



## PBM POLYTEX LTD.

CIN : L17110GJ1919PLC000485  
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](mailto:pbmmills@patodiagroup.com)

### THROUGH BSE LISTING CENTRE

25.09.2017

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**

Dear Sir / Madam,

**SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2016 – 17.**

We attach herewith a copy of the Annual Report of the Company for the financial year 2016 – 17 consisting of the following, for your information and records:

Sl. No.	Particulars
a)	Notice convening the 98 <sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 25 <sup>th</sup> September 2017
b)	Directors' Report along with all its Annexure
c)	Secretarial Audit Report
d)	Report on Corporate Governance
e)	Management Discussion and Analysis Report
f)	CEO certification on Compliance with Code of Business Conduct and Ethics
g)	CEO/CFO Certification
h)	Secretarial Auditors' Certificate on Compliance with conditions of Corporate Governance
i)	Independent Auditors' Reports both Standalone and Consolidated
j)	Standalone and Consolidated Balance Sheet as of 31 <sup>st</sup> March 2017 with Notes on Accounts
k)	Standalone and Consolidated Statement of Profit & Loss for the year ended 31 <sup>st</sup> March 2017 with Notes on Accounts
l)	Cash Flow Statements for the year ended 31 <sup>st</sup> March 2017
m)	Attendance Slip
n)	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 2016 – 17**





# PBM Polytex Limited

## 98<sup>th</sup> Annual Report 2016-17





## 98<sup>TH</sup> ANNUAL REPORT (2016 – 17)

### 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](http://www.pbmpolytex.com)

### MUMBAI OFFICE

12<sup>th</sup> Floor, Raheja Chambers,  
213, Nariman Point, Mumbai - 400021

### CORPORATE OFFICE

8<sup>th</sup> 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, 3<sup>rd</sup> 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.



## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Ninety Eighth Annual General Meeting of the Members of PBM Polytex Limited will be held at the Registered Office of the Company situated at Opposite Railway Station, Petlad 388450 on **Monday, the 25<sup>th</sup> September 2017 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 2017 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 2017.
3. To appoint a Director in place of Shri Krishan Kumar Patodia (DIN : 00027335) as director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Gopal Patodia (DIN : 00014247) as director who retires by rotation and being eligible, offers himself for re-appointment.
5. **Appointment of Statutory Auditors:**

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

**RESOLVED THAT** pursuant to the provisions of section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Audit and Auditors) Rules, 2014 and the recommendation of the Audit Committee and Board of Directors, the Company hereby approves the appointment of M/s. Chandulal M. Shah & Co., Chartered Accountants, (FRN: 101698W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the 103rd Annual General Meeting to be held for the financial year 2021 - 22 subject to ratification by shareholders at every Annual General Meeting, on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company in consultation with the auditors."

### SPECIAL BUSINESS:

6. **Ratification of Remuneration to the Cost Auditor for the Financial Year 2017-18.**

**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 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 2017 - 18 at total remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand Only) plus Goods and Services 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."

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

"RESOLVED THAT pursuant to Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 and as approved by the Nomination and Remuneration Committee and the Board of Directors, the Company, hereby, accords consent, for revision in remuneration payable to the Senior President cum Chief Executive Officer, Shri Amit Patodia, a relative of the Managing Director of the Company at monthly salary of Rs. 4,00,000/- in pay scale of Rs. 1,50,000/- - Rs. 12,000/- - Rs. 2,10,000/- with effect from 01.10.2017 together with the usual allowances and benefits, amenities and facilities including Superannuation Fund, Gratuity Fund, Provident Fund, as applicable to other employees occupying similar post or posts within the same rank so that the total remuneration and perks shall not exceed Rs. 4,00,000/- per month i.e. Rs. 48,00,000/- per annum, with authority to the Board of Directors to bifurcate the above referred remuneration and perks within the aforesaid limit."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Company, hereby, approves the re-appointment of Shri Gopal Patodia (DIN : 00014247) as Managing Director of the Company for a period of 3 years from 1st April 2018 on the remuneration and other terms and conditions as sanctioned by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as permissible under Part II Section II(A) of Schedule V of the Companies Act, 2013 and as contained in the draft agreement placed before the meeting and initiated by the Chairman for identification with power to the Board of Directors to alter or vary the said terms and conditions of re-appointment and remuneration in such manner as the Board in their discretion deem fit and as acceptable to Shri Gopal Patodia.

**FURTHER RESOLVED THAT** the Board of Directors is, hereby, authorized to enter into the said agreement with such modifications or amendments as the Board may think fit.

**FURTHER RESOLVED THAT** the Board of Directors be and are, hereby, authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013, the Company, hereby, approves the re-appointment of Shri Mohan Kumar Patodia (DIN : 00035381) as Managing Director of the Company for a period of 3 years from 1st April 2018 on the remuneration and other terms and conditions as sanctioned by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as permissible under Part II Section II(A) of Schedule V of the Companies Act, 2013 and as contained in the draft agreement placed before the meeting and initialed by the Chairman for identification with power to the Board of Directors to alter or vary the said terms and conditions of re-appointment and remuneration in such manner as the Board in their discretion deem fit and as acceptable to Shri Mohan Kumar Patodia.

**FURTHER RESOLVED THAT** the Board of Directors is, hereby, authorized to enter into the said agreement with such modifications or amendments as the Board may think fit.

**FURTHER RESOLVED THAT** the Board of Directors be and are, hereby, authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable 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.**

PROXIES, IN ORDER TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY STAMPED, 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 in numbers and holding in aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. However, Member holding more than 10% of the total Share Capital of the Company carrying voting rights 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 and vote at 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 the respective specimen signatures of their authorised 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 16th September 2017 to Monday, the 25th September 2017 (both days inclusive)**. Those Shareholders whose names appear on the Register of Members on **Friday, the 15th September 2017** 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 9th September 2017.**

**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 15th September 2017.**

**H. Voting through physical ballot paper shall be made available at the AGM & the members attending the AGM who have not casted their vote by e-voting shall be able to cast their vote by physical ballot paper at the meeting.**

**I. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dtd. 05.09.2016 followed by Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 dtd. 28.02.2017, the Equity Shares held by such shareholders who have not claimed dividend for consecutive seven years from the financial year 2009 - 10 to 2015 - 16 shall be transferred to Investor Education and Protection Fund (IEPF) alongwith dividend remaining unpaid. The necessary notice in this regard has been given to all the concerned shareholders through Registered Post.**

Such information has also been placed on the Company's website and notified in Newspapers. The shareholders should take proper care in this regard in their interest as advised in the notice by the Company. Such action will continue to be enforced year after year. In this regard, it may be noted that the action may be taken by the Company no sooner the Ministry of Corporate Affairs notifies the date of applicability of the Notification.

**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 Nos. 6, 7, 8 and 9 are appended herewith.**

**O. The Memorandum and Articles of Association and the draft Agreements to be executed between the Managing Directors and the Chief Executive Officer are available for inspection between 03:00 P.M. to 05:00 P.M. on working days.**

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 CSDL, on all resolutions set forth in this Notice.

## PROCESS FOR MEMBERS OPTING E – VOTING:

### I. In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (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](http://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"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>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).</li> </ul>

- (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.
- (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](http://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](mailto: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](mailto: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 all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

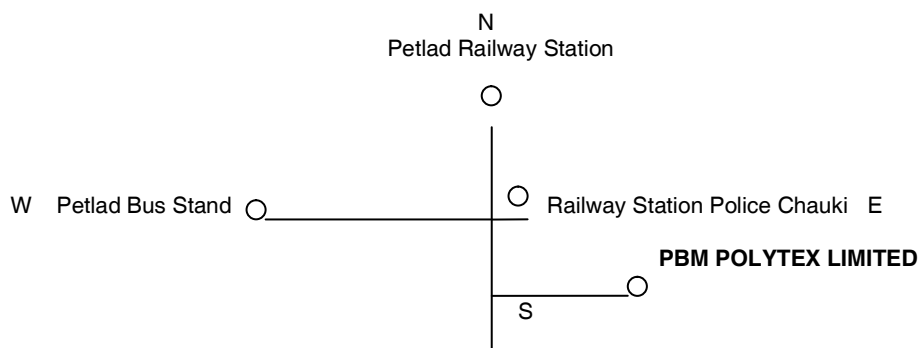
(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**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 **Friday, the 22nd September 2017 at 09:00 A. M.** and ends on **Sunday, the 24th September 2017, 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 15th September 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 05:00 P. M. on Sunday, the 24th September 2017.
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 15th September 2017**.
3. M/s. Samdani Shah & Kabra (Erstwhile known as M/s. Samdani Shah and 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 scrutiner, 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 15th September 2017**, 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](mailto: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](http://www.pbmpolytex.com) and on the website of CSDL [www.evotingindia.com](http://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  
Dated : 5<sup>th</sup> August 2017

**GOPAL PATODIA**  
Managing Director  
(DIN : 00014247)

**ANNEXURE TO NOTICE**

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

**ITEM NO. 6**

The Cost Records and Statements of the Company are subject to Audit as required under section 148 of the Companies Act, 2013 for which Mr. B C Desai, Qualified Cost Accountant (Membership Number 1077), has been appointed by the Board of Directors of the Company for the Financial Year 2017 - 18 at a remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand Only) plus Goods and Services 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. 6 of the notice.



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**ITEM NO. 7**

Shri Amit Patodia is a qualified Textile Engineer and Gold Medalist from North Carolina State University of United States and possesses organizational capacity and ability for developing the overseas, as well as, domestic market. He has significantly contributed to the sales promotion and development of export market and has shown exceptional administrative ability. The Company had bad experience of Strike for a period of three and half months during the financial year 2016-17 by the Petlad Unit workers of the Company. Managing the things during this period of crisis, his devotion and winning over the situation was a remarkable. Looking to the development and present circumstances his responsibilities and duties have considerably increased.

In order to provide adequate incentive to Shri Amit Patodia to continue to contribute all his mite in the development of the business of the Company, the Nomination and Remuneration Committee has recommended to suitably revise the remuneration payable to Shri Amit Patodia who happens to be a relative of a Director of the Company and performs function as Senior President cum Chief Executive Officer of the Company. It is proposed to increase his existing remuneration from Rs. 3,00,000/- to Rs. 4,00,000/- per month with effect from 01.10.2017 including all perquisites and benefits i.e. not exceeding Rs. 48,00,000/- (Rupees Forty Eight Lakh Only) per annum.

The Board of Directors has also decided to remunerate Shri Amit Patodia as recommended by the Nomination and Remuneration Committee. He shall discharge such functions as are delegated unto him by the Board of Directors and/or Managing Director(s) of the Company from time to time.

Under clause (f) of sub-section (1) of section 188 of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, it is necessary to obtain prior consent of the Company by Resolution for holding or continue to hold office or place of profit of the company in any such office or place of profit carrying a total monthly remuneration exceeding Rs. 2,50,000/- and the person being appointed is a Related Party.

Information pursuant to the Rule 15 the Companies (Meetings of Board and its Powers) Rules, 2014:

**1. Name of the Related Party:**

Shri Amit Patodia.

**2. Name of the Director or key managerial personnel who is related, if any:**

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

**3. Nature of Relationship:**

Shri Amit Patodia is son of the Managing Director, Shri Gopal Patodia.

**4. Nature, material terms, monetary value and particulars of the contract or arrangement:**

Total Remuneration is proposed Rs. 48,00,000/- per annum for the Senior President cum Chief Executive Officer of the Company, Shri Amit Patodia, who looks after all administrative activities, exports sales and supervision of other day to day activities of the Company as details in the draft agreement between the said Shri Amit Patodia and the Company.

**5. Any other information relevant or important for the members to take a decision on the proposed resolution:**

Shri Amit Patodia is employment of the Company as Senior President cum Chief Executive Officer since 2006 and is discharging his duties with all devotion and perfectness.

Shri Gopal Patodia, the Managing Directors of the Company and Shri Amit Patodia, Sr. President cum Chief Executive Officer (Key Managerial Personnel) are concerned or interested in the resolution proposed under this item in as much as they are related to each other.

**ITEM NO. 8 and 9**

These items relate to the re-appointment of Shri Gopal Patodia and Shri Mohan Kumar Patodia, the Managing Directors of the Company. The present term of office of Managing Directors of the Company, namely Shri Gopal Patodia and Shri Mohan Kumar Patodia, expire on 31st March 2018. They have been in the office of Managing Directors of the Company since 1st April, 1979 and 1st August, 2007 respectively. During the tenure of their Management, the Company has made considerable progress in all spheres and has since acquired good name and reputation in business.

Shri Gopal Patodia is quite healthy and able to devote enough time for handling the activities of the Company and his age which is little more than 70 years will not come in way of performing his duties to utmost satisfaction. In fact, considering his educational qualifications, vast experience over 45 years and expertise in Textile Industry, mainly Yarn trading, manufacturing and administrative skills, the Company is in need of his services in this difficult time.

In view of the above and as recommended by the Nomination and Remuneration Committee, the Directors confidently feel that the Company should continue to avail the services of both the Managing Directors. Hence, the Board of Directors at its meeting held on 5th August 2017 has considered it necessary to re-appoint Shri Gopal Patodia and Shri Mohan Kumar Patodia as Managing Directors of the Company for a further period of 3 (three) years with effect from 01.04.2018 subject to the approval of members of the Company at the 98th Annual General Meeting by way of Special Resolution.

Shri Gopal Patodia and Shri Mohan Kumar Patodia are presently being paid Rs. 2,75,000/- and Rs. 1,65,000/- per month respectively towards salary plus other perks, not exceeding the overall yearly limit of Rs. 72,00,000/- each per year as permissible under Part II Section - II(A) of Schedule V of the Companies Act, 2013 and now they are to be paid Rs. 3,00,000/- and Rs. 1,80,000/- per month respectively towards salary and other perks not exceeding Rs. 84,00,000/- (Rupees Eighty Four Lakh Only) each per annum as permissible under Part II Section II(A) of Schedule V of the Companies Act, 2013. Apart from this, provision has also been made for commission payable as sanctioned by the shareholders by way of Special Resolution and as is permissible under the Section 197 of the Companies Act, 2013.

The Nomination and Remuneration Committee at its meeting held on 5th August, 2017 has recommended their re-appointment for a period of 3 (Three) years to which the Directors have also accorded their consent. The details of the remuneration as recommended as set out and specified in the draft agreements to be executed between the Managing Directors and the Company is given hereunder, subject, however, to the consent of the members by way of Special Resolutions at the 98th Annual General Meeting.

**Remuneration payable to the Managing Directors with effect from 01.04.2018:-**

- (a) **Salary:** From 01.04.2018 to 31.03.2021  
Shri Gopal Patodia : Rs. 3,00,000/- per month.  
Shri Mohan Kumar Patodia : Rs. 1,80,000/- per month.
- (b) **Incentive:** Up to 10% of the salary as may be decided by Board from time to time to both of them.
- (c) **Commission** will be paid in addition to the salary and perquisites based on the "Net Profits" of the Company in the particular year subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013 and further subject to the limits as provided in the Companies (Meetings of Board and its Powers) Rules, 2014, so as not to exceed in aggregate the amount permitted under Section 197(1) read with these rules.
- (d) **Perquisites:**
  1. **Housing:**
    - i. Shri Gopal Patodia will continue to be provided with Rent Free Accommodation the perk value of which will be considered as per I.T. Rules.
    - ii. Shri Mohan Kumar Patodia will be paid House Rent allowance @ 60% of his salary.
  2. The expenditure incurred by the Managing Directors at their residence on **Gas, Electricity** and Water shall be reimbursed by the Company.
  3. All **medical expenses** incurred in India or abroad by the Managing Directors for self and their family shall be reimbursed.
  4. **Leave Travel Concession** for the Managing Directors and their family will be allowed once in a year.
  5. **Fees of Clubs:** Subject to maximum of two clubs. This will not include admission and life membership fees.
  6. **Personal Accident Insurance and Mediclaim Insurance** for the Managing Directors and his family, total Premium for which shall not exceed Rs. 40,000/- p.a. or such higher amount as may be approved by the Board.
  7. **Contribution to Provident Fund and Contribution to Superannuation Fund:** Contribution to Provident Fund and Contribution to Superannuation Fund or Annuity Fund **not exceeding in total 25% of the salary** of the Managing Directors.
  8. **Gratuity: At the rate of one month's salary** for each completed year of service.
  9. **Provision of car** with Driver for use on Company's business and also for personal use and telephone at the residence of Managing Directors.
  10. **Privilege Leave Encashment:** As per Company's rules.
  11. Subject to the statutory ceiling(s) as laid down in part II, Section II(A), of Schedule V of the Companies Act 2013 being Rs. 7,00,000/- per month to each of them. The Managing Director may be given any other allowances perquisites, benefits and facilities to each of them within the aforesaid limits as the Board of Directors from time to time may decide.
- (e) **Minimum Remuneration:** Both the Managing Directors shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of profits subject to the ceiling of minimum remuneration as stated in Part II, Section II (A) of Schedule V of the Companies Act, 2013 with such modifications as may be made therein from time to time, being in force.
- (f) The above information may please be considered as an extract under section 102 of the Companies Act, 2013.
- (g) The Nomination and Remuneration Committee has approved the re-appointment and remuneration payable to Shri Gopal Patodia and Shri Mohan Kumar Patodia, the Managing Directors of the Company at their meeting held on 5th August, 2017 as required under Section 178 and Part II, Section II (A) of Schedule V of the Companies Act, 2013.
- (h) The Company has not made any default in its Loan obligations.
- (i) The Special Resolutions as needed by the aforesaid Notification is proposed for approval of the shareholders.
- (j) **General Information:**
  1. **Nature of Industry:**

The Company is having two yarn spinning units one at Petlad, Dist. Anand (Guj.) and another at Borgaon, Dist. Chhindwara (M. P.) and manufactures cotton yarn at the said units and substantially exports its product. It has also four Windmills generating electricity.
  2. **Date or Expected date of commencement of commercial production:** Company's units are already in production.
  3. **In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus.** - Not Applicable in case of the Company.

#### 4. Financial performance based on given indicators.

Company's first unit set-up at Petlad, Dist. Anand, Gujarat, started commercial production in the year 1922 and was taken over by the present management in the year 1978. The other unit set-up at Borgaon, Dist. Chhindwara, Madhya Pradesh, commenced its production in the year 1992. Four Windmills have also been set up in the year 2006-07 and 2007-08. The Company is continuously profit earning and has paid dividend continuously since 1985-86 except for the years 2007-08 and 2008-09. The Company's financial performance is given hereunder:

(Rs. in Lakhs)

YEAR	2014 – 15	2015 – 16	2016 – 17
Capital	813	813	813
Free Reserves	6382	6632	7132
Effective Capital	8063	8212	8965
Exports	8396	8137	6904
Total Sales & Other Income	21997	19532	18281
Profit Before Depreciation & Tax	2066	1486	1306
Profit Before Tax	1677	1102	954
Profit / (Loss) After Tax	1059	676	658

#### 5. Foreign Investments or Collaborations if any: Not Applicable in case of the Company.

#### (k) Information about the appointees:

##### 1. Shri Gopal Patodia

##### i. Background Details:

Shri Gopal Patodia is B.Sc and B.Tech (Chemical), having a rich and varied experience in the Textile Industry of more than 45 years. He holds rich experience in the Textile Industry in all the fields including raw material purchase, manufacturing, administration, finance, management and marketing. The Company has fared very well under his supervision and administration.

##### ii. Past remuneration

During the financial year 2016 - 17, Shri Gopal Patodia was paid the following remuneration:

(Rs.)

Salary	Perquisites	Retirement Benefit	Commission	Total
3300000	1179610	956600	1500000	6936210

##### iii. Recognition or Awards

Company has been recognized as Star Export House by the Central Government.

##### iv. Job Profile and his suitability:

As a Managing Director of the Company, Shri Gopal Patodia has overall managerial responsibility and with his rich experience of more than 45 years of management at top levels in the Textile Industry, he is well suited for the post. He has been handling and monitoring all the activities of the Company including mill management, finance, administration, purchase and marketing. He has been guiding force resulting in the good performance of the Company both in exports, as well as, in domestic market. In view of his increased responsibilities and working requirements the remuneration recommended is fair and justified.

Shri Gopal Patodia is quite healthy and able to devote enough time for handling the activities of the Company and his age which is little more than 70 years will not come in way of performing his duties to utmost satisfaction. In fact, considering his educational qualifications, vast experience over 45 years and expertise in Textile Industry, mainly Yarn trading, manufacturing and administrative skills, the Company is in need of his services in this difficult time.

##### v. Remuneration proposed has already been given in detail in Explanatory Statement appended to the notice of the meeting.

##### vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

The Nomination and Remuneration Committee and the Board of Directors of the Company have recognized the profile, rich and diversified experience in the industry of Shri Gopal Patodia. His proposed remuneration is comparable and is in level with similar job in Textile Industry. His abilities have stood to the test of time of crisis in Textile Industry.

##### vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company. Further, all transaction with the related Parties were in the ordinary course of business and at arm's length basis. Shri Krishan Kumar Patodia and Shri Mohan Kumar Patodia, the other Directors of the Company are related to Shri Gopal Patodia.

##### 2. Shri Mohan Kumar Patodia

##### i. Background Details:

Shri Mohan Kumar Patodia is B.Com and Textile Technocrat, having a rich and varied experience in the Textile Industry of more than 43 years. He holds rich experience in the Textile Industry in all the fields including raw material purchase, manufacturing, administration, finance, management and marketing. The Company has fared very well under his supervision and administration.

ii. Past remuneration

During the financial year 2016 - 17, Shri Mohan Kumar Patodia was paid the following remuneration:

(Rs.)

Salary	Perquisites	Retirement Benefit	Commission	Total
1980000	2117682	582600	1000000	5680282

iii. Recognition and Awards

Company has been recognized as Star Export House by the Central Government.

iv. Job Profile and his suitability:

As the Managing Director of the Company, Shri Mohan Kumar Patodia has overall managerial responsibility and with his rich experience of more than 43 years of management at top levels in the Textile Industry, he is well suited for the post. He has been handling and monitoring all the activities of the Company including, finance, administration, purchase and marketing. He has been contributing to the good performance of the Company both in exports, as well as, in domestic market. In view of his increased responsibilities and working requirements the remuneration recommended is fair and justified.

v. Remuneration proposed has already been given in detail in Explanatory Statement appended to the notice of the meeting.

vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

The Nomination and Remuneration Committee and the Board of Directors of the Company have recognized the profile, rich and diversified experience in the industry of Shri Mohan Kumar Patodia. His proposed remuneration is comparable and is in level with similar job in Textile Industry. His abilities have stood to the test of time of crisis in Textile Industry.

vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the company. Further, all transactions with the related Parties were in the ordinary course of business and at arm's length basis. Shri Krishan Kumar Patodia and Shri Gopal Patodia, the other Directors of the Company are related to Shri Mohan Kumar Patodia.

**(l) OTHER INFORMATION (applicable for both the Managing Directors):**

- Reasons of loss or inadequate profits - Not Applicable.
- Steps taken or proposed to be taken for improvement-Not Applicable.
- Expected increase in productivity and profits in measurable terms, as stated in Directors' Report.

**(m) DISCLOSURES**

1. The shareholders of the Company shall be informed of the remuneration package of the managerial person:

The details are given in the Explanatory Statement u/s 102 of Item Nos. 8 and 9.

2. The following disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the annual report:-

i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors;

Shri Gopal Patodia and Shri Mohan Kumar Patodia are the Managing Directors of the Company and have been paid remuneration as prescribed in Schedule V of the Companies Act, 2013 and the same has been suitably disclosed.

ii. Details of fixed component and performance linked incentive along with the performance criteria.

Both the Managing Directors are paid by way of fixed component, a minimum remuneration as per Schedule V of the Companies Act, 2013 and are sought to be paid commission on net profits only if such commission is in excess of the above referred minimum remuneration.

iii. Service contracts, notice period, severance fees;

There exist Contracts of Services between Shri Gopal Patodia and the Company providing three years as tenure of service and between Shri Mohan Kumar Patodia and the Company also providing three years as tenure of service.

iv. Stock option detail, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable - Not Applicable.

Shri Krishna Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia, the Directors of the Company and Shri Amit Patodia, Sr. President cum Chief Executive Officer (Key Managerial Personnel) are concerned or interested in the resolutions proposed under items No. 8 and 9 in as much as they are related to each other.



**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 Krishan Kumar Patodia, Chairman	Shri Gopal Patodia, Managing Director
1	DIN	00027335	00014247
2	Date of Birth	26.05.1945	12.12.1946
3	Age (in Years)	72	70
4	Date of Appointment	12.06.1979	12.09.1978
5	Qualifications	B.Sc. Text (Hons.)	B.Sc. and B.Tech (Chemical)
6	Expertise in specific functional area	52 years experience in managing textile industries and gold medalist in textile engineering. Also Managing Director of M/s. Eurotex Industries and Exports Limited.	45 years experience in managing textile industry and marketing. Managing Director of the company and also qualified Chemical Engineer.
7	Directorship of other Companies	Eurotex Industries and Exports Limited Patodia Syntex Limited Shree Janardana Mills Limited Maharashtra Fibres & Syntex Limited Eurospin Industries Limited Sambhu Investments Private Limited Rajiv Agencies Private Limited Thrust Invest. & Mgt. Consult. Pvt. Ltd. Mercury Gems Private Limited Patodia Company Pvt. Ltd.	Eurotex Industries & Exports Limited Patodia Syntex Ltd. Patodia Company Pvt. Ltd. Shashank Investments Pvt. Ltd. Veepee Intrades Pvt. Ltd. Sambhu Investments Pvt. Ltd. Trikon Investments Pvt. Ltd.
8	Chairman of Committees of other Companies	M/s. Eurotex Industries and Exports Limited – CSR Committee	NIL
9	Member of Committees of other Companies	M/s. Eurotex Industries and Exports Limited – Stakeholders Relationship Committee	NIL
10	Shareholding in the company	141028	27369
11	Relationship with other Director, Manager & KMP	<b>Brothers:</b> Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia <b>Son of Brother (Shri Gopal Patodia):</b> Shri Amit Patodia – Senior President cum CEO	<b>Brothers:</b> Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia <b>Son:</b> Shri Amit Patodia – Senior President cum CEO

By order of the Board  
For PBM Polytex Limited

Place : Petlad  
Dated : 5<sup>th</sup> August 2017

**GOPAL PATODIA**  
Managing Director  
(DIN : 00014247)

## DIRECTORS' REPORT

To,  
The Members,  
PBM Polytex Limited

Your Directors have pleasure in presenting the Ninety Eighth Annual Report of the Company with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2017.

### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

		2016 – 17	2015 – 16
Earning Before Interest, Depreciation and Tax (EBIDITA)		1440.73	1746.27
Less: Interest and Financial Charges		135.01	259.45
Gross Profit		1305.72	1486.82
Less: Depreciation		352.10	384.36
<b>Profit before Tax</b>		<b>953.62</b>	1102.46
Less: Provision for Taxation		350.00	440.00
		<b>603.62</b>	662.46
Add / (Less): Deferred Tax Liability / (Asset)		(54.33)	(13.38)
<b>Profit for the year (PAT)</b>		<b>657.95</b>	675.84
Add: Surplus brought forward		2160.88	2028.56
<b>Amount available for Appropriation</b>		<b>2818.83</b>	2704.40
<b>Appropriation:</b>			
General Reserve	500.00		250.00
Proposed Dividend	--		243.87
Corporate Dividend Tax	--		49.65
		<b>500.00</b>	543.52
<b>Balance carried to Balance Sheet</b>		<b>2318.83</b>	2160.88

### 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, 2017, 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. 5,00,00,000/- to General Reserve out of the profits of the Company for the financial year 2016 - 17.

### 4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year 2016-17.

### 5. STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has earned Net Profit of Rs. 603.62 lakhs after provision for Depreciation and Income Tax. Though this profit is not varying much from the previous year, the Company had a serious set-back on account of illegal strike by the workers of the Petlad Unit of the Company for about three and half months during the period May 2016 to August 2016.

Since both the manufacturing units of the Company set up at Petlad (Gujarat) and Borgaon (Madhya Pradesh) are Spinning Cotton Yarn Units, the financial results of the Company were further adversely affected on account of continuous rise in cotton prices and weak exports from October 2016 and onwards.

The company's management, however, with its best possible efforts, could overcome the labour problem and also by keeping other cost of production in control could succeed in earning profits even in totally adverse situation. But since the beginning of the current year the situation of textile industry throughout the country is not satisfactory.

### 6. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given their declarations 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 Act, Shri Krishan Kumar Patodia and Shri Gopal Patodia, retire by rotation at the ensuing 98th Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

None of these Directors are disqualified under Section 164(2) of the Act. Your directors recommend their re-appointment at the ensuing Annual General Meeting.

#### **8. KEY MANAGERIAL PERSONNEL**

Pursuant to provisions of Sections 2(51) and 203 of the Act, 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, 2017;

1. Shri Gopal Patodia
2. Shri Mohan Kumar Patodia
3. Shri Amit Patodia
4. Shri Mukesh Prajapat

#### **9. FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Act, 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 six times during the financial year ended 31st March 2017.

#### **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 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 of the Company as on 31st March 2017 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. During the year, the Company had invested Rs. 5 Crore in 6% 50,00,000 Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each of its Associate Company, Ms. Eurotex Industries & Exports Ltd. The Company has also invested in 22,31,980 Equity Shares of the said Associate Company in earlier years.

Investments of Rs. 9,76,69,190/- have also been made in different Mutual Funds. All the details of the investments are exhibited in Note Nos. 13 and 16 of Balance Sheet and the same are within the limits prescribed under section 186 of the Act.

#### **14. INDUSTRIAL RELATIONS**

The Petlad unit workers of the Company were on illegal strike from 14th May 2016 to 22nd August 2016 causing loss of about 35 - 40% production during this period. They, however, after being inconvenienced and perused by the Management, resumed their duty from 23rd August 2016. The Industrial Relations, thereafter, are satisfactory. Industrial relations continued to be cordial at Borgaon Unit of the Company.

#### **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 Act, 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 and also 50,00,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- 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)"**.

The Equity Shares were acquired from the year 1992 - 93 onwards in different years at total cost of Rs. 5,45,90,920/-. As a result, shareholding of our Company in the Equity Capital of the said M/s Eurotex Industries and Exports Limited is 25.5087% and by virtue of this, the said company becomes associate company as defined under section 2(6) of the Act.

In pursuance of section 129 of the Act, Consolidation of Financial Statements of the Company has been done and accordingly, the share of our Company in Reserves and Surplus of the associate company upto the period 31.03.2014 has been exhibited under the head "Reserves and Surplus" as Capital Reserves and the losses for the financial years 2015 - 16 and 2016 - 17 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 as shown under Note No. 13 of Consolidated Balance Sheet as Non - Current Investments.

## **18. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were at 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 and approved by the said Committee and also accorded its consent thereto.

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) of the Act 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 Act, 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 Act, read with Rule 12(1) 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 and Archival of Documents;
- vi. Policy for determination of materiality of events or information;

### **I. Corporate Social Responsibility (CSR) Policy**

The details in respect of CSR Committee and 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 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, Key Managerial Personnel and 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, and 3) 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**

As per the provisions of the section 139(2) & (3) of the Act, the tenure of existing Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants, ends at the ensuing Annual General Meeting and the Company requires to appoint another Statutory Auditors.

Accordingly, the Audit Committee and the Board of Directors at their meetings held on Saturday, the 5th August 2017, have recommended the Appointment of M/s. Chandulal M. Shah & Co., Chartered Accountants (FRN: 101698W), as Statutory Auditors of the Company, for a period of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the 103rd Annual General Meeting subject to the ratification by shareholders at every Annual General Meeting and fixing their remuneration.

M/s. Chandulal M. Shah & Co., Chartered Accountants, having Firm Registration Number 101698W, has given their consent to act as Statutory Auditors of the Company confirming that their appointment, if made, would be in accordance with the provision of section 139 and 140 of the Act read with the Companies (Audit & Auditors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **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 Kabra (Erstwhile known as M/s. Samdani Shah and Associates), a firm of Practicing Company Secretaries, Vadodara, as Secretarial Auditors for the year 2017 - 18 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2016 - 17 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 2017 - 18. His proposed remuneration for the said year as stated in the notice of Annual General Meeting is to be confirmed by the shareholders as required under section 148 of the Act.

### **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 2017 - 18.

#### **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 during the financial year to which the financial statements relate and the date of this Directors' Report except illegal strike by the workers of Petlad unit of the company during the period from May 14, 2016 to August 22, 2016 which affected the Yarn production to great extent.

## **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 reports 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 Act, 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**

Place: Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

## ANNEXURE "A" TO THE DIRECTORS' REPORT

### Disclosure under Section 197(12) 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 2016 - 17, the percentage increase in remuneration of each director, Chief Executive Officer and Chief Financial Officer during the financial year 2016 - 17:

Sl. No.	Name of Director / KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration during 2016-17(%)
1.	Shri Gopal Patodia	Managing Director	38.58	(-)4.34%
2.	Shri Mohan Kumar Patodia	Managing Director cum CFO	31.59	17.89%
3.	Shri Amit Patodia	Chief Executive Officer	N. A.	2.14%
4.	Shri Mukesh Prajapat	Asst. Company Secretary	N. A.	12.48%

#### Note :

- The Non-Executive Directors of the Company are entitled for sitting fees for meetings attended 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 Nomination and 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 2016 - 17.
- The percentage increase in the median remuneration of Employees for the financial year was 6.20%.
  - The Company has 1091 permanent Employees on the rolls of Company as on 31st March 2017.
  - 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 lakhs per annum.
- None of the employee employed for part of the year who was in receipt of remuneration of more than Rs. 8.50 lakhs per month.
- No employee was in receipt of remuneration in the financial year which, in aggregate, or as the case may be was at a rate which, in 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

Place : Vadodara  
Date : 5<sup>th</sup> August 2017

KRISHAN KUMAR PATODIA  
Chairman  
(DIN : 00027335)

**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:

	<b>Name of Associates</b>	M/s Eurotex Industries and Exports Ltd
<b>1.</b>	<b>Latest audited Balance Sheet Date</b>	31.03.2017
<b>2.</b>	<b>Shares of Associate held by the Company on the year end</b>	
	A. No. of Equity Shares	22,31,980
	Amount of Investment in Associates (Rs. in Lakhs)	545.91
	Extent of Holding (%)	25.5087
	B. No. of 6% Non-Convertible Non-Cumulative Redeemable Preference Shares	50,00,000
	Amount of Investment in Associates (Rs. in Lakhs)	500.00
<b>3.</b>	<b>Description of how there is significant influence</b>	By virtue of 25.5087% shareholding
<b>4.</b>	<b>Reason why the associate is not consolidated</b>	Results of Associate Company is consolidated.
<b>5.</b>	<b>Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Lakhs)</b>	1325.54
<b>6.</b>	<b>Profit / (Loss) for the year</b>	
	i. Considered in Consolidation (Rs. in Lakhs)	(307.29)
	ii. Not Considered in Consolidation (Rs. in Lakhs)	0

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

**NOTE:**

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

For PBM POLYTEX LIMITED

Place: Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

**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 made by the Company during the year.

For PBM POLYTEX LIMITED

Place: Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

## 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:

#### (a) Efforts made in technology absorption:

Details are provided in Form B annexed hereto.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### (a) 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.

#### (b) Total Foreign Exchange used and earned:

(Rs. in Lakhs)		
Particulars	2016 – 17	2015 – 16
Foreign Exchange used	134.41	162.82
Foreign Exchange earned	6905.63	8137.37

For PBM POLYTEX LIMITED

Place : Vadodara  
Date : 5<sup>th</sup> August 2017

KRISHAN KUMAR PATODIA  
Chairman  
(DIN : 00027335)



## REPORT ON CONSERVATION OF ENERGY ETC.

### FORM A

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

PARTICULARS	2016 – 17	2015 – 16
<b>(A) POWER AND FUEL CONSUMPTION:-</b>		
<b>(1) ELECTRICITY :</b>		
(a) Purchased Units	3,31,15,878	3,76,43,496
Total Amount (Rs)	23,29,20,697	24,76,55,652
Rate/Unit (Rs)	7.03	6.58
(b) Own Generation		
i. Through D. G. Sets - Units	8,082	1,30,631
Units per liter of Diesel Oil	3.39	3.36
Fuel Cost per Unit (Rs) Diesel Oil	16.29	18.09
ii. Through Steam Turbine/Generator		
Units	--	--
Units per Liter of Fuel Oil/Gas	--	--
Cost/Unit	--	--
<b>(2) AGRO WASTE</b>		
Quantity (Tones)	739.37	951.18
Total Cost (Rs)	42,05,433	53,58,400
Average Rate Rs. per Tone	5,688	5633
<b>(3) L.D.O.(BOILER)</b>		
Quantity (Liter)	-	-
Total Amount (Rs)	-	-
Average Rate	-	-
<b>(4) OTHER/INTERNAL GENERATION</b>		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION:-</b>		
1. Electricity (Unit per kg)	4.18	3.92
2. HSD (Per Kg. of Yarn)	0.01	0.01
3. Agro Waste (Kg./per Kg. of Yarn)	0.16	0.15
4. Others	--	--

For PBM POLYTEX LIMITED

Place : Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

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

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

The Company 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 under respective heads of expenditure 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

Place : Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

**ANNEXURE "C" TO DIRECTORS' REPORT****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March 2015

[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-388450 Dist. Anand, Gujarat
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 - 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083. Contact Person:- Mr. Alpesh Gandhi Tel Nos. 0265-2356573, 2356794, Fax No. 0265-2356791 vadodara@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Company is engaged mainly in the business of manufacturing and processing of Yarn. It also generates electricity at Wind Mills, the total 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	94.33

### 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	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ HUF	1928887	--	1928887	23.73	1928887	--	1928887	23.73	--
(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)	5936939	--	5936939	73.03	5936939	--	5936939	73.03	--
<b>2</b>	<b>Foreign</b>									
(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	--
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>6029107</b>	<b>--</b>	<b>6029107</b>	<b>74.16</b>	<b>6029107</b>	<b>--</b>	<b>6029107</b>	<b>74.16</b>	<b>--</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(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	--	--	--	--	500	--	500	0.00	100
(d)	State Government(s)	--	--	--	--	--	--	--	--	--
(e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f)	Insurance Companies	--	--	--	--	--	--	--	--	--
(g)	FIIIs	--	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	500	1350	1850	0.02	37.04
<b>2</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
i	Indian	137154	8760	145914	1.79	74110	980	75090	0.92	
ii	Overseas	--	--	--	--					--

(b)	Individuals										
	i	Individual shareholders holding nominal share capital up to Rs 1 lakh	801835	386615	1188450	14.62	838009	382329	1220338	15.01	(1.31)
	ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	372202	75883	448085	5.51	375724	75883	451607	5.56	35.31
(c)	Any Other										
	i	HUF	47901	--	47901	0.59	63408	--	63408	0.78	32.20
	ii	Non Resident Repatriates	6067	6678	12745	0.16	5860	5869	11729	0.14	(12.50)
	iii	Non Resident Non Repatriates	1285	700	1985	0.02	2345	700	3045	0.04	100
	iv	PACs	249735	--	249735	3.07	231297	--	231297	2.85	7.47
	v	Clearing Member	4728	--	4728	0.06	42529	--	42529	0.52	766.67
	Sub-Total (B)(2)		1620907	478636	2099543	25.82	1633282	465761	2099043	25.82	--
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>1620907</b>	<b>479986</b>	<b>2100893</b>	<b>25.84</b>	<b>1633782</b>	<b>467111</b>	<b>2100893</b>	<b>25.84</b>	<b>--</b>
(C)	Shares held by Custodians for GDRs & ADRs		--	--	--	--	--	--	--	--	--
	<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>7650014</b>	<b>479986</b>	<b>8130000</b>	<b>100</b>	<b>7662889</b>	<b>467111</b>	<b>8130000</b>	<b>100</b>	<b>0.00</b>

(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 share holding 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.	Maharashtra Fibre and Syntex Ltd.	447	0.01	-	447	0.01	-	-
<b>TOTAL</b>		<b>6029107</b>	<b>74.16</b>	-	<b>6029107</b>	<b>74.16</b>	-	-

(iii) Change in Promoters' Shareholding:

Sl. No.	Name of Promoters	Shareholding at the beginning of the year (01.04.2016 and Shareholding at the end of the year (31.03.2017)		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
	NIL							

(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 (01.04.2016) and Shareholding at the end of the year (31.03.2017)		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 Sitaram Goenka	125853	1.55	22.07.16	(4114)	Sale	121739	1.50
				29.07.16	(10899)	Sale	110840	1.36
				05.08.16	(1917)	Sale	108923	1.34
				16.12.16	218	Purchase	109141	1.34
				23.12.16	6500	Purchase	115641	1.42
				06.01.17	450	Purchase	116091	1.43
				17.02.17	436	Purchase	116527	1.43
		116527	1.43					
2	Subramanian P (w.e.f. 14.10.2016)	0	0.00	14.10.16	100717	Purchase	100717	1.24
		100717	1.24					
3	Sunita Santosh Goenka	74507	0.92	--	--	--	--	--
		74507	0.92					
4	Muktilal Ganulal Paldiwal	33610	0.41	30.06.16	300	Purchase	33910	0.42
				08.07.16	1201	Purchase	35111	0.43
				07.10.16	200	Purchase	35311	0.43
				21.10.16	1000	Purchase	36311	0.45
				18.11.16	1500	Purchase	37811	0.47
				02.12.16	737	Purchase	38548	0.47
				13.01.17	200	Purchase	38748	0.48
				20.01.17	1000	Purchase	39748	0.49
				10.02.17	500	Purchase	40248	0.50
				17.02.17	1260	Purchase	41508	0.51
				03.03.17	809	Purchase	42317	0.52
		42317	0.52					

5	Supriya Santosh Goenka	49375	0.61	29.07.16	(9112)	Sale	40263	0.50
		40263	0.50					
6	Manishkumar Sumatilal Mehta (w.e.f. 25.11.2016)	4790	0.06	25.11.16	23467	Purchase	28257	0.35
		28257	0.35					
7	Choice Equity Broking Pvt. Ltd.	25000	0.31	03.03.17	1000	Purchase	26000	0.32
				10.03.17	(1000)	Sale	25000	0.31
		25000	0.31					
8	Rajeev Aggarwal (w.e.f. 06.01.2017)	9300	0.12	30.06.16	207	Purchase	9507	0.12
				09.09.16	675	Purchase	10182	0.13
				23.09.16	(500)	Sale	9682	0.12
				30.09.16	1512	Purchase	11194	0.14
				28.10.16	(83)	Sale	11111	0.14
				11.11.16	3205	Purchase	14316	0.18
				09.12.16	1750	Purchase	16066	0.20
				16.12.16	910	Purchase	16976	0.21
				23.12.16	2343	Purchase	19319	0.24
				06.01.17	2050	Purchase	21369	0.26
				17.02.17	800	Purchase	22169	0.27
				03.03.17	998	Purchase	23167	0.28
				24.03.17	815	Purchase	23982	0.29
				31.03.17	690	Purchase	24672	0.30
		24672	0.30					
9	Manish Todi	22400	0.28	--	--	--	--	--
		22400	0.28					
10	Aditya Aggarwal (w.e.f. 30.06.2016)	19658	0.24	30.06.16	205	Purchase	19863	0.24
				15.07.16	(700)	Sale	19163	0.24
				04.11.16	(1000)	Sale	18163	0.22
				10.02.17	2097	Purchase	20260	0.25
		20260	0.25					
11	Raghvendra	35211	0.43	22.07.16	(50)	Sale	35161	0.43
				30.09.16	(257)	Sale	34904	0.43
				07.10.16	(12396)	Sale	22508	0.28
				14.10.16	(400)	Sale	22108	0.27
				21.10.16	(2983)	Sale	19125	0.24
				28.10.16	(1803)	Sale	17322	0.21
				10.02.17	1379	Purchase	18701	0.23
				17.02.17	(8548)	Sale	10153	0.12
		10153	0.12					
12	Sangeetha S	97270	1.20	14.10.16	(97270)	Sale	0	0.00
		0	0.00					
13	Kapil Agarwal	34500	0.42	30.06.16	(507)	Sale	33993	0.42
				29.07.16	423	Purchase	34416	0.42
				05.08.16	333	Purchase	34749	0.43
				28.10.16	184	Purchase	34933	0.43
				25.11.16	(7255)	Sale	27678	0.34
				02.12.16	(3730)	Sale	23948	0.29
				09.12.16	(2632)	Sale	21316	0.26
				16.12.16	(7995)	Sale	13321	0.16
				23.12.16	(13321)	Sale	0	0.00
		0	0.00					
14	Pashupati Capital Services Pvt. Ltd.	26776	0.33	01.07.16	(6776)	Sale	20000	0.25
				04.11.16	(13000)	Sale	7000	0.09
				11.11.16	(6716)	Sale	284	0.01
				18.11.16	(284)	Sale	0	0.00
		0	0.00					

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2016) and Shareholding at the end of the year (31.03.2017)		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 141028	1.73 1.73	--	--	--	--	--
2	Shri Gopal Patodia	27369 27369	0.34 0.34	--	--	--	--	--
3	Shri Mohan Kumar Patodia	67998 67998	0.84 0.84	--	--	--	--	--
4	Shri Hari Prasad Siotia	199280 199280	2.45 2.45	--	--	--	--	--
5	Shri Brijbhushanlal Kabra	2125 2125	0.03 0.03	--	--	--	--	--
6	Shri Jugalkishore Todi	0 0	0.00 0.00	--	--	--	--	--
7	Smt. Vinitadevi Modi	0 0	0.00 0.00	--	--	--	--	--
8	Shri M L Bagaria	0 0	0.00 0.00	--	--	--	--	--
9	Shri Amit Patodia (Key Managerial Personnel)	78980 78980	0.97 0.97	--	--	--	--	--
10	Shri Mukesh Prajapat (Key Managerial Personnel)	0 0	0.00 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
<b>Indebtedness at the beginning of the financial year</b>				
(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
<b>Total (i+ii+iii)</b>	<b>124354951</b>	<b>0</b>	<b>0</b>	<b>124354951</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	64187665	0	0	64187665
Reduction	31694406	0	0	31694406
<b>Net Change (Reduction)</b>	<b>32493259</b>	<b>0</b>	<b>0</b>	<b>32493259</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	156886809	0	0	156886809
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	261401	0	0	261401
<b>Total (i+ii+iii)</b>	<b>156848210</b>	<b>0</b>	<b>0</b>	<b>156848210</b>



# VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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	1273364	2232649	3506013
	(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	1500000	1000000	2500000
	as % of profit			
5	Others, please specify (Incentive)			
	Non taxable perks	862846	467633	1330479
	<b>Total (A)</b>	<b>6936210</b>	<b>5680282</b>	<b>12616492</b>
	<b>Ceiling as per the Act</b>	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	110000	110000	20000	40000	280000
	<b>Total (1)</b>					<b>280000</b>

### 2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Hariprasad Siotia	Shri Krishan Kumar Patodia	
I	Fee for attending Board / Committee meetings	100000	50000	150000
	<b>Total (2)</b>			<b>150000</b>
	<b>Total (B)=(1+2)</b>			<b>430000</b>
	<b>Total Managerial Remuneration (A+B)</b>			
	<b>Overall Ceiling as per the Act</b>	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, Assist. Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1500000	244200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1742098	87026
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission / Bonus	0	0
	as % of profit		
5	Others – Non Taxable Perks	319415	29100
	<b>Total</b>	<b>3561513</b>	<b>360326</b>

**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)
<b>A</b>	<b>COMPANY</b>				
	Penalty				
	Punishment				
	Compounding				
<b>B</b>	<b>DIRECTORS</b>				
	Penalty				
	Punishment				
	Compounding				
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
	Penalty				
	Punishment				
	Compounding				

For PBM POLYTEX LIMITED

Place: Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

## ANNEXURE “D” TO DIRECTORS’ REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 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.

- Composition of the CSR Committee:**

Shri Krishan Kumar Patodia, Chairman

Shri Gopal Patodia, Managing Director

Shri Jugalkishore Todi, Independent Director

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

Average Net Profit: Rs. 19.13 Crore.

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

For the year 2016 - 17, the Company was required to spend Rs. Rs. 38.27 Lakhs and for the financial year 2015 - 16, the Company is required to spend Rs. 45.00 Lakhs.

- Details of CSR spent during the financial year:**

Details of CSR spent during the financial year.		
a.	<u>Total amount for the financial year 2015-16:-</u> Due Rs. 45.00 lakhs Spent Rs. 45.00 lakhs	
b.	<u>Total amount for the financial year 2016-17:-</u> Due Rs. 38.27 lakhs Spent Rs. 9.56 lakhs	
c.	Amount unspent for the financial year 2016-17: (Refer Point No. 6 below)	Rs. 28.71 Lakhs
d.	<u>Manner in which the amount spent during the financial year 2016 – 17 is detailed below :-</u>	

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.	M/s Shram Mandir Trust, Sindhrot, Vadodara	Health care	--	Dist. Vadodara, Gujarat	5,00,000/-	5,00,000/-	--	Overhead	5,00,000/-	Implementing Agency
2.	M/s Baroda Citizens Council, Vadodara	Education	--	Dist. Vadodara, Gujarat	50,000/-	50,000/-	--	Overhead	5,50,000/-	Implementing Agency
3.	M/s Shree Krishna Hospital, run by M/s Charutar Arogya Mandal, Karamsad, Dist. Anand	Health care	Karamsad, Dist. Anand, Gujarat	--	10,00,000/-	10,00,000/-	--	Overhead	15,50,000/-	Implementing Agency
4.	Shri Hit Radha Kunj Trust, Vrundavan	Education	--	Vrundavan, Dist. Mathura, Uttar Pradesh	2,00,000/-	2,00,000/-	--	Overhead	17,50,000/-	Implementing Agency
5.	Baroda Citizens Council	Education	--	Dist. Vadodara, Gujarat	50,000/-	50,000/-	--	Overhead	18,00,000/-	Implementing Agency

6.	ICMF Cotton Development and Res. Asso.	Agriculture	--	Dist. Wardha, Maharashtra	1,50,000/-	1,50,000/-	--	Overhead	<b>19,50,000/-</b>	Implementing Agency
7.	Kedar Research Centre, Vadodara	Art Training and Promotion	--	Dist. Vadodara, Gujarat	30,000/-	30,000/-	--	Overhead	<b>19,80,000/-</b>	Implementing Agency
8.	Naar Sewa Samaj, Naar	Industrial Training	Vill: Naar, Petlad, Dist. Anand, Gujarat	--	5,00,000/-	5,00,000/-	--	Overhead	<b>24,80,000/-</b>	Implementing Agency
9.	M/s Shree Krishna Hospital, run by M/s Charutar Arogya Mandal, Karamsad, Anand	Health Care	Karamsad, Dist. Anand	--	10,00,000/-	10,00,000/-	--	Overhead	<b>34,80,000/-</b>	Implementing Agency
10.	Akshar Trust, Vadodara	Education	--	Dist. Vadodara, Gujarat	3,00,000/-	3,00,000/-	--	Overhead	<b>37,80,000/-</b>	Implementing Agency
11.	M/s Rotary Club of Bombay, Bombay	Education	--	Bombay	4,00,000/-	4,00,000/-	--	Overhead	<b>41,80,000/-</b>	Implementing Agency

6. The Company has subsequently contributed the amount to the following charitable institutions during the year 2017 - 18:
- The Management has also contributed Rs. 2,00,000/- to M/s. Rotary Club of Bombay for Animal welfare during the financial year 2017 - 18.
  - 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  
(DIN: 00014247)

Krishan Kumar Patodia,  
CSR Committee

**For PBM POLYTEX LIMITED**

Place: Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

## ANNEXURE "E" TO THE DIRECTORS' REPORT

Form MR-3

Secretarial Audit Report

For the Financial Year ended 31<sup>st</sup> March, 2015

*[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, 2017, 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, Minutes Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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 thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 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 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 of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with BSE Ltd;

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, if any, were carried out in compliance with the provisions of the Act.

**We further report that** 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.

**We further report that** 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, except a strike by the workers of Petlad unit of the company for a period from May 14, 2016 to August 22, 2016.

Vadodara

11<sup>th</sup> May 2017

**S. Samdani**

Partner

**Samdani Shah & Asso.**

(Erstwhile Samdani Shah & Asso.)

Company Secretaries

FCS # 3677, CP # 2863

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

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## Appendix A

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

Our Secretarial Audit report of even date is to be read along with this letter, that:

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

Vadodara  
11<sup>th</sup> May 2017

**S. Samdani**  
Partner  
**Samdani Shah & Asso.**  
(Erstwhile Samdani Shah & Asso.)  
Company Secretaries  
FCS # 3677, CP # 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 the best possible 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 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	0
Shri Gopal Patodia	Managing Director	27369	Promoter – Executive	7	0	0
Shri Hariprasad Siotia	Director	199280	Promoter – Non Executive	6	1	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. Vinita Devi Modi	Independent cum Woman Director	0	Independent Director	0	0	0
Shri M L Bagaria	Independent Director	0	Independent Director	3	1	0

##### 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
30.05.2016	8	8
01.08.2016	8	6
24.09.2016	8	3
10.10.2016	8	7
09.11.2016	8	5
10.02.2017	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 24.09.2016
	30.05.2016	01.08.2016	24.09.2016	10.10.2016	09.11.2016	10.02.2017	
Shri Krishan Kumar Patodia	✓	✓	Leave of absence	✓	✓	✓	Leave of absence
Shri Gopal Patodia	✓	✓	✓	✓	✓	✓	✓
Shri Hariprasad Siotia	✓	✓	Leave of absence	✓	✓	✓	Leave of absence
Shri Mohan Kumar Patodia	✓	Leave of absence	Leave of absence	Leave of absence	Leave of absence	✓	Leave of absence



Shri Brijbhushanlal Kabra	✓	✓	✓	✓	✓	✓	✓
Shri Jugalkishore Todi	✓	✓	✓	✓	✓	✓	Leave of absence
Smt. Vinitadevi Modi	✓	Leave of absence	Leave of absence	✓	Leave of absence	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

Shri Mukesh Prajapat acts as the Secretary of the Committee.

##### (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			
		30.05.2016	01.08.2016	09.11.2016	10.02.2017
Shri Brijbhushanlal Kabra	Chairman, Independent	✓	✓	✓	✓
Shri Hariprasad Siotia	Member, Non – Executive	✓	✓	✓	✓
Shri Jugalkishore Todi	Member, Independent	✓	✓	✓	✓

The Internal Auditors and Statutory Auditors are permanent invitees at 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 Nomination and 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 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

Shri Mukesh Prajapat acts as the Secretary of the Committee.

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 one time. 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
		30.05.2016
Shri Brijbhushanlal Kabra	Chairman, Independent	✓
Shri Hariprasad Siotia	Member, Non – Executive	✓
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 Directors.

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 played their roles and discharged their 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, 2017 is as follows (Rs.) :

Name of Director	Salary	Perquisites	Commission	Incentives	Other	Total
Shri Gopal Patodia	3300000	2136210	1500000	0	0	6936210
Shri Mohan Kumar Patodia	1980000	2700282	1000000	0	0	5680282
<b>TOTAL</b>	<b>5280000</b>	<b>4836492</b>	<b>2500000</b>	<b>0</b>	<b>0</b>	<b>12616492</b>

The term of appointment of both the Managing Directors, namely Shri Gopal Patodia and Shri Mohan Kumar Patodia, is from 01.04.2015 to 31.03.2018 which is proposed to be extended upto 31.03.2021 as per the notice of Annual General Meeting.

## 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 2016 - 17 and their shareholding in the Company as at March 31, 2017 are as follows:

Name of Directors	Sitting Fees (Rs.)	No. of shares held in the Company
Shri K.K. Patodia	50000	141028
Shri Hariprasad Siotia	100000	199280
Shri Brijbhushanlal Kabra	110000	2125
Shri Jugalkishore Todi	110000	0
Smt. Vinita Devi Modi	20000	0
Shri M L Bagaria	40000	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. Shri Hari Prasad Siotia is the Chairman of the Committee and Shri Mukesh Prajapat acts as the Secretary of the Committee.

The Company has appointed M/s. Link Intime India Pvt. Ltd., having its Vadodara Office at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020 and registered office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083 as New Registrar and Transfer Agent with effect from 07.07.2016.

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 30.04.2016, 06.06.2016, 01.08.2016, 22.08.2016, 12.09.2016, 26.09.2016, 08.11.2016, 12.12.2016, 02.01.2017, 23.01.2017 and 20.02.2017.

## 6. GENERAL BODY MEETINGS

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

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2013 – 14	95 <sup>th</sup> AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Thursday, 21.08.2014 11:00 A. M.	Re-appointment of Shri Gopal Patodia as Managing Director and fixing his remuneration from 01.04.2015 to 31.03.2018.  Re-appointment of Shri Mohan Kumar Patodia as Managing Director and fixing his remuneration from 01.04.2015 to 31.03.2018.  Revision of remuneration payable to Shri Amit Patodia, Senior President cum CEO.
2014 – 15	96 <sup>th</sup> AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Thursday, 24.09.2015 at 11:00 A. M.	Fixing Borrowing Powers of Board of Directors upto Rs. 150 crores over and above the Paid up Share Capital and Free Reserves.
2015 – 16	97 <sup>th</sup> AGM at the Registered Office of the Company situated at Opp. Railway Station, Petlad Dist. Anand, Gujarat	Saturday, 24.09.2016 at 11:00 A. M.	No Special Resolution passed.

Whether any special resolution was passed through Postal Ballot last year - No

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 30.05.2016, 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](http://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 for 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 which are on 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](http://www.pbmpolytex.com). As per the Policy no person has been denied access to the Chairman of Audit Committee.

### D. Compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has adopted and complied with mandatory requirements of the 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 and one daily newspaper of regional language in accordance with the requirements of the Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

All periodical compliance like Announcements, Shareholding Pattern, Corporate Governance Report, Book Closure Dates, etc. are electronically filed with 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 website of the Company [www.pbmpolytex.com](http://www.pbmpolytex.com) as may be required from time to time.

## 11. General Shareholder Information:

1. **98th Annual General Meeting** will be held at **11:00 A. M. on Monday, the 25th September 2017**, at the Registered Office of the Company situated at Opp. Railway Station, Petlad, Dist. Anand, Gujarat - 388 450.

2. **Financial Year** from 01.04.2016 to 31.03.2017.

3. **Date of Book Closure:** From **Saturday, the 16th September 2017 to Monday, the 25th September 2017 (both days inclusive).**

4. **Dividend Payment Date:**

On or after 01.10.2017 but within stipulated time period.

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, Scrip Code - 44610, De-regularized from 11.01.2017 and listing automatically stand cancelled from the said stock exchange).

**6. Stock Market Data (Bombay Stock Exchange) (2016 – 17):**

Month	Month's Highest Price (Rs.)	Month's Lowest Price (Rs.)
April	86.00	70.50
May	81.35	70.10
June	90.00	74.25
July	92.40	82.35
August	87.45	73.30
September	82.50	72.00
October	84.60	72.00
November	82.95	68.40
December	81.40	70.05
January	84.40	71.00
February	87.90	76.00
March	97.95	80.50

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

Particulars	31.03.2017 (Rs.)	31.03.2016 (Rs.)	Change (%)
Share price of PBM	86.90	69.95	(+) 24.23
BSE Sensex	29620.50	25341.86	(+) 16.88

**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, 2017:

Category Wise Holdings Summary		
Category	Total Securities	% of Issued Capital
Corporate Bodies (Promoter Co)	4008052	49.2995
Central Government	500	0.0062
Clearing Members	42529	0.5231
Other Bodies Corporate	75090	0.9236
Directors	435675	5.3589
Foreign Inst. Investor	200	0.0025
Foreign Promoters	92168	1.1337
Hindu Undivided Family	63408	0.7799
Mutual Funds	850	0.0105
Nationalised Banks	300	0.0037
Non Resident Indians	11729	0.1443
Non Resident (Non Repatriable)	3045	0.0375
Public	1671945	20.5651
Public-PAC	231297	2.8450
Relatives Of Director	1493212	18.3667
<b>TOTAL</b>	<b>8130000</b>	<b>100</b>

**12. Distribution of shareholding as at 31.03.2017**

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	Share Holding %
1 – 1000	4713	812792	10.00
1001 – 5000	185	387040	4.76
5001 – 10000	25	171796	2.11
10001 and above	55	6758372	83.13
<b>TOTAL</b>	<b>4978</b>	<b>8130000</b>	<b>100.00</b>

**13. Dematerialization of shares:**

About 94.25% of Company's paid up equity share capital has been dematerialized up to 31st March, 2017. 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. Railway Station, Petlad - 388450,<br>Dist. Anand, Gujarat | (ii) Plot No.16 to 19, Sector B,<br>AKVN Industrial Area, Borgaon,<br>Kheritaigaon, Dist. Chhindwara (M.P) |
|--|--|

**(B) Four Windmills are located in Gujarat at -**

- |  |   |
|--|---|
| (i) Vill: Suthari, Revenue Survey No. 870/P,<br>Taluka Abdasa, Dist. Kutch (Gujarat) | (ii) Vill: Okha Madhi, Survey No. 24 Part,<br>Taluka Dwarka, District Jamnagar (Gujarat)  |
| (iii) Vill: Methan, Survey No. 284,<br>Taluka Jamjodhpur, Dist. Jamnagar (Gujarat)   | (iv) Vill: Methan, Survey No. 284/3/Paiki,<br>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** [pbmills@patodiagroup.com](mailto:pbmills@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 : 5<sup>th</sup> August 2017

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**INDUSTRIAL STRUCTURE AND DEVELOPMENTS**

The Company is having two Cotton Spinning units one at Petlad (Gujarat) and another at Borgaon (Madhya Pradesh). There are three Windmills in Jamnagar (Gujarat) and one Windmill in Kutch (Gujarat). Substantial quantity of yarn is exported by the Company to various countries every year. Textile Industry is the oldest and highest employment providing in India. Globally, India has the second largest textile manufacturing capacity.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The Company, being a Spinning unit, is presently facing problem on account of reduced export demand which has resulted in lower realization from domestic sales also. The Cotton prices have also increased recently and new Spinning Units have come up in large number in Country whose power and labour costs are much lower than ours Company which is very old. Therefore, there is much competition and reduction in profit margins.

**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 which may affect profitability.

## FINANCIAL AND OPERATIVE PERFORMANCE

During the year 2016 - 17, the yarn market was sluggish on account of fall in exports which substantially affected the prices in domestic market also. The illegal strike by the workers of Petlad unit of the Company also was a matter of serious concern and affected the profitability very much.

## DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

As stated above, the illegal strike by the workers of Petlad Unit of the Company continued for about three and half months and thereafter, there are peaceful and amicable relations with workers. At Borgaon Unit of the Company, cordial industrial relation exists.

## 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

Place : Vadodara  
Date : 5<sup>th</sup> August 2017

**KRISHAN KUMAR PATODIA**  
Chairman  
(DIN : 00027335)

## 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, 2017.

For PBM Polytex Limited

Place: Vadodara  
Date : 05.08.2017

**Amit Patodia**  
Chief Executive Officer

## CEO/CFO CERTIFICATION

We, the undersigned, in our respective capacities as Sr. President cum Chief Executive Officer and as Managing Director cum Chief Financial Officer of 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 2017 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 and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are :
  - i. no significant changes in internal controls over financial reporting during the year;
  - ii. no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. no instances of significant fraud of which we have become aware and the involvement therein 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 : 29.05.2017

(Amit Patodia)  
Sr. President cum Chief Executive Officer

For PBM Polytex Limited  
(Mohan Kumar Patodia)  
Managing Director cum Chief Financial Officer



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**CERTIFICATE  
TO THE MEMBERS OF P B M POLYTEX LIMITED**

We have examined the compliance of the conditions of Corporate Governance by P B M Polytex Limited for the year ended March 31, 2017 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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 Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2017, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

**S. Samdani**

Partner

**Samdani Shah & Kabra  
(Erstwhile Samdani Shah & Asso.)**

Company Secretaries

FCS No.: 3677; CP No.: 2863

Vadodara

Date: May 11, 2017

## INDEPENDENT AUDITORS' REPORT

To the Members of

**PBM POLYTEX Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of PBM Polytex Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017, 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.

### Auditors' 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 auditors' 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 2017 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 Companies Act, 2013 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Auditors' 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 Notes on Accounts No. 29 (II) (2) of 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.
    - (iv) The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note No. [5 of II of Notes to accounts]

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

Firm's registration number: 105775W

**Mahendra N. Shah (Partner)**

Partner

Membership number: F 003969

Date : 29<sup>th</sup> May 2017

Place : Ahmedabad

## “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, 2017:

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, 2017 for a period of more than six months from the date on when they become payable.

Name of the Statute	Nature of dues	Amount (in lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Tax demands on disallowances under Asstt. orders	4.89	F.Y. 2011-12	CIT (Appeals)
		2.13	F.Y. 2012-13	CIT (Appeals)
	TDS	1.39	F. Y. 2015 – 16	--do--
Entry Tax	Assessment dues	2.16	--do--	Commercial Tax Authorities

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

Firm's registration number: 105775W

**Mahendra N. Shah (Partner)**

Membership number: F 003969

Date : 29<sup>th</sup> May 2017

Place : Ahmedabad

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## ANNEXURE 'B'

### ANNEXURE TO THE INDEPENDENT AUDITORS' 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, 2017 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 auditors' 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, 2017, 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  
Firm's registration number: 105775W  
**Mahendra N. Shah (Partner)**  
Partner  
Membership number: F 003969

Date : 29<sup>th</sup> May 2017  
Place : Ahmedabad

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

PARTICULARS	NOTE	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>EQUITY AND LIABILITIES :</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	1	8,12,96,080		8,12,96,080
(b) Reserves and Surplus	2	98,11,61,608		91,53,67,030
<b>TOTAL</b>			<b>1,06,24,57,688</b>	<b>99,66,63,110</b>
<b>2. NON - CURRENT LIABILITIES :</b>				
(a) Long Term Borrowings	3	3,63,25,000		6,08,75,000
(b) Deferred Tax Liabilities (Net)	4	9,78,80,419		10,33,13,034
(c) Other Long Term Liabilities	5	1,57,590		1,36,385
(d) Long Term Provisions	6	77,96,247		67,30,175
<b>TOTAL</b>			<b>14,21,59,256</b>	<b>17,10,54,594</b>
<b>3. CURRENT LIABILITIES:</b>				
(a) Short Term Borrowings	7	9,57,11,809		3,15,24,144
(b) Trade Payables	8	6,51,98,544		6,37,65,827
(c) Other Current Liabilities	9	8,11,52,502		8,71,52,972
(d) Short Term Provisions	10	3,12,90,300		6,22,09,317
<b>TOTAL</b>			<b>27,33,53,155</b>	<b>24,46,52,260</b>
<b>TOTAL LIABILITIES</b>			<b>1,47,79,70,099</b>	<b>1,41,23,69,964</b>
<b>ASSETS:</b>				
<b>1. NON - CURRENT ASSETS:</b>				
(a) Fixed Assets				
(i) Tangible Assets	11	54,94,84,795		57,96,15,268
(ii) Capital Work In Progress	12	47,51,189		17,79,917
(b) Non – Current Investments	13	10,45,90,920		5,45,90,920
(c) Long Term Loans and Advances	14	1,37,04,531		1,39,31,861
(d) Other Non – Current Assets	15	-		-
<b>TOTAL</b>			<b>67,25,31,435</b>	<b>64,99,17,966</b>
<b>2. CURRENT ASSETS:</b>				
(a) Current Investments	16	9,76,69,910		18,17,15,007
(b) Inventories	17	50,51,69,795		43,24,86,190
(c) Trade Receivables	18	10,00,08,617		5,77,14,701
(d) Cash and Cash Equivalents	19	5,93,97,964		3,01,29,494
(e) Short Term Loans and Advances	20	1,58,58,859		2,15,43,435
(f) Other Current Assets	21	2,73,33,519		3,88,63,171
<b>TOTAL</b>			<b>80,54,38,664</b>	<b>76,24,51,998</b>
<b>TOTAL ASSETS</b>			<b>1,47,79,70,099</b>	<b>1,41,23,69,964</b>

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

PARTICULARS	NOTE	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>I. Revenue from Operations</b>	22	1,79,44,09,889		1,92,39,97,238
<b>II. Other Income</b>	23	3,37,38,925		2,92,41,866
<b>III. TOTAL REVENUE</b>			<b>1,82,81,48,814</b>	<b>1,95,32,39,104</b>
<b>IV. EXPENSES :</b>				
Cost of Materials Consumed	24	1,04,03,01,127		1,14,02,70,585
Changes in Inventories of Finished Goods, Stock – in – Process and Stock – in – Trade	25	1,96,02,488		(3,40,34,971)
Employee Benefits Expenses	26	20,85,82,474		22,23,85,920
Finance Costs	27	1,35,00,735		2,59,45,128
Depreciation and Amortization Expenses		3,52,10,235		3,84,36,268
Other expenses	28	41,55,89,792		44,99,89,708
<b>TOTAL EXPENSES</b>			<b>1,73,27,86,851</b>	<b>1,84,29,92,638</b>
<b>V. Profit before Exceptional Items and Tax</b>			<b>9,53,61,963</b>	<b>11,02,46,466</b>
<b>VI. Exceptional Items</b>			<b>0</b>	<b>0</b>
<b>VII. Profit Before Tax :</b>			<b>9,53,61,963</b>	<b>11,02,46,466</b>
<b>VIII. Tax Expenses :</b>				
(1) Current tax		3,50,00,000		4,40,00,000
(2) Deferred Tax (Asset) / Liabilities		(54,32,615)		(13,37,810)
			<b>2,95,67,385</b>	<b>(4,26,62,190)</b>
<b>IX. Profit for the Year</b>			<b>6,57,94,578</b>	<b>6,75,84,276</b>
<b>X. Earnings Per Equity Share:</b>				
Basic & Diluted :			<b>8.09</b>	<b>8.31</b>
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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017

# **CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

	PARTICULARS	2016 –17 Rs.	2015 –16 Rs.
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and Extraordinary Items	9,53,61,963	11,02,46,466
	<u>Adjustments for :</u>		
	Depreciation (Net)	3,52,10,235	3,84,36,268
	Interest	1,35,00,735	2,59,45,128
	Preliminary expenses written off / Others	0	
	Loss/(Profit) on Sale of Fixed Assets	(21,81,242)	(18,27,758)
	Operating Profit before Working Capital Changes	14,18,91,691	17,28,00,104
	<u>Adjustments for :</u>		
	Trade and Other Receivables	(2,48,52,358)	2,20,74,307
	Inventories	(7,26,83,602)	(1,16,14,053)
	Trade Payables	19,18,004	4,31,73,196
	Cash Generated From Operations	(9,56,17,956)	22,64,33,554
	Interest Paid	(1,35,00,735)	(2,59,45,128)
	Direct Taxes Paid	(3,50,00,000)	(4,40,00,000)
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(22,27,000)</b>	<b>15,64,88,426</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets	(95,06,731)	(1,84,34,468)
	Purchase of Investments (Short Term)	8,40,45,097	82,22,199
	Investment in Preference Shares (Long Term)	(5,00,00,000)	--
	Sale of Fixed Assets	36,36,936	35,01,992
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>2,81,75,302</b>	<b>(67,10,277)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from Long Term Borrowings (Net)	(2,45,50,000)	(3,13,50,040)
	Dividend paid	(2,93,51,675)	(5,87,03,555)
	Proceeds From Short Term Loan	5,72,21,843	(5,62,88,456)
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>33,20,168</b>	<b>(14,63,42,051)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>2,92,68,470</b>	<b>34,36,098</b>
	Opening Balance of Cash and Cash Equivalents	3,01,29,494	2,66,93,396
	Closing Balance of Cash and Cash Equivalents	5,93,97,964	3,01,29,494

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
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(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017



**NOTES TO THE FINANCIAL STATEMENT AS AT 31<sup>ST</sup> MARCH 2017**

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 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) Details of share holders holding more than 5% shares given below:-				
	31.03.2017		31.03.2016	
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 31.03.2017 Rs.	As At 31.03.2016 Rs.	
NOTE : 2 - RESERVES AND SURPLUS				
SHARE CAPITAL FORFEITURE		16,880	16,880	
SHARE PREMIUM		3,61,05,080	3,61,05,080	
GENERAL RESERVE :				
Balance as per last year	66,31,56,649		63,81,56,649	
Add : Appropriation from Current year's Profit	5,00,00,000		2,50,00,000	
Balance at the end of the Year		71,31,56,649	66,31,56,649	
SURPLUS IN STATEMENT OF PROFIT AND LOSS				
Balance at the beginning of the Year	21,60,88,421		20,28,55,820	
Add : Profit after tax for the Year	6,57,94,578		6,75,84,276	
Amount available for Appropriation	28,18,82,999		27,04,40,096	
Less : Appropriations				
Proposed Dividend [Refer Notes on Accounts No. 29 (II) (1)]	--		2,43,87,060	
Dividend Distribution Tax [Refer Notes on Accounts No. 29 (II) (1)]	--		49,64,615	
Transferred to General Reserve	5,00,00,000		2,50,00,000	
Total Appropriation	5,00,00,000		5,43,51,675	
Balance at the end of the Year		23,18,82,999	21,60,88,421	
TOTAL		98,11,61,608	91,53,67,030	

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 3 - LONG TERM BORROWINGS</b>			
Secured - Refer Note Below			
<b>TERM LOAN FROM BANKS :</b>			
Rupee Term Loan		<b>3,63,25,000</b>	6,08,75,000

**DETAILS OF BORROWINGS:**

NAME OF BANK / FINANCIAL INSTITUTION	TOTAL AMOUNT OF LOAN	BALANCE LOAN ON 31.03.2017 (RS.)	PAYABLE IN THE YEAR 2017-18 (Refer Note 9 - OTHER CURRENT LIABILITIES) (Rs.)	LONG TERM BORROWINGS PAYABLE AFTER THE YEAR 2017-18 (RS.)	TERMS OF PAYMENT (PAYABLE IN)
IDBI Bank Ltd.	Rs. 1100 Lakh	3,43,75,000	1,37,50,000	2,06,25,000	10 Quarterly Installments ending by 23.09.2019
Export Import Bank of India	Rs. 560 Lakh	2,65,00,000	1,08,00,000	1,57,00,000	11 Quarterly Installments ending by 20.12.2019
<b>TOTAL</b>		<b>6,08,75,000</b>	<b>2,45,50,000</b>	<b>3,63,25,000</b>	
<b>PREVIOUS YEAR</b>		9,23,90,822	3,15,15,822	6,08,75,000	

**DESCRIPTION OF SECURITY**

**IDBI BANK LOANS OF RS. 1100 LAKH**

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. 560 LAKH**

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 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 4 – DEFERRED TAX LIABILITIES (NET)</b>			
Liability Relating to earlier years	10,33,13,034		10,46,50,844
Add/(Less): Liability/(Asset) for the year	(54,32,615)		(13,37,810)
<b>NET TOTAL</b>		<b>9,78,80,419</b>	10,33,13,034
<b>NOTE : 5 - OTHER LONG TERM LIABILITIES</b>			
Security Deposits (From Debtors, Employees and Contractors)		<b>1,57,590</b>	1,36,385
<b>NOTE : 6 - LONG TERM PROVISIONS</b>			
Employees' Privilege Leave (On Actuarial Valuation Basis, Refer Notes on Accounts No. - 29 (II) (6))		<b>77,96,247</b>	67,30,175
<b>NOTE : 7 - SHORT TERM BORROWING</b>			
<b>WORKING CAPITAL LOAN (SECURED) * :</b>			
State Bank Of India	9,11,56,563		2,72,64,364
IDBI Bank	45,55,246		42,59,780
<b>TOTAL</b>		<b>9,57,11,809</b>	3,15,24,144
* Secured by First Pari Passu Charge (favoring 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 their Term Loans (except assets of Windmills).			

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 8 - TRADE PAYABLES</b>			
Due to Micro, Small and Medium Enterprises – [Refer Notes on Accounts No. 29 (II) (3)]	48,23,475		8,41,458
Due to other Suppliers	2,82,48,882		2,88,59,751
Others	3,21,26,187		3,40,64,618
<b>TOTAL</b>		<b>6,51,98,544</b>	<b>6,37,65,827</b>
<b>NOTE : 9 - OTHER CURRENT LIABILITIES</b>			
Current Maturity of Long Term Borrowings	2,45,50,000		3,15,15,822
Interest Accrued but not due	2,61,401		4,39,985
Unclaimed Dividend	41,97,179		34,91,159
Statutory Dues	54,00,495		53,82,311
Salary, Wages and Dues to Employees	1,73,09,534		1,30,16,470
Advance from Customers	2,63,52,118		3,02,89,482
Others	30,81,775		30,17,743
<b>TOTAL</b>		<b>8,11,52,502</b>	<b>8,71,52,972</b>
<b>NOTE : 10 - SHORT TERM PROVISIONS</b>			
For Employees (Privilege Leave) – [Refer Notes on Accounts No. – 29 (II) (6)]	33,76,754		46,47,141
Bonus	1,58,83,139		1,79,19,997
Gratuity	39,15,889		28,06,952
Taxation	81,14,518		74,83,552
Dividend – [Refer Notes on Accounts No. 29 (II) (1)]	--		2,43,87,060
Dividend Distribution Tax [Refer Notes on Accounts No. 29 (II) (1)]	--		49,64,615
<b>TOTAL</b>		<b>3,12,90,300</b>	<b>6,22,09,317</b>
<b>NOTE : 11 - TANGIBLE ASSETS</b>			
GROSS FIXED ASSETS	1,50,50,32,990		1,52,24,43,848
LESS : DEPRECIATION	95,55,48,195		94,28,28,580
<b>TOTAL</b>		<b>54,94,84,795</b>	<b>57,96,15,268</b>

#### NOTE 11 - FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2016	ADDI- TIONS DURING THE YEAR	ADJUST- MENTS/ DEDUCT- IONS DURING THE YEAR	BALANCE AS ON 31.03.2017	PROVIDED UPTO 31.03.2016	PROVIDED DURING THE YEAR	DEDUCT- IONS DURING THE YEAR	TOTAL UPTO 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)		(Rs.)
LAND (LEASE HOLD)	2679698	0	35870	2643828	0	0	0	0	2643828	2679698
LAND (FREE HOLD)*	13724753	0	0	13724753	0	0	0	0	13724753	13724753
BUILDING	215023580	0	0	215023580	88234358	4988801	0	93223159	121800421	126789222
PLANT AND MACHINERY	1172185766	5283757	20239845	1157229678	766491768	22692916	19002948	770181736	387047942	405693998
ELECTRICAL INSTALLATION	53632380	65673	1169272	52528781	47693096	1204181	1110808	47786469	4742312	5939284
FURNITURE, FIXTURES, FANS & ELECTRICAL APPLIANCES	19899108	475195	535830	19838473	13521694	1022246	509641	14034299	5804174	6377414
OFFICE EQUIPMENTS	5174351	409297	135852	5447796	3713697	639071	129059	4223709	1224087	1460654
COMPUTER	8030732	301537	1829645	6502624	5286963	999115	1738163	4547915	1954709	2743769
VEHICLES	32093477	0	0	32093477	17887003	3663905	0	21550908	10542569	14206474
<b>TOTAL</b>	<b>1522443845</b>	<b>6535459</b>	<b>23946314</b>	<b>1505032990</b>	<b>942828579</b>	<b>35210235</b>	<b>22490619</b>	<b>955548195</b>	<b>549484795</b>	<b>579615268</b>
2015 – 2016	1529994783	16318412	23869350	1522443848	926587422	38436268	22195111	942828580	579615268	603407357

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

PARTICULARS			Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 12 - CAPITAL WORK IN PROGRESS</b>					
Plant and Machinery				47,51,189	17,79,917
<b>NOTE : 13 - NON CURRENT INVESTMENTS</b>					
1. <u>Quoted : (Trade - At Cost)</u>					
22,31,980 Equity Shares of Rs. 10/- each (Previous Year 22,31,980 Equity Shares) of M/s Eurotex Industries and Exports Limited			5,45,90,920		5,45,90,920
2. <u>Unquoted : (At Cost)</u>					
50,00,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each (Previous Year NIL Preference Shares) of M/s Eurotex Industries and Exports Limited			5,00,00,000		0
<b>TOTAL</b>				<b>10,45,90,920</b>	<b>5,45,90,920</b>
<b>NOTE : 14 - LONG TERMS LOANS AND ADVANCES</b>					
Capital Advances (Unsecured considered good )			48,41,795		48,41,795
Security Deposits with Related Parties			8,03,000		8,00,000
Security Deposits with Others			80,59,736		82,90,066
<b>TOTAL</b>				<b>1,37,04,531</b>	<b>1,39,31,861</b>
<b>NOTE : 15 – OTHER NON – CURRENT ASSETS</b>				<b>0</b>	<b>0</b>
<b>NOTE : 16 – CURRENT INVESTMENTS</b>					
<b>Mutual Funds (Quoted)</b>		<b>Units</b>	<b>Values (Rs.)</b>		
1.	Franklin India Low Duration Fund Growth	1464343.49	2,33,25,822		
2.	IDFC Dynamic Bond Fund – Growth	1077647.73	1,75,58,244		
3.	IDFC Ultra Short Term Fund – G.	457392.88	1,05,00,000		
4.	HDFC High Interest Fund (STP) Growth	1609249.56	4,44,72,105		
5.	Kotak Bond Short Term – Growth	71148.78	18,13,739		
<b>Market Value of Quoted Investments Rs. 11,41,21,061/-</b>				<b>9,76,69,910</b>	<b>18,17,15,007</b>
<b>PREVIOUS YEAR (2015 – 16) :-</b>					
<b>Mutual Funds (Quoted):-</b>		<b>Units</b>	<b>Value (Rs.)</b>		
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		
			15,17,15,007		
<b>Mutual Funds (Unquoted):-</b>		<b>Units</b>	<b>Value (Rs.)</b>		
1.	Ambit Alpha Fund Scheme – 1	30,000.00	3,00,00,000		
<b>Market Value of Quoted Investments Rs. 19,25,86,869/-</b>			18,17,15,007		
<b>NOTE : 17 – INVENTORIES</b>					
(As taken and Certified by Management)					
(A) Stores, Spares and Fuel			1,51,77,817		1,62,53,593
(B) Raw Material			40,29,78,741		30,75,37,814
(C) Finished Goods (Yarn)			5,20,83,050		6,56,49,773
(D) Cotton / Yarn Waste			43,38,929		58,93,210
(E) Stock in Process			2,86,29,845		3,31,11,329
(F) Goods in Transit			19,61,413		40,40,471
<b>TOTAL</b>				<b>50,51,69,795</b>	<b>43,24,86,190</b>

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 18 - TRADE RECEIVABLES (Unsecured, Considered Goods)</b>			
More Than Six Months	0		1,33,377
Other Debtors (Previous Year includes Rs. 12,04,168/- due from Associate Company)	10,00,08,617		5,75,81,324
<b>TOTAL</b>		<b>10,00,08,617</b>	<b>5,77,14,701</b>
<b>NOTE : 19 - CASH AND CASH EQUIVALENTS</b>			
Cash on Hand :	8,40,226		6,75,214
Balance With Banks :			
(A) In Current Account	5,71,59,624		2,79,67,296
(B) Fixed Deposit Maturing within 1 year (Under Lien against Bank Guarantees)	13,90,114		14,78,984
(C) Fixed Deposit Maturing after 1 year	8,000		8,000
<b>TOTAL</b>		<b>5,93,97,964</b>	<b>3,01,29,494</b>
<b>NOTE : 20 - SHORT TERM LOANS AND ADVANCES (Unsecured - Considered Good)</b>			
Capital Advance	18,02,000		17,28,000
Security Deposits	7,50,493		5,34,792
Loans and Advances to Employees	34,61,745		40,66,742
Balance with Statutory Authorities	8,985		259
Advances to Suppliers and Others	98,35,636		1,52,13,642
<b>TOTAL</b>		<b>1,58,58,859</b>	<b>2,15,43,435</b>
<b>NOTE : 21 - OTHER CURRENT ASSETS</b>			
Duty Draw Back / DEPB Receivable	10,24,457		59,85,295
Interest Receivables	2,55,584		1,41,546
Other Dues from Government Departments	2,53,42,941		3,22,26,597
Others	7,10,537		5,09,733
<b>TOTAL</b>		<b>2,73,33,519</b>	<b>3,88,63,171</b>

**NOTES TO STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

PARTICULARS	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>NOTE : 22 - REVENUE FROM OPERATIONS</b>			
Yarn Sales	1,67,64,82,317		1,81,83,54,489
Cotton / Yarn Waste Sales	8,34,73,973		6,69,80,314
Sale of Electricity Units	1,73,10,086		1,73,65,953
<b>TOTAL</b>		<b>1,77,72,66,376</b>	<b>1,90,27,00,756</b>
Less : Rebate & Goods returned	18,54,299		0
Less : Excise Duty	26,98,062	45,52,361	39,98,662
<b>NET SALES</b>		<b>1,77,27,14,015</b>	<b>1,89,87,02,094</b>
<b>OTHER OPERATIVE REVENUES</b>			
Duty Draw Back	2,05,68,949		2,35,91,841
Sale of Scrap	11,26,925		17,03,303
<b>TOTAL</b>		<b>2,16,95,874</b>	<b>2,52,95,144</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>1,79,44,09,889</b>	<b>1,92,39,97,238</b>

PARTICULARS	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>NOTE : 23 - OTHER INCOME</b>			
Interest Income	8,46,475		11,73,704
Dividend Income	0		88,188
Net Gain on Sale Investments	1,82,30,363		1,74,45,915
Insurance Claims Received	7,99,317		5,64,130
Other Receipts	1,63,763		7,76,390
Cash Discount earned	45,31,449		48,83,563
Profit on Sale of Fixed Assets	21,81,242		18,27,758
Foreign Exchange Fluctuation Gain (Net)	64,34,239		12,78,185
Sales Tax Refund Received	0		18,543
Balance Written Back	11,051		1,04,684
Excess Provisions For Earlier Years	5,41,026		10,80,806
<b>TOTAL OF OTHER INCOME</b>		<b>3,37,38,925</b>	<b>2,92,41,866</b>
<b>NOTE : 24 - COST OF RAW MATERIAL CONSUMED</b>			
Opening Stock	30,75,37,814		33,11,47,115
Add: Purchases	1,13,57,42,054		1,11,66,61,284
<b>TOTAL</b>	<b>1,44,32,79,868</b>		<b>1,44,78,08,399</b>
Less: Closing Stock	40,29,78,741		30,75,37,814
Consumption		<b>1,04,03,01,127</b>	<b>1,14,02,70,585</b>
<b>Details of Raw Material Consumption:</b>			
Cotton	1,03,49,60,079		1,13,72,94,128
Cotton Yarn	53,41,048		29,76,457
<b>TOTAL</b>		<b>1,04,03,01,127</b>	<b>1,14,02,70,585</b>
<b>NOTE : 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK – IN – PROCESS</b>			
<u>Stocks as at Close:-</u>			
(1) Finished Goods			
(a) Yarn	5,20,83,050		6,56,49,773
(b) Waste	43,38,929		58,93,210
(2) Stock in Process	2,86,29,845		3,31,11,329
		<b>8,50,51,824</b>	<b>10,46,54,312</b>
<u>Less : Stocks as at Commencement:-</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
		<b>10,46,54,312</b>	<b>7,06,19,341</b>
<b>DECREASE / (INCREASE)</b>		<b>1,96,02,488</b>	<b>(3,40,34,971)</b>
<b>NOTE : 26 - EMPLOYEE BENEFITS EXPENSES</b>			
Salary, Wages, Bonus and Allowances	17,07,53,975		18,65,43,973
Contribution to Provident, Gratuity & Other Funds	1,69,72,943		1,52,38,951
Managerial Remuneration	1,15,60,492		1,10,13,608
Contribution to Superannuation Trust Fund	16,56,000		16,08,000
Welfare Expenses	76,39,064		79,81,388
<b>TOTAL</b>		<b>20,85,82,474</b>	<b>22,23,85,920</b>

PARTICULARS	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>NOTE : 27 - FINANCE COSTS</b>			
Interest on Term Loan	6,61,871		1,32,81,778
Interest on Working Capital	21,38,126		7,05,518
Finance and Bank Charges	1,07,00,738		1,19,57,832
<b>TOTAL</b>		<b>1,35,00,735</b>	<b>2,59,45,128</b>
<b>NOTE : 28 - OTHER EXPENSES</b>			
Consumption of Stores and Packing Material	4,29,19,410		4,89,94,033
Power and Fuel [Refer Notes on Accounts No. 29 (II) (4)]	24,22,76,833		26,82,27,764
Processing Charges	2,66,673		3,88,389
Rent	35,27,503		33,18,402
Repairs:-			
Machinery (Including Spares)	3,15,12,356		2,89,44,793
Building	40,38,893		55,32,220
Others	32,66,723		34,37,540
Insurance	40,96,006		44,70,754
Rates and Taxes	1,00,82,638		1,02,63,473
License and Legal Fees	55,66,862		52,36,643
Sales and Distribution Expenses	4,30,99,463		4,40,13,274
Travelling and Conveyance	1,23,49,292		1,34,30,090
Directors Sitting Fees	4,30,000		3,40,000
Audit Fees and Expenses	5,80,708		5,87,322
Donation	2,03,354		6,00,507
CSR Expenses	41,80,000		43,78,660
General Expenses	71,93,078		78,25,844
<b>TOTAL</b>		<b>41,55,89,792</b>	<b>44,99,89,708</b>

## 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 share 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 Amount, 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.

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**(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 for Petlad Unit        |
|   | - | At Average value of Opening Stock and Purchase for Borgaon Unit |
| (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) Gratuity liability of employees funded with Life Insurance Corporation of India. 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.

**29. II. NOTES ON ACCOUNTS:****1. Recommendation of Dividend:**

The Board of Directors have recommended dividend of Rs. 3/- per Equity Share for the financial year 2016 - 17 which amount to Rs. 2,43,87,060/- and Dividend Distribution Tax thereon amount to Rs. 49,64,615/-. No provision of such Proposed Dividend and Dividend Distribution Tax has been made during the year in compliance of Accounting Standard - 4 as updated

**2. Contingent Liabilities:**

- Estimated amount of contracts remaining unexecuted on Capital Accounts not provided for Rs. 4,31,03,805/- (Net of advances) (Previous year Rs. 4,43,10,644/-).
- Bills discounted under Export / Inland Letter of Credit Rs. 3,17,29,593/- since realized in full (Previous Year Rs. 7,93,08,334/-)
- Income Tax and Entry Tax Demands for different years Rs. 10,56,821/- 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 Vij Company Limited and Gujarat Gas Limited respectively for contract demand of Electricity and supply of PNG.
- Bonus for employees amounting to Rs. 1,42,79,350/- for the year 2014 - 15 in accordance with the Notification by the Central Government (Matter pending before Supreme Court).

**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	2016 – 17		2015 – 16	
		Principal Rs.	Interest	Principal Rs.	Interest
a)	Principal Amount and Interest thereon due, remaining unpaid at the end of the year	48,23,475/-	NIL	NIL	NIL
b)	Interest due / paid during the year	NIL	NIL	NIL	NIL

**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. 64,34,239/- (Previous year net gain of Rs. 12,78,185/-) 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 from Open Market under permission of GRC & IERC authorities during part of the current year. Thereby, saving of Rs. 72,10,466/- during the year.

**5. Disclosure as required under Notification dtd. 30th March 2017 issued by the Ministry of Corporate Affairs:-**

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	13,55,500	4,84,625	18,40,125
(+) Permitted receipts	--	--	--
(-) Permitted payments	17,000	4,84,625	17,000
(-) Amount deposited in Banks	13,38,500	--	18,23,125
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

'Specified Bank Notes' is defined as Bank Notes of Denominations of the existing Series of the value of Five Hundred Rupees and One Thousand Rupees.

The Disclosure with respect to Permitted Receipts, Permitted payments, Amount deposited in Banks and Closing Cash in Hand as on 30.12.2016 is understood to be applicable in case of SBN only."

**6. 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.)

	<b>GRATUITY (FUNDED)</b>	
	<b>2016-17</b>	<b>2015-16</b>
<b>(A) Funded Status of the Plan</b>		
Present Value of unfunded Obligations		
Present Value of Funded Obligations	<b>117853807</b>	88541655
Fair Value of Plan Assets	<b>114888442</b>	109518664
Net Liability / (Asset)	<b>2965365</b>	(20977009)
<b>(B) Profit and Loss account for the current period</b>		
Current Service Cost	<b>4996523</b>	4562816
Interest on Obligation	<b>6348930</b>	5805955
Expected Return on Plan Assets	<b>(8884130)</b>	(7198265)
Net Actuarial Loss /(Gains)	<b>27191713</b>	2765589
Past service cost	<b>0</b>	0
Loss/(gain) on curtailments and settlement	<b>0</b>	0
Total included in " Employee Benefit Expense"	<b>29653036</b>	5936095
Expenses deducted from the fund	<b>0</b>	281148
Adjustment to the Opening fund	<b>0</b>	(21888125)
Total Charge to P&L	<b>29653036</b>	(15670882)
Loss/(Gain) on obligation	<b>26677712</b>	4468188
Loss/(Gain) on assets	<b>514001</b>	(1702599)
Net actuarial Loss/(Gain)	<b>27191713</b>	2765589
<b>(C) Reconciliation of defined benefit obligation</b>		
Opening Defined Benefit Obligation	<b>88541655</b>	80353402
Transfer in/(out) obligation	<b>0</b>	0
Current Service Cost	<b>4996523</b>	4562816
Interest cost	<b>6348930</b>	5805955
Actuarial loss (gain)	<b>26677712</b>	4468188
Past service cost	<b>0</b>	0
Loss (gain) on Curtailments	<b>0</b>	0
Liabilities extinguished on settlements	<b>0</b>	0
Liabilities assumed in an amalgamation in the nature of purchase	<b>0</b>	0
Exchange differences on foreign plans	<b>0</b>	0
Benefits Paid	<b>(8711013)</b>	(6648706)
Benefits payable	<b>0</b>	0
Closing Defined Benefit obligation	<b>117853807</b>	88541655
<b>(D) Reconciliation of plan assets</b>		
Opening value of plan assets	<b>109518664</b>	80427106
Transfer in/(out) plan assets	<b>0</b>	0
Expenses deducted from the fund	<b>0</b>	(281148)

Expected Return	8884130	7198265
Actuarial gain/(loss)	(514001)	1702599
Assets distributed on settlements	0	0
Contributions by employer	5710662	5232423
Assets acquired in an amalgamation in the nature of purchase	0	0
Exchange differences on foreign plans	0	0
Benefits Paid	(8711013)	(6648706)
Adjustment to the Opening fund	0	21888125
Closing value of plan assets	114888442	109518664
<b>(E) Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	(20977009)	(73704)
Transfer in/out obligation	0	0
Transfer (in)/out plan assets	0	0
Charge to P&L	0	0
Employees benefits expenses	29653036	(15670882)
Benefits paid by the company	0	0
Amounts transferred to "Payable account"	0	0
Contributions to plan assets	(5710662)	(5232423)
Closing provision in books of accounts	2965365	(20977009)
<b>(F) Composition of the plan assets</b>		
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%
<b>(G) Bifurcation of liability as per schedule VI</b>		
Current Liability *	(326282)	(1696573)
Non-Current Liability	3291647	(19280436)
Net Liability	2965365	(20977009)
<b>(H) Table of experience adjustments</b>		
Defined Benefit obligation	117853807	88541655
Plan Assets	114888442	109518664
Surplus/(Deficit)	(2965365)	20977009
Experience adjustments on plan liabilities	(2349113)	5012915
Actuarial loss (gain) due to change in demographic assumption	0	293961
Actuarial loss (gain) due to change in financial assumptions	29026825	(544727)
Experience adjustments on plan assets	514001	(1702599)
Net actuarial Loss/(Gain) for the year	27191713	2765589
<b>(I) Principle actuarial assumptions</b>		
Discount Rate	7.25%	7.90%
Expected Return on Plan Assets	7.25%	7.90%
Salary Growth Rate	10.00%	6.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

- (I) No provision of Gratuity liability is required in case of Petlad unit (except for the Managing Directors) because Planned Assets are higher than Present Value of Funded Obligations and in case of Bargaon Unit, the Gratuity liability has been provided as per the Actuarial Valuation. The Company has participated in LIC and SBI Life Insurance managed Scheme for gratuity.
- (II) Leave Encashment Benefits for the year have been provided in the Statement of Profit & Loss on actuarial valuation of the company Rs. 21,54,354/- (Previous Year Rs. 31,50,769/-)
7. 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.
8. 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.)
	2016 – 17	2015 – 16
<b>9. AUDITORS' REMUNERATION:-</b>		
1. Audit Fees (Including Service Tax)	4,60,000	4,58,000
2. Tax Audit	51,750	51,525
3. Traveling expenses	68,958	77,797
<b>TOTAL</b>	<b>5,80,708</b>	<b>5,87,322</b>
<b>10. DETAILS OF GOODS IMPORTED:-</b>		
<b>1. CIF value of goods imported:</b>		
(a) Cotton	0	0
(b) Machineries, Spares and Stores	58,04,624	33,42,853
(c) Plant and Machinery	0	0
<b>TOTAL</b>	<b>58,04,624</b>	<b>33,42,853</b>
<b>2. CONSUMPTION:-</b>		
(a.) Raw Materials:		
(i) Imported goods	0	0
(ii) Indigenous goods:		
Cotton	1,03,49,60,079	1,13,72,94,128
Cotton yarn	53,41,048	29,76,457
<b>TOTAL</b>	<b>1,04,03,01,127</b>	<b>1,14,02,70,585</b>
Imported	0%	0%
Indigenous	100%	100%
<b>(b.) Machinery Spares and Stores:</b>		
(i) Imported goods	57,75,740	34,70,374
(ii) Indigenous goods	1,57,89,093	2,58,88,293
<b>TOTAL</b>	<b>2,15,64,833</b>	<b>2,93,58,667</b>
Imported	26.78%	11.82%
Indigenous	73.22%	88.18%
<b>11. 1. Earning in Foreign Exchange:</b>		
Exports: Direct (FOB Value)	68,42,09,173	81,20,05,952
Through Merchant Exporters	63,54,238	17,31,346
	<b>69,05,63,411</b>	<b>81,37,37,298</b>
<b>2. Expenditure in Foreign Currency:</b>		
Purchase of Plant and Machinery, Stores, Spares and Cotton	58,04,624	33,42,853
Travelling and Others	5,50,645	22,80,814
Interest on Foreign Currency Loan	0	0
Freight	41,90,269	51,07,038
Commission	28,95,584	55,51,065
<b>TOTAL</b>	<b>1,34,41,122</b>	<b>1,62,81,770</b>
<b>3. Remittances of Dividend in Foreign Currency</b>	<b>NIL</b>	<b>NIL</b>

**12. 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
<b><u>Purchase &amp; Sales:-</u></b>			
Purchase of Goods	2,38,29,429	NIL	NIL
Sale of Goods	NIL	NIL	NIL
Rent	12,00,000	10,98,000	NIL
<b><u>Investment</u></b> in Preference Shares of M/s. Eurotex Industries and Exports Ltd.:-	5,00,00,000		
<b><u>Salary &amp; Perks:-</u></b>			
Managing Directors	NIL	NIL	1,26,16,492
Chief Executive Officer	NIL	NIL	35,61,513

**D. OUTSTANDING BALANCES AS ON 31.03.2017 (RS.):**

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Managerial Personnel
Security Deposit Given to Related Parties	8,03,000	NIL	NIL
Investments in 22,31,980 Equity Shares of Rs. 10/- each of M/s. Eurotex Industries and Exports Ltd.	5,45,90,920	NIL	NIL
Investments in 50,00,000 6% Non – Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each of M/s. Eurotex Industries and Exports Ltd.	5,00,00,000	NIL	NIL

**13. DERIVATIVES INSTRUMENT**

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

	As at 31 <sup>st</sup> March 2017		
Currency	Amount in Foreign Currency	Buy / Sell	Cross Currency INR
USD	2,61,035.46	Sell	1,69,28,150

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017

## INDEPENDENT AUDITORS' 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 Company") and its associate company M/s Eurotex Industries and Exports Limited (hereinafter referred to as an Associate Company), comprising the Consolidated Balance Sheet as at March 31, 2017 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 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 Company, as aforesaid.

#### Auditors' 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 involves 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 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 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, 2017 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. 307.29 lakh for the year ended March 31, 2017, 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 export 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2017 and taken on record by the Board of Directors of the 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, 2017 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 Notes on Accounts No. 29 (II) (2) 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 Company and its associate company incorporated in India.
  - iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note No. [[6 of II of Notes to accounts]

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

Firm's registration number: 105775W

**Mahendra N. Shah (Partner)**

Partner

Date : 29<sup>th</sup> May 2017

Place : Ahmedabad

**“Annexure A” to the Auditors’ 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, 2017, we have audited the internal financial controls over financial reporting of PBM POLYTEX LIMITED ("the 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 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, 2017 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 and on behalf of* **Mahendra N. Shah & Co.**  
Chartered Accountants

Firm's registration number: 105775W

**Mahendra N. Shah (Partner)**

Membership number: F 003969

Date : 29<sup>th</sup> May 2017

Place : Ahmedabad

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

PARTICULARS	NOTE	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>EQUITY AND LIABILITIES :</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	1	8,12,96,080		8,12,96,080
(b) Reserves and Surplus	2	1,07,68,16,786		1,04,17,51,229
<b>TOTAL</b>			<b>1,15,81,12,866</b>	<b>1,12,30,47,309</b>
<b>2. NON - CURRENT LIABILITIES :</b>				
(a) Long Term Borrowings	3	3,63,25,000		6,08,75,000
(b) Deferred Tax Liabilities (Net)	4	9,78,80,419		10,33,13,034
(c) Other Long Term Liabilities	5	1,57,590		1,36,385
(d) Long Term Provisions	6	77,96,247		67,30,175
<b>TOTAL</b>			<b>14,21,59,256</b>	<b>17,10,54,594</b>
<b>3. CURRENT LIABILITIES:</b>				
(a) Short Term Borrowings	7	9,57,11,809		3,15,24,144
(b) Trade Payables	8	6,51,98,544		6,37,65,827
(c) Other Current Liabilities	9	8,11,52,502		8,71,52,972
(d) Short Term Provisions	10	3,12,90,300		6,22,09,317
<b>TOTAL</b>			<b>27,33,53,155</b>	<b>24,46,52,260</b>
<b>TOTAL LIABILITIES:</b>			<b>1,57,36,25,277</b>	<b>1,53,87,54,163</b>
<b>ASSETS:</b>				
<b>1. NON - CURRENT ASSETS:</b>				
(a) Fixed Assets				
(i) Tangible Assets	11	54,94,84,795		57,96,15,268
(ii) Capital Work In Progress	12	47,51,189		17,79,917
(b) Non – Current Investments	13	20,02,46,098		18,09,75,119
(c) Long Term Loans and Advances	14	1,37,04,531		1,39,31,861
(d) Other Non – Current Assets	15	-		-
<b>TOTAL</b>			<b>76,81,86,613</b>	<b>77,63,02,165</b>
<b>2. CURRENT ASSETS:</b>				
(a) Current Investments	16	9,76,69,910		18,17,15,007
(b) Inventories	17	50,51,69,795		43,24,86,190
(c) Trade Receivables	18	10,00,08,617		5,77,14,701
(d) Cash and Cash Equivalents	19	5,93,97,964		3,01,29,494
(e) Short Term Loans and Advances	20	1,58,58,859		2,15,43,435
(f) Other Current Assets	21	2,73,33,519		3,88,63,171
<b>TOTAL</b>			<b>80,54,38,664</b>	<b>76,24,51,998</b>
<b>TOTAL ASSETS:</b>			<b>1,57,36,25,277</b>	<b>1,53,87,54,163</b>

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

PARTICULARS	NOTE	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>I. Revenue from Operations</b>	22	1,79,44,09,889		1,92,39,97,238
<b>II. Other Income</b>	23	3,37,38,925		2,92,41,866
<b>III. TOTAL REVENUE</b>			<b>1,82,81,48,814</b>	<b>1,95,32,39,104</b>
<b>IV. EXPENSES :</b>				
Cost of Materials Consumed	24	1,04,03,01,127		1,14,02,70,585
Changes in Inventories of Finished Goods Stock –in – Process and Stock – in – Trade	25	1,96,02,488		( 3,40,34,971)
Employee Benefits Expenses	26	20,85,82,474		22,23,85,920
Finance Costs	27	1,35,00,735		2,59,45,128
Depreciation and Amortization Expenses		3,52,10,235		3,84,36,268
Other expenses	28	41,55,89,792		44,99,89,358
<b>TOTAL EXPENSES</b>			<b>1,73,27,86,851</b>	<b>1,84,29,92,638</b>
<b>V. Profit before Exceptional Items and Tax</b>			<b>9,53,61,963</b>	<b>11,02,46,466</b>
<b>VI. Exceptional Items</b>			<b>0</b>	<b>0</b>
<b>VII. Profit Before Tax including Share in Associate Company</b>			<b>9,53,61,963</b>	<b>11,02,46,466</b>
<b>VIII. Tax Expenses :</b>				
(1) Current tax		3,50,00,000		4,40,00,000
(2) Deferred Tax (Asset) / Liabilities		(54,32,615)		(13,37,810)
			<b>2,95,67,385</b>	<b>4,26,62,190</b>
<b>IX. Profit for the Year before consolidation</b>			<b>6,57,94,578</b>	<b>6,75,84,276</b>
Add / (Less):- Current year's share in Profit / (Loss) of Associate Company			<b>(3,07,29,021)</b>	<b>(1,37,27,076)</b>
<b>X. Profit for the Year after consolidation</b>			<b>3,50,65,557</b>	<b>5,38,57,200</b>
<b>X. Earnings per equity share:</b>				
Basic & Diluted :			<b>4.31</b>	<b>6.62</b>
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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

	PARTICULARS	2016 –17 Rs.	2015 –16 Rs.
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and Extraordinary Items	9,53,61,963	11,02,46,466
	Adjustments for :		
	Depreciation (Net)	3,52,10,235	3,84,36,268
	Interest	1,35,00,735	2,59,45,128
	Preliminary expenses written off / Others	0	
	Loss/(Profit) on Sale of Fixed Assets	(21,81,242)	(18,27,758)
	Operating Profit before Working Capital Changes	14,18,91,691	17,28,00,104
	Adjustments for :		
	Trade and Other Receivables	(2,48,52,358)	2,20,74,307
	Inventories	(7,26,83,602)	(1,16,14,053)
	Trade Payables	19,18,004	4,31,73,196
	Cash Generated From Operations	(9,56,17,956)	22,64,33,554
	Interest Paid	(1,35,00,735)	(2,59,45,128)
	Direct Taxes Paid	(3,50,00,000)	(4,40,00,000)
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(22,27,000)</b>	<b>15,64,88,426</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets	(95,06,731)	(1,84,34,468)
	Purchase of Investments (Short Term)	8,40,45,097	82,22,199
	Investment in Preference Shares (Long Term)	(5,00,00,000)	--
	Sale of Fixed Assets	36,36,936	35,01,992
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>2,81,75,302</b>	<b>(67,10,277)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from Long Term Borrowings (Net)	(2,45,50,000)	(3,13,50,040)
	Dividend paid	(2,93,51,675)	(5,87,03,555)
	Proceeds From Short Term Loan	5,72,21,843	(5,62,88,456)
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>33,20,168</b>	<b>(14,63,42,051)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>2,92,68,470</b>	<b>34,36,098</b>
	Opening Balance of Cash and Cash Equivalents	3,01,29,494	2,66,93,396
	Closing Balance of Cash and Cash Equivalents	5,93,97,964	3,01,29,494

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
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**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
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(DIN: 0035381) Managing Director cum CFO  
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(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2017**

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 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) Details of share holders holding more than 5% shares given below:-				
	31.03.2017		31.03.2016	
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 31.03.2017 Rs.	As At 31.03.2016 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	66,31,56,649			
Add: Share of the Company in Reserves and Surplus of Associate company upto the previous year			0	
Add : Appropriation from Current year's Profit	5,00,00,000		2,50,00,000	
Balance at the end of the Year		71,31,56,649	66,31,56,649	
SURPLUS IN STATEMENT OF PROFIT AND LOSS:				
Balance at the beginning of the Year	19,41,33,506		19,46,27,981	
Add : Profit after tax for the Year	3,50,65,557		5,38,57,200	
Amount available for Appropriation	22,91,99,063		24,84,85,181	
Less : Appropriations				
Proposed Dividend [Refer Notes on Accounts No. 29 (II) (1)]	--		2,43,87,060	
Dividend Distribution Tax [Refer Notes on Accounts No. 29 (II) (1)]	--		49,64,615	
Transferred to General Reserve	5,00,00,000		2,50,00,000	
Total Appropriation	5,00,00,000		5,43,51,675	
Balance at the end of the Year		17,91,99,063	19,41,33,506	
TOTAL		1,07,68,16,786	1,04,17,51,229	

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 3 - LONG TERM BORROWINGS</b>			
Secured - Refer Note Below			
TERM LOAN FROM BANKS :			
Rupee Term Loan		3,63,25,000	6,08,75,000

**DETAILS OF BORROWINGS:**

NAME OF BANK / FINANCIAL INSTITUTION	TOTAL AMOUNT OF LOAN	BALANCE LOAN ON 31.03.2017 (RS.)	PAYABLE IN THE YEAR 2017-18 (Refer Note 9 - OTHER CURRENT LIABILITIES) (Rs.)	LONG TERM BORROWINGS PAYABLE AFTER THE YEAR 2017-18 (RS.)	TERMS OF PAYMENT (PAYABLE IN)
IDBI Bank Ltd.	Rs. 1100 Lakh	3,43,75,000	1,37,50,000	2,06,25,000	10 Quarterly Installments ending by 23.09.2019
Export Import Bank of India	Rs. 560 Lakh	2,65,00,000	1,08,00,000	1,57,00,000	11 Quarterly Installments ending by 20.12.2019
<b>TOTAL</b>		<b>6,08,75,000</b>	<b>2,45,50,000</b>	<b>3,63,25,000</b>	
<b>PREVIOUS YEAR</b>		9,23,90,822	3,15,15,822	6,08,75,000	

**DESCRIPTION OF SECURITY**

**IDBI BANK LOANS OF RS. 1100 LAKH**

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. 560 LAKH**

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 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 4 – DEFERRED TAX LIABILITIES (NET)</b>			
Liability Relating to earlier years	10,33,13,034		10,46,50,844
Add/(Less): Liability/(Asset) for the year	(54,32,615)		(13,37,810)
<b>NET TOTAL</b>		<b>9,78,80,419</b>	<b>10,33,13,034</b>
<b>NOTE : 5 - OTHER LONG TERM LIABILITIES</b>			
Security Deposits (From Debtors, Employees and Contractors)		<b>1,57,590</b>	1,36,385
<b>NOTE : 6 - LONG TERM PROVISIONS</b>			
Employees' Privilege Leave [On Actuarial Valuation Basis, Refer Notes on Accounts No. 29 (II) (7)]		<b>77,96,247</b>	67,30,175
<b>NOTE : 7 - SHORT TERM BORROWING</b>			
WORKING CAPITAL LOAN (SECURED) * :			
State Bank Of India	9,11,56,563		2,72,64,364
IDBI Bank	45,55,246		42,59,780
<b>TOTAL</b>		<b>9,57,11,809</b>	<b>3,15,24,144</b>
* Secured by First Pari Passu Charge (favoring 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 their Term Loans (except assets of Windmills).			
<b>NOTE : 8 - TRADE PAYABLES</b>			
Due to Micro, Small and Medium Enterprises – [Refer Notes on Accounts No. 29 (II) (4)]	48,23,475		8,41,458
Due to other Suppliers	2,82,48,882		2,88,59,751
Others	3,21,26,187		3,40,64,618
<b>TOTAL</b>		<b>6,51,98,544</b>	<b>6,37,65,827</b>

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 9 - OTHER CURRENT LIABILITIES</b>			
Current Maturity of Long Term Borrowings	2,45,50,000		3,15,15,822
Interest Accrued but not due	2,61,401		4,39,985
Unclaimed Dividend	41,97,179		34,91,159
Statutory Dues	54,00,495		53,82,311
Salary, Wages and Dues to Employees	1,73,09,534		1,30,16,470
Advance from Customers	2,63,52,118		3,02,89,482
Others	30,81,775		30,17,743
<b>TOTAL</b>		<b>8,11,52,502</b>	<b>8,71,52,972</b>
<b>NOTE : 10 - SHORT TERM PROVISIONS</b>			
For Employees (Privilege Leave) – [Refer Notes on Accounts No. 29 (II) (7)]	33,76,754		46,47,141
Bonus	1,58,83,139		1,79,19,997
Gratuity	39,15,889		28,06,952
Taxation	81,14,518		74,83,552
Dividend [Refer Notes on Accounts No. 29 (II) (1)]	--		2,43,87,060
Dividend Distribution Tax [Refer Notes on Accounts No. 29 (II) (1)]	--		49,64,615
<b>TOTAL</b>		<b>3,12,90,300</b>	<b>6,22,09,317</b>
<b>NOTE : 11 - TANGIBLE ASSETS</b>			
GROSS FIXED ASSETS	1,50,50,32,990		1,52,24,43,848
LESS : DEPRECIATION	95,55,48,195		94,28,28,580
<b>TOTAL</b>		<b>54,94,84,795</b>	<b>57,96,15,268</b>

#### NOTE 11 - FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2016	ADDI- TIONS DURING THE YEAR	ADJUST- MENTS/ DEDUCT- IONS DURING THE YEAR	BALANCE AS ON 31.03.2017	PROVIDED UPTO 31.03.2016	PROVIDE D DURING THE YEAR	DEDUCT- IONS DURING THE YEAR	TOTAL UPTO 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)		(Rs.)
LAND (LEASE HOLD)	2679698	0	35870	2643828	0	0	0	0	2643828	2679698
LAND (FREE HOLD)*	13724753	0	0	13724753	0	0	0	0	13724753	13724753
BUILDING	215023580	0	0	215023580	88234358	4988801	0	93223159	121800421	126789222
PLANT AND MACHINERY	1172185766	5283757	20239845	1157229678	766491768	22692916	19002948	770181736	387047942	405693998
ELECTRICAL INSTALLATION	53632380	65673	1169272	52528781	47693096	1204181	1110808	47786469	4742312	5939284
FURNITURE, FIXTURES, FANS & ELECTRICAL APPLIANCES	19899108	475195	535830	19838473	13521694	1022246	509641	14034299	5804174	6377414
OFFICE EQUIPMENTS	5174351	409297	135852	5447796	3713697	639071	129059	4223709	1224087	1460654
COMPUTER	8030732	301537	1829645	6502624	5286963	999115	1738163	4547915	1954709	2743769
VEHICLES	32093477	0	0	32093477	17887003	3663905	0	21550908	10542569	14206474
<b>TOTAL</b>	<b>1522443845</b>	<b>6535459</b>	<b>23946314</b>	<b>1505032990</b>	<b>942828579</b>	<b>35210235</b>	<b>22490619</b>	<b>955548195</b>	<b>549484795</b>	<b>579615268</b>
2015 – 2016	1529994783	16318412	23869350	1522443848	926587422	38436268	22195111	942828580	579615268	603407357

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

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 12 - CAPITAL WORK IN PROGRESS</b>			
Plant and Machinery		47,51,189	17,79,917
<b>NOTE : 13 - NON CURRENT INVESTMENTS</b>			
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 (Original Cost)	5,45,90,920		5,45,90,920
2. Unquoted : (At Cost)			
50,00,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each (Previous Year NIL Preference Shares) of M/s Eurotex Industries and Exports Limited	5,00,00,000		0
Add: Share of the Company in Reserves and Surplus of Associate company upto the previous year	12,63,84,199		14,01,11,275
Add / (Less) : Share of the Company in Current Year's Profit (Loss) of Associate company	(3,07,29,021)		(1,37,27,076)
<b>TOTAL</b>		<b>20,02,46,098</b>	<b>18,09,75,119</b>
<b>NOTE : 14 - LONG TERMS LOANS AND ADVANCES</b>			
Capital Advances (Unsecured considered good)	48,41,795		48,41,795
Security Deposits with Related Parties	8,03,000		8,00,000
Security Deposits with Others	80,59,736		82,90,066
<b>TOTAL</b>		<b>1,37,04,531</b>	<b>1,39,31,861</b>
<b>NOTE : 15 – OTHER NON – CURRENT ASSETS</b>		<b>0</b>	<b>0</b>
<b>NOTE : 16 – CURRENT INVESTMENTS</b>			
<b>Mutual Funds (Quoted)</b>	<b>Units</b>	<b>Values (Rs.)</b>	
1. Franklin India Low Duration Fund Growth	1464343.49	2,33,25,822	
2. IDFC Dynamic Bond Fund – Growth	1077647.73	1,75,58,244	
3. IDFC Ultra Short Term Fund – G.	457392.88	1,05,00,000	
4. HDFC High Interest Fund (STP) Growth	1609249.56	4,44,72,105	
5. Kotak Bond Short Term – Growth	71148.78	18,13,739	
<b>Market Value of Quoted Investments Rs. 11,41,21,061/-</b>		<b>9,76,69,910</b>	<b>18,17,15,007</b>
<b>PREVIOUS YEAR (2015 – 16) :-</b>			
<b>Mutual Funds (Quoted):-</b>	<b>Units</b>	<b>Value (Rs.)</b>	
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	
		15,17,15,007	
<b>Mutual Funds (Unquoted):-</b>	<b>Units</b>	<b>Value (Rs.)</b>	
1. Ambit Alpha Fund Scheme – 1	30,000.00	3,00,00,000	
<b>Market Value of Quoted Investments Rs. 19,25,86,869/-</b>		<b>18,17,15,007</b>	

PARTICULARS	Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
<b>NOTE : 17 – INVENTORIES</b>			
(As taken and Certified by Management)			
(A) Stores, Spares and Fuel	1,51,77,817		1,62,53,593
(B) Raw Material	40,29,78,741		30,75,37,814
(C) Finished Goods (Yarn)	5,20,83,050		6,56,49,773
(D) Cotton / Yarn Waste	43,38,929		58,93,210
(E) Stock in Process	2,86,29,845		3,31,11,329
(F) Goods in Transit	19,61,413		40,40,471
<b>TOTAL</b>		<b>50,51,69,795</b>	<b>43,24,86,190</b>
<b>NOTE : 18 - TRADE RECEIVABLES (Unsecured, Considered Goods)</b>			
More Than Six Months	0		1,33,377
Other Debtors (Previous Year includes Rs. 12,04,168/- due from Associate Company)	10,00,08,617		5,75,81,324
<b>TOTAL</b>		<b>10,00,08,617</b>	<b>5,77,14,701</b>
<b>NOTE : 19 - CASH AND CASH EQUIVALENTS</b>			
Cash on Hand :	8,40,226		6,75,214
Balance With Banks :			
(A) In Current Account	5,71,59,624		2,79,67,296
(B) Fixed Deposit Maturing within 1 year (Under Lien against Bank Guarantees)	13,90,114		14,78,984
(C) Fixed Deposit Maturing after 1 year	8,000		8,000
<b>TOTAL</b>		<b>5,93,97,964</b>	<b>3,01,29,494</b>
<b>NOTE : 20 - SHORT TERM LOANS AND ADVANCES (Unsecured - Considered Good)</b>			
Capital Advance	18,02,000		17,28,000
Security Deposits	7,50,493		5,34,792
Loans and Advances to Employees	34,61,745		40,66,742
Balance with Statutory Authorities	8,985		259
Advances to Suppliers and Others	98,35,636		1,52,13,642
<b>TOTAL</b>		<b>1,58,58,859</b>	<b>2,15,43,435</b>
<b>NOTE : 21 - OTHER CURRENT ASSETS</b>			
Duty Draw Back / DEPB Receivable	10,24,457		59,85,295
Interest Receivables	2,55,584		1,41,546
Other Dues from Government Departments	2,53,42,941		3,22,26,597
Others	7,10,537		5,09,733
<b>TOTAL</b>		<b>2,73,33,519</b>	<b>3,88,63,171</b>

PARTICULARS	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>NOTE : 22 - REVENUE FROM OPERATIONS</b>			
Yarn Sales	1,67,64,82,317		1,81,83,54,489
Cotton / Yarn Waste Sales	8,34,73,973		6,69,80,314
Sale of Electricity Units	1,73,10,086		1,73,65,953
<b>TOTAL</b>		1,77,72,66,376	1,90,27,00,756
Less : Rebate & Goods returned	18,54,299		0
Less : Excise Duty	26,98,062	45,52,361	39,98,662
<b>NET SALES</b>		1,77,27,14,015	1,89,87,02,094
<b>OTHER OPERATIVE REVENUES</b>			
Duty Draw Back	2,05,68,949		2,35,91,841
Sale of Scrap	11,26,925		17,03,303
<b>TOTAL</b>		2,16,95,874	2,52,95,144
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>1,79,44,09,889</b>	1,92,39,97,238
<b>NOTE : 23 - OTHER INCOME</b>			
Interest Income	8,46,475		11,73,704
Dividend Income	0		88,188
Net Gain on Sale Investments	1,82,30,363		1,74,45,915
Insurance Claims Received	7,99,317		5,64,130
Other Receipts	1,63,763		7,76,390
Cash Discount earned	45,31,449		48,83,563
Profit on Sale of Fixed Assets	21,81,242		18,27,758
Foreign Exchange Fluctuation Gain (Net)	64,34,239		12,78,185
Sales Tax Refund Received	0		18,543
Balance Written Back	11,051		1,04,684
Excess Provisions For Earlier Years	5,41,026		10,80,806
<b>TOTAL OF OTHER INCOME</b>		<b>3,37,38,925</b>	2,92,41,866
<b>NOTE : 24 - COST OF RAW MATERIAL CONSUMED</b>			
Opening Stock	30,75,37,814		33,11,47,115
Add: Purchases	1,13,57,42,054		1,11,66,61,284
<b>TOTAL</b>	<b>1,44,32,79,868</b>		1,44,78,08,399
Less: Closing Stock	40,29,78,741		30,75,37,814
Consumption		<b>1,04,03,01,127</b>	1,14,02,70,585
<b>Details of Raw Material Consumption:</b>			
Cotton	1,03,49,60,079		1,13,72,94,128
Cotton Yarn	53,41,048		29,76,457
<b>TOTAL</b>		<b>1,04,03,01,127</b>	1,14,02,70,585



PARTICULARS	Rs.	2016 – 17 Rs.	2015 – 16 Rs.
<b>NOTE : 25 - CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK – IN – PROCESS</b>			
<u>Stocks as at Close:-</u>			
(1) Finished Goods			
(a) Yarn	5,20,83,050		6,56,49,773
(b) Waste	43,38,929		58,93,210
(2) Stock in Process	2,86,29,845		3,31,11,329
		8,50,51,824	10,46,54,312
<u>Less : Stocks as at Commencement:-</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
<b>DECREASE / (INCREASE)</b>		<b>1,96,02,488</b>	<b>(3,40,34,971)</b>
<b>NOTE : 26 - EMPLOYEE BENEFITS EXPENSES</b>			
Salary, Wages, Bonus and Allowances	17,07,53,975		18,65,43,973
Contribution to Provident, Gratuity & Other Funds	1,69,72,943		1,52,38,951
Managerial Remuneration	1,15,60,492		1,10,13,608
Contribution to Superannuation Trust Fund	16,56,000		16,08,000
Welfare Expenses	76,39,064		79,81,388
<b>TOTAL</b>		<b>20,85,82,474</b>	<b>22,23,85,920</b>
<b>NOTE : 27 - FINANCE COSTS</b>			
Interest on Term Loan	6,61,871		1,32,81,778
Interest on Working Capital	21,38,126		7,05,518
Finance and Bank Charges	1,07,00,738		1,19,57,832
<b>TOTAL</b>		<b>1,35,00,735</b>	<b>2,59,45,128</b>
<b>NOTE : 28 - OTHER EXPENSES</b>			
Consumption of Stores and Packing Material	4,29,19,410		4,89,94,033
Power and Fuel [Refer Notes on Accounts No. 29 (II) (5)]	24,22,76,833		26,82,27,764
Processing Charges	2,66,673		3,88,389
Rent	35,27,503		33,18,402
<u>Repairs:-</u>			
Machinery (Including Spares)	3,15,12,356		2,89,44,793
Building	40,38,893		55,32,220
Others	32,66,723		34,37,540
Insurance	40,96,006		44,70,754
Rates and Taxes	1,00,82,638		1,02,63,473
License and Legal Fees	55,66,862		52,36,643
Sales and Distribution Expenses	4,30,99,463		4,40,13,274
Travelling and Conveyance	1,23,49,292		1,34,30,090
Directors Sitting Fees	4,30,000		3,40,000
Audit Fees and Expenses	5,80,708		5,87,322
Donation	2,03,354		6,00,507
CSR Expenses	41,80,000		43,78,660
General Expenses	71,93,078		78,25,844
<b>TOTAL</b>		<b>41,55,89,792</b>	<b>44,99,89,708</b>

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## 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 share 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 Amount, 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 for Petlad Unit        |
|   | - At Average value of Opening Stock and Purchase for Borgaon Unit |
| (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) Gratuity liability of employees funded with Life Insurance Corporation of India. 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.

**29. II. NOTES ON ACCOUNTS:**

**1. Recommendation of Dividend:**

The Board of Directors have recommended dividend of Rs. 3/- per Equity Share for the financial year 2016 - 17 which amount to Rs. 2,43,87,060/- and Dividend Distribution Tax thereon amount to Rs. 49,64,615/-. No provision of such Proposed Dividend and Dividend Distribution Tax has been made during the year in compliance of Accounting Standard - 4 as updated

**2. Contingent Liabilities:**

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 2016-17 is Rs. 3,07,28,901/- (Previous Year Rs. 1,37,27,076/-) has been credited to Profit & Loss Account of the current year.

**3. Contingent Liabilities:**

(a) Estimated amount of contracts remaining unexecuted on Capital Accounts not provided for Rs. 4,31,03,805/- (Net of advances) (Previous year Rs. 4,43,10,644/-).

(b) Bills discounted under Export / Inland Letter of Credit Rs. 3,17,29,593/- since realized in full (Previous Year Rs. 7,93,08,334/-)

- (c) Income Tax and Entry Tax Demands for different years Rs. 10,56,821/- against which Company has preferred appeals before appropriate authorities.
- (d) Bank guarantees amounting to Rs. 2,38,29,224/- and Rs. 2,08,725/- in favour of Madhya Gujarat Vij Company Limited and Gujarat Gas Limited respectively for contract demand of Electricity and supply of PNG.
- (e) Bonus for employees amounting to Rs. 1,42,79,350/- for the year 2014 - 15 in accordance with the Notification by the Central Government (Matter pending before Supreme Court).

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

Sl. No.	Particulars	2016 – 17		2015 – 16	
		Principal Rs.	Interest	Principal Rs.	Interest
a)	Principal Amount and Interest thereon due, remaining unpaid at the end of the year	48,23,475/-	NIL	NIL	NIL
b)	Interest due / paid during the year	NIL	NIL	NIL	NIL

5. 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. 64,34,239/- (Previous year net gain of Rs. 12,78,185/-) 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 from Open Market under permission of GRC & IERC authorities during part of the current year. Thereby, saving of Rs. 72,10,466/- during the year.

6. Disclosure as required under Notification dtd. 30th March 2017 issued by the Ministry of Corporate Affairs:-

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	13,55,500	4,84,625	18,40,125
(+) Permitted receipts	--	--	--
(-) Permitted payments	17,000	4,84,625	17,000
(-) Amount deposited in Banks	13,38,500	--	18,23,125
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

'Specified Bank Notes' is defined as Bank Notes of Denominations of the existing Series of the value of Five Hundred Rupees and One Thousand Rupees.

The Disclosure with respect to Permitted Receipts, Permitted payments, Amount deposited in Banks and Closing Cash in Hand as on 30.12.2016 is understood to be applicable in case of SBN only."

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

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

**B Defined benefit plan and long term employment benefit:**

**a. General description:**

**Gratuity [Defined benefit plan]:**

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

**b. Leave wages [Long term employment benefit] :**

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

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

(Amount in Rs.)

	GRATUITY (FUNDED)	
	2016-17	2015-16
<b>(A) Funded Status of the Plan</b>		
Present Value of unfunded Obligations		
Present Value of Funded Obligations	117853807	88541655
Fair Value of Plan Assets	114888442	109518664
Net Liability / (Asset)	2965365	(20977009)
<b>(B) Profit and Loss account for the current period</b>		
Current Service Cost	4996523	4562816
Interest on Obligation	6348930	5805955
Expected Return on Plan Assets	(8884130)	(7198265)

Net Actuarial Loss /(Gains)	27191713	2765589
Past service cost	0	0
Loss/(gain) on curtailments and settlement	0	0
Total included in "Employee Benefit Expense"	29653036	5936095
Expenses deducted from the fund	0	281148
Adjustment to the Opening fund	0	(21888125)
Total Charge to P&L	29653036	(15670882)
Loss/(Gain) on obligation	26677712	4468188
Loss/(Gain) on assets	514001	(1702599)
Net actuarial Loss/(Gain)	27191713	2765589
<b>(C) Reconciliation of defined benefit obligation</b>		
Opening Defined Benefit Obligation	88541655	80353402
Transfer in/(out) obligation	0	0
Current Service Cost	4996523	4562816
Interest cost	6348930	5805955
Actuarial loss (gain)	26677712	4468188
Past service cost	0	0
Loss (gain) on Curtailments	0	0
Liabilities extinguished on settlements	0	0
Liabilities assumed in an amalgamation in the nature of purchase	0	0
Exchange differences on foreign plans	0	0
Benefits Paid	(8711013)	(6648706)
Benefits payable	0	0
Closing Defined Benefit obligation	117853807	88541655
<b>(D) Reconciliation of plan assets</b>		
Opening value of plan assets	109518664	80427106
Transfer in/(out) plan assets	0	0
Expenses deducted from the fund	0	(281148)
Expected Return	8884130	7198265
Actuarial gain/(loss)	(514001)	1702599
Assets distributed on settlements	0	0
Contributions by employer	5710662	5232423
Assets acquired in an amalgamation in the nature of purchase	0	0
Exchange differences on foreign plans	0	0
Benefits Paid	(8711013)	(6648706)
Adjustment to the Opening fund	0	21888125
Closing value of plan assets	114888442	109518664
<b>(E) Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	(20977009)	(73704)
Transfer in/out obligation	0	0
Transfer (in)/out plan assets	0	0
Charge to P&L	0	0
Employees benefits expenses	29653036	(15670882)
Benefits paid by the company	0	0
Amounts transferred to "Payable account"	0	0
Contributions to plan assets	(5710662)	(5232423)
Closing provision in books of accounts	2965365	(20977009)
<b>(F) Composition of the plan assets</b>		
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%
<b>(G) Bifurcation of liability as per schedule VI</b>		
Current Liability *	(326282)	(1696573)
Non-Current Liability	3291647	(19280436)
Net Liability	2965365	(20977009)
<b>(H) Table of experience adjustments</b>		
Defined Benefit obligation	117853807	88541655
Plan Assets	114888442	109518664
Surplus/(Deficit)	(2965365)	20977009
Experience adjustments on plan liabilities	(2349113)	5012915
Actuarial loss (gain) due to change in demographic assumption	0	293961
Actuarial loss (gain) due to change in financial assumptions	29026825	(544727)
Experience adjustments on plan assets	514001	(1702599)
Net actuarial Loss/(Gain) for the year	27191713	2765589
<b>(I) Principle actuarial assumptions</b>		
Discount Rate	7.25%	7.90%
Expected Return on Plan Assets	7.25%	7.90%
Salary Growth Rate	10.00%	6.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

- (I) No provision of Gratuity liability is required in case of Petlad unit (except for the Managing Directors) because Planned Assets are higher than Present Value of Funded Obligations and in case of Bargaon Unit, the Gratuity liability has been provided as per the Actuarial Valuation. The Company has participated in LIC and SBI Life Insurance managed Scheme for gratuity.
- (II) Leave Encashment Benefits for the year have been provided in the Statement of Profit & Loss on actuarial valuation of the company Rs. 21,54,354/- (Previous Year Rs. 31,50,769/-)
8. 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.
9. 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.)
	2016 – 17	2015 – 16
<b>10. AUDITORS' REMUNERATION:-</b>		
1. Audit Fees (Including Service Tax)	4,60,000	4,58,000
2. Tax Audit	51,750	51,525
3. Traveling expenses	68,958	77,797
<b>TOTAL</b>	<b>5,80,708</b>	<b>5,87,322</b>
<b>11. DETAILS OF GOODS IMPORTED:-</b>		
<b>1. CIF value of goods imported:</b>		
(a) Cotton	0	0
(b) Machineries, Spares and Stores	58,04,624	33,42,853
(c) Plant and Machinery	0	0
<b>TOTAL</b>	<b>58,04,624</b>	<b>33,42,853</b>
<b>2. CONSUMPTION:-</b>		
(a.) Raw Materials:		

	(i) Imported goods	0	0
	(ii) Indigenous goods:		
	Cotton	1,03,49,60,079	1,13,72,94,128
	Cotton yarn	53,41,048	29,76,457
	<b>TOTAL</b>	<b>1,04,03,01,127</b>	<b>1,14,02,70,585</b>
	Imported	0%	0%
	Indigenous	100%	100%
	<b>(b.) Machinery Spares and Stores:</b>		
	(i) Imported goods	57,75,740	34,70,374
	(ii) Indigenous goods	1,57,89,093	2,58,88,293
	<b>TOTAL</b>	<b>2,15,64,833</b>	<b>2,93,58,667</b>
	Imported	26.78%	11.82%
	Indigenous	73.22%	88.18%
<b>12.</b>	<b>1. Earning in Foreign Exchange:</b>		
	Exports: Direct (FOB Value)	68,42,09,173	81,20,05,952
	Through Merchant Exporters	63,54,238	17,31,346
		<b>69,05,63,411</b>	<b>81,37,37,298</b>
	<b>2. Expenditure in Foreign Currency:</b>		
	Purchase of Plant and Machinery, Stores, Spares and Cotton	58,04,624	33,42,853
	Travelling and Others	5,50,645	22,80,814
	Interest on Foreign Currency Loan	0	0
	Freight	41,90,269	51,07,038
	Commission	28,95,584	55,51,065
	<b>TOTAL</b>	<b>1,34,41,122</b>	<b>1,62,81,770</b>
	<b>3. Remittances of Dividend in Foreign Currency</b>	<b>NIL</b>	<b>NIL</b>

**13. 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
<b><u>Purchase &amp; Sales:-</u></b>			
Purchase of Goods	2,38,29,429	NIL	NIL
Sale of Goods	NIL	NIL	NIL
Rent	12,00,000	10,98,000	NIL
<b>Investment</b> in Preference Shares of M/s. Eurotex Industries and Exports Ltd.:-	5,00,00,000	NIL	NIL
<b><u>Salary &amp; Perks:-</u></b>			
Managing Directors	NIL	NIL	1,26,16,492
Chief Executive Officer	NIL	NIL	35,61,513

**D. OUTSTANDING BALANCES AS ON 31.03.2017 (RS.):**

Transactions	Associates/ Shareholders	Enterprises having Key Management Personnel	Key Managerial Personnel
Security Deposit Given to Related Parties	<b>8,03,000</b>	<b>NIL</b>	<b>NIL</b>
Investments in 22,31,980 Equity Shares of Rs. 10/- each of M/s. Eurotex Industries and Exports Ltd.	<b>5,45,90,920</b>	<b>NIL</b>	<b>NIL</b>
Investments in 50,00,000 6% Non – Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each of M/s. Eurotex Industries and Exports Ltd.	<b>5,00,00,000</b>	<b>NIL</b>	<b>NIL</b>

**14. DERIVATIVES INSTRUMENT**

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

As at 31 <sup>st</sup> March 2017			
Currency	Amount in Foreign Currency	Buy / Sell	Cross Currency INR
USD	2,61,035.46	Sell	1,69,28,150

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: 29th May 2017

**Shri Krishan Kumar Patodia**  
**Shri Gopal Patodia**  
**Shri Mohan Kumar Patodia**  
**Shri Hari Prasad Siotia**  
**Shri Brijbhushanlal Kabra**  
**Shri Jugalkishore Todi**  
**Shri M L Bagaria**

**Mukesh Prajapat**  
Assistant Company Secretary  
Place: Vadodara  
Date: 29th May 2017

(DIN: 00027335) Chairman  
(DIN: 00014247) Managing Director  
(DIN: 0035381) Managing Director cum CFO  
(DIN: 00015103) Director  
(DIN: 00023410) Independent Director  
(DIN: 00598697) Independent Director  
(DIN: 01213323) Independent Director

Place: Vadodara  
Date: 29th May 2017



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**PBM POLYTEX LIMITED**  
**CIN : L17110GJ1919PLC000495**  
**Regd. Office: Opposite Rly. Station, Petlad - 388 450, Dist. Anand, Gujarat**

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

I hereby record my presence at the 98<sup>th</sup> Annual General Meeting of the Company held at the Registered Office at Opposite Station, Petlad 388450 Dist: Anand, Gujarat on **Monday, the 25<sup>th</sup> September, 2017 at 11:00 A.M.**

NAME OF THE ATTENDING SHAREHOLDER \_\_\_\_\_  
(IN BLOCK LETTERS)

NAME OF THE PROXY \_\_\_\_\_  
(To be filled in if the proxy attends instead of the shareholder)

SIGNATURE OF THE SHAREHOLDER/PROXY \_\_\_\_\_

Ledger Folio Number \_\_\_\_\_ No. of Shares held \_\_\_\_\_

**NOTE:**  
**SHAREHOLDERS/PROXY HOLDERS ARE REQUESTED TO BRING THE ATTENDANCE SLIPS WITH THEM DULY COMPLETED WHEN THEY COME TO THE MEETING AND HAND THEM OVER AT THE GATE AFTER AFFIXING THEIR SIGNATURES ON THEM.**

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. RLY. STATION, PETLAD-388450, DIST. ANAND, GUJARAT**

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No : \_\_\_\_\_ DP ID / Client 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 98<sup>th</sup> Annual general meeting of the Company, to be held on the **Monday, the 25<sup>th</sup> day of September, 2017 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
<b>Ordinary Business:</b>	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017 and Statement of Profit and Loss (including Audited Consolidated Financial Statements) and Cash Flow Statement 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 <sup>st</sup> March 2017.
3.	To appoint a Director in place of Shri Krishan Kumar Patodia (DIN : 00027335) as director who retires by rotation and being eligible, offers himself for re-appointment.
4.	To appoint a Director in place of Shri Gopal Patodia (DIN : 00014247) as director who retires by rotation and being eligible, offers himself for re-appointment.
5.	To appoint M/s. Chandulal M. Shah & Co., Chartered Accountants (FRN: 101698W), Chartered Accountants as Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.
<b>Special Business:</b>	
6.	Ratification of Remuneration payable to the Cost Auditor for the financial year 2017 – 18.
7.	Approval for revision in remuneration payable to Shri Amit Patodia, the Senior President cum Chief Executive Officer with effect from 01.10.2017.
8.	Re-appointment of Shri Gopal Patodia as a Managing Director for a period of 3 years with effect from 01.04.2018 and fixing his Remuneration.
9.	Re-appointment of Shri Mohan Kumar Patodia as a Managing Director for a period of 3 years with effect from 01.04.2018 and fixing his Remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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.**

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## **PBM Polytex Limited**

Opp. Railway Station,  
Petlad, Dist. Anand, Gujarat - 388 450  
Email: [pbummills@patodiagroup.com](mailto:pbummills@patodiagroup.com)  
Web: [www.pbmpolytex.com](http://www.pbmpolytex.com)  
CIN: L17110GJ1919PLC000495