.)	8,00,000	NIL	NIL
Investments in shares of M/s Eurotex Industries and Exports Ltd.	5,45,90,920	NIL	NIL
Outstanding Dues from M/s Eurotex Industries and Exports Ltd. for Sale of Goods	12,04,168	NIL	NIL

12. DERIVATIVES INSTRUMENT

Following are the outstanding Forward Foreign Exchange Contracts entered into by the Company:

As at 31 st March 2016			
Currency	Amount in Foreign Currency	Buy / Sell	Cross Currency INR
USD @ 66.385	1432341.90	Sell	9,50,86,017

As per our Attached Report of even date
for **Mahendra N. Shah & Co.**
Chartered Accountants
(FRN 105775W)

Mahendra N. Shah (Partner)

M. No. F003969

Place : Ahmedabad

Date : 30th May 2016

Shri Krishan Kumar Patodia	Chairman (DIN: 00027335)
Shri Gopal Patodia	Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia	Managing Director cum CFO (DIN: 0035381)
Shri Hari Prasad Siotia	Director (DIN: 00015103)
Shri Brijbhushanlal Kabra	Independent Director (DIN: 00023410)
Shri Jugalkishore Todi	Independent Director (DIN: 00598697)
Smt. Vinita Devi S. Modi	Independent cum Woman Director (DIN: 06965473)
Shri M L Bagaria	Independent Director (DIN: 01213323)
Shri Mukesh Prajapat	Assistant Company Secretary

Place : Vadodara

Date : 30th May 2016

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 LINK INTIME INDIA PVT. LTD.
B-102 & 103, SHANGRILA COMPLEX,
OFF. HDFC BANK,
NEAR RADHAKRISHNA CHAR RASTA,
AKOTA, VADODARA – 390020

2. IT MAY PLEASE BE NOTED THAT DIVIDEND, IF DECLARED AT AGM, THE CHEQUES FOR THE SAME SHALL BE VALID FOR THREE MONTHS FROM THE DATE OF PAYMENT 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 SEPTEMBER 2016.
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.

PBM POLYTEX LIMITED

CIN : L17110GJ1919PLC000495

Regd. Office: Opposite Railway Station, Petlad - 388450, Dist. Anand, Gujarat

ATTENDANCE SLIP

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

I hereby record my presence at the 97th Annual General Meeting of the Company held at the Registered Office at Opposite Railway Station, Petlad - 388450 Dist: Anand, Gujarat on **Saturday, the 24th September, 2016 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 _____

LF No. / DP ID & Client ID _____ 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.

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **PBM POLYTEX LIMITED,** CIN : **L17110GJ1919PLC000495**
Registered office : **OPP. RAILWAY STATION, PETLAD - 388450, DIST. ANAND, GUJARAT**

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____ DP ID: _____

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ Address: _____
_____ E-mail Id: _____ Signature: _____ or failing him

2. Name: _____ Address: _____
_____ E-mail Id: _____ Signature: _____ or failing him

3. Name: _____ Address: _____
_____ E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 97th Annual General Meeting of the Company, to be held on the **Saturday, the 24th day of September 2016 At 11:00 A. M.** at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description of resolution
Ordinary Business:	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March 2016 and Statement of Profit and Loss and Cash Flow Statement (Including Audited Consolidated Financial Statements) for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2.	To declare dividend on equity shares for the financial year ended on 31 st March 2016.
3	To appoint a Director in place of Shri Mohan Kumar Patodia (DIN : 00035381) as director who retires by rotation and being eligible, offers himself for re-appointment.
4.	To consider and ratify the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W) as the Statutory Auditors of the Company approved by the Members at the 96 th Annual General Meeting for a term of two years i.e. till the conclusion of the 98 th Annual General Meeting of the Company.
Special Business:	
5.	Ratification of Remuneration to the Cost Auditor for the Financial Year 2016-17.

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Re.1
Revenue
Stamp

Note: This Form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

PBM Polytex Limited

Opp. Railway Station,
Petlad, Dist. Anand, Gujarat - 388 450
Email: pmmills@patodiagroup.com
Web: www.pbmpolytex.com
CIN: L17110GJ1919PLC000495