

MEWAR POLYTEX LIMITED



THIRTY THIRD
ANNUAL REPORT
2012 - 2013

MEWAR POLYTEX LIMITED

BANKERS

State Bank of India

STATUTORY AUDITORS

Om Prakash S. Chaplot & Co.

REGISTERED OFFICE

207 (A) Mewar Industrial Area
Road No. 11, Madri,
Udaipur 313 003

WORKS

Unit - I

207 (A) Mewar Industrial Area
Road No. 11, Madri,
Udaipur 313 003

UNIT - II

Jhadol Phalasia Road
Village Nai
Dist. Udaipur

BOARD OF DIRECTORS

Mr. B. H. BAPNA

Mr. R. L. MEHTA

Mr. K. J. RATHOD

Mr. VINOD BAPNA

Mr. DINESH SANGHVI

Mr. SANDEEP BAPNA

Mr. ANIK SHAH

CONTENTS

	Page
Notice	3
Explanatory Statement & Notes	5
Directors' Report	6
Management Discussion and Analysis	9
Corporate Governance Report	10
Auditors' Certificate on Compliance	18
Secretarial Compliance Certificate	19
Independent Auditor's Report	24
Annexure to Audit Report	26
Balance Sheet	29
Statement of Profit & Loss Account	30
Cash Flow Statement	31
Significant Accounting Policies and Notes	33
Notes on Financial Statement	35
List of Related Parties	42

NOTICE

Notice is hereby given that the **Thirty Third Annual General Meeting** of the Members of **MEWAR POLYTEX LIMITED** will be held at the Registered Office of the Company at 207 (A) Mewar Industrial Area, Madri, Udaipur on Monday 16th September 2013 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss Account for the year ended 31st March 2013 together with the Report of Board of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Anik Shah and Mr. Dinesh Sanghvi who retire by rotation and being eligible, offer themselves for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and if thought fit, to pass, with or without modifications(s), the following resolution as an Ordinary Resolution.

“RESLOVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s Om Prakash S Chaplot & Co., Chartered Accountants (Regn. No.000127C), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the Thirty Third Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS

1. To consider and pass a special resolution to amend Article 96 of the Articles of Association of the Company, in respect of the increase in payment of Director's sitting fees to Rs. 5000/- (Rupees Five Thousand Only) (exclusive of travel and Out of pocket expenses) per Director, per Meeting of the Board or of Committee thereof.

The following Resolution may be passed as a Special Resolution with or without modification :

“RESLOVED THAT the Articles of the Association of the Company be amended by substituting the following new Article 96 in the place of existing Article 96.”

MEWAR POLYTEX LIMITED

The new Article 96 will read as follows:

Unless otherwise determined by the Company in General Meeting each Director shall be entitled to receive out of the funds of the Company for the services in attending meeting of the Board or a Committee of the Board, a maximum fee of Rs. 5000/- per meeting of the Board or a Committee of the Board attended by him but the Board of Directors shall have the power to fix a lesser amount of fee. All other remunerations, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending at Board and Committee meetings or otherwise incurred in the execution of their duties as Directors. The Company in General Meeting may sanction a remuneration upto 3% of the profits of the Company to all or any of the Directors.

Registered Office:
207 (A) Mewar Industrial Area
Udaipur 313003

Udaipur, the 30th May 2013

By order of Board of Directors

B.H. BAPNA
Managing Director

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 1

The Provision relating to sitting fee payable of Rs. 2000/- per meeting instituted since long time needs to be revised in context of present situation.

The Board recommends the resolution for approval of the Shareholders.

All the Directors are interested in this resolution to the extent of Sitting fee payable to them.

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will be closed from 9th September 2013 to 16th September 2013 both days inclusive.
3. Appointment/ reappointment of Directors: At the ensuing General Meeting Mr. Anik Shah and Mr. Dinesh Sanghvi retire by rotation and being eligible offer themselves for reappointment. The details required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement of Corporate Governance published elsewhere in this report.

Members are requested to intimate the change in their addresses, if any, to the Company's Registrar and Share Transfer Agents, Ankit Consultancy Pvt. Ltd., Alankar Point, 2nd Floor, Geeta Bhawan Chouraha, A.B. Road, Indore (M.P.)- 452001.

Registered Office:

207(A) Mewar Industrial Area
Udaipur-313003

By order of the Board of Directors

Udaipur, the 30th May 2013

B.H. BAPNA
Managing Director

MEWAR POLYTEX LIMITED

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the Thirty Third Annual Report with the Audited Accounts of your Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	2012-13	(Rs. In Lakhs) 2011-2012
Profit before interest, depreciation and taxes	317.92	313.26
Less:		
Interest	87.50	80.37
Depreciation	96.63	117.12
Profit before Tax	133.79	115.77
Add : Exceptional Items	86.64	1.41
Less : Provision for Taxation		
Current	51.37	48.77
Deferred	(10.30)	(12.11)
Earlier Year	(0.86)	0.07
Profit after tax	180.22	80.45
Earning (Rs.) per share before Exceptional Items	2.90	2.45
Earning (Rs.) per share after Exceptional Items	5.58	2.49

OPERATIONS

During the year under review the Company has been able to achieve a turnover of Rs. 4406.57 Lacs as against the turnover of Rs. 3659.51 Lacs during 2011–2012, an increase of 20.41%.

The Net Profit after tax as at Rs. 180.22 Lacs (Previous Year Rs. 80.45 Lacs) is after providing for interest of Rs 87.50 Lacs (Previous Year Rs. 80.37 Lacs) and Depreciation of Rs 96.63 Lacs (Previous Year Rs. 117.12 Lacs) an increase of 124%.

Above Net profit after tax includes profit due to Exceptional items i.e. Profit on sale of Shares & Profit on sale of fixed assets which amounts to Rs. 86.64 lacs during financial year 12-13 (Previous Rs. 1.41 Lacs).

EXPORT

The Company's export was higher at Rs 3007.52 Lacs (including deemed export of Rs. 782.08 lacs) in current year as compared to Rs. 1779.15 Lacs (including deemed export of Rs. 246.01 lacs) in the previous year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. Anik Shah and Mr. Dinesh Sanghvi, Directors retire by rotation, and both Mr. Anik Shah and Mr. Dinesh Sanghvi are being eligible offer themselves for reappointment.

DIVIDEND

The Board of Directors is not recommending any dividend for the year 2012-13.

DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A of the Companies Act 1956 and the rules made there under.

SHARE CAPITAL

The Equity Shares of the Company have been made available for dematerialisation under the depository system operated by NSDL with effect from 1st November 2001 and with CDSL from 30th October 2001. This will facilitate the shareholders to maintain their holdings in “electronic form”.

The Company's Shares are listed on the BSE.

CORPORATE GOVERNANCE CODE

Pursuant to clause 49 of the listing agreement, a report on Corporate Governance, along with Auditors certificate regarding compliance of conditions of corporate governance and Management Discussion and Analysis is separately given in this report.

PERSONNEL

In compliance with Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975 as amended, it is stated that there was no employee in the Company drawing remuneration of Rs. 5,00,000/- or more per month, if employed for part of the year or Rs. 60,00,000/- or more, if employed for the whole year in the Company.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2A) of the Companies Act, 1956 the directors hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give 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 period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and abilities;
- (d) The Directors have prepared the annual accounts on a going concern basis.

MEWAR POLYTEX LIMITED

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has taken adequate steps for energy conservation.

In our opinion the Company is not covered in the list contained in Form 'A' of Annexure of the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

TECHNOLOGY ABSORPTION

Company is constantly taking steps to absorb better technology with a view to reduce the cost of production and improve the product quality.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Out-go during the year has been as follows:

Earnings	: Rs.	222,544,188/-	(previous year Rs. 153,313,665/-)
Outgo	: Rs.	15,276,350/-	(previous year Rs. 47,194/-)

AUDITOR'S REPORT

As regards the Auditors report the points raised therein have been adequately explained in the Notes to the Accounts and as such the directors have no further comments to offer.

COST AUDITORS

The Board of Directors have appointed M/s M.S. Mehta & Associates as the Cost Auditor of the Company for the Financial Year 2012-13.

AUDITORS

M/s. Om Prakash S Chaplot & Co., Chartered Accountants, retire and eligible for reappointment as the Statutory Auditors of the Company. The Company has received certificate from the auditors to the effect that if re-appointed, their appointment shall be in accordance with section 224(1B) of the Companies Act, 1956. The board recommends their re-appointment.

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate obtained from M/s K.K.Sahlot & Co. Company Secretary, pursuant to Section 383(A) of the Companies Act, 1956 is being attached herewith.

ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their sincere appreciation for the cooperation received from Government and Commercial Banks. They also sincerely appreciate efficient and loyal services rendered by the Employees of the Company at all levels throughout the year.

By Order of the Board of Directors

207(A) Mewar Industrial Area
Udaipur 313 003

Udaipur, the 30th May 2013

VINOD BAPNA
Director

B.H. BAPNA
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

The management of Mewar Polytex Limited present the analysis of performance of the Company for the year 2012-2013 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other development both in India and abroad.

Financial Performance/Operational Performance:

The Company is engaged in manufacturing of Coated and uncoated HDPE/PP woven fabric and sacks.

During the year under review the Company has been able to achieve a turnover of Rs.4406.57 Lacs as against the turnover of Rs. 3659.51 Lacs during 2011–2012, an increase of 20.41%.

The Net Profit after tax as at Rs. 180.22 Lacs (Previous Year Rs. 80.45 Lacs) is after providing for interest of Rs 87.50Lacs (Previous Year Rs. 80.37 Lacs) and Depreciation of Rs 96.63 Lacs (Previous Year Rs. 117.12Lacs) an increase of 124%.

Above Net profit after tax includes profit due to Exceptional items i.e. Profit on sale of Shares & Profit on sale of fixed assets which amounts to Rs. 86.64 lacs during financial year 12-13 (Previous Rs.1.41 Lacs).

Outlook

The Company's main approach will be to utilize all its resources, with improved and more effective management practices to get a larger share of the market. The Company is also placing heavy emphasis on increasing customer satisfaction and goodwill. The Company's long-term objective is to emerge as global player in HDPE/PP woven market.

The customers today take quality and prompt delivery from suppliers as essential requirement. Price is very important factor in choosing a supplier. This represents an opportunity for your Company to grow. We have a reputation for good quality and prompt delivery. We have also reduced costs substantially. We are therefore, able to offer attractive prices to our customers.

MEWAR POLYTEX LIMITED

Internal Control System and its Adequacy

The Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use or disposition. Further all transactions entered into by the Company are duly authorized, recorded and reported correctly.

The internal control system is supplemented by an extensive programme of audit, reviews by management and established policies, guidelines and procedures. The system are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Material Development in Human Resources/Industrial Relations Front

In order to develop the human resources, emphasis has been strengthened with a well-structured module at the in-house training center. There is good response to the system, which is constantly reviewed and upgraded, integrating the individual and the plant requirements.

The Performance appraisal system maintains the transparency and enhances the efficiency of the employees; thereby utilizing their potential up to the maximum possible level. Based on this appraisal system the good performers are suitably rewarded.

The relationship with the workers/employees remained cordial during the year.

Cautionary Statement

Statements, made herein describing the Company's expectations of predictions, are “forward looking statement”. The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input cost, government regulations, and economic development within and outside the country.

CORPORATE GOVERNANCE REPORT

Corporate Governance as required by clause 49 of Listing Agreement with Stock Exchange

Company's Philosophy on Corporate Governance:

Company's Philosophy on Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of the business and meeting its obligation to shareholders. Its Audit committee has been functioning since 2002. Emphasis therefore, is on adding value to its shareholders, investors, employees, suppliers, customers and the community.

Company's shareholders information policy revolves around disclosures and transparency. It takes initiatives to keep shareholders informed of the Company's performance at regular intervals, to attend their queries and to ensure quick transfer of shares.

The Board of Directors:

Composition and size of the Board: The Board consists of 7 directors including Managing Director; out of these 4 are non-executive independent Directors. The company did not have any pecuniary relation to transaction with non-executive directors during the year under review.

Director's Profile:

Brief resume of all the Directors, nature of their expertise in specific functional areas and their membership in Board Committees are given below.

A) Sh. B.H.Bapna:

He is a graduate in Electrical Engineering from M.S.University, Baroda and M.S.E.E. from University of California.

He has worked in USA for a period of 13 years, after which in the year 1979, he set up Mewar Polytex Limited and Plastiweave Industries for Manufacturing of light weight PP Fabric and Sacks. In the year 1993, he promoted Venus Polytex Private Limited and OBS Industries for Manufacturing of PP/ HDPE Laminated and Unlaminated Fabric and Sacks.

He is the Managing Director of the Company since 1994

He is actively associated with the Udaipur Chamber of Commerce and Industry and has been the president of the same. He has been the president of Rotary Club Udaipur and the Mahaveer International Club of Udaipur and also has been associated with social and Religious Organizations. He is also a member of the Audit Committee and Remuneration Committee.

B) Sh.K.J.Rathod:

He is engaged in the manufacture of Flair fountain pens and ball pens since 41 years. He has been the president of the Writing Instruments Manufacturing Organization of India.

He is a Director of the Company since January-1995.

C) Sh. R.L.Mehta:

He retired from the post of Superintendent of Central Excise. He has long and varied experience in Central Excise, Custom and Service tax. He is also member of the Audit Committee, Remuneration Committee and Shareholder's/Investor's grievance Committee.

He is a Director of the Company since December-2005

D) Sh. Vinod Bapna:

He is highly energetic and experienced business executive. After obtaining his graduation degree in Electronic Engineering, he worked from the year 1977 to September-1978 at Gwalior Rayon Silk Spinning (Weaving) Mills, NAGDA thereafter in October-1978, he joined Cruiser Pen Company, Bombay.

He has been exposed to large projects right from the start of his career which has been of immense help to the company in acquiring Management, Engineering and project implementation. He is also the member of Remuneration Committee.

He is a Director of the company since December-1984

MEWAR POLYTEX LIMITED

E) Sh. Sandeep Bapna:

He is a young, dynamic business executive. He graduated in Commerce in the year 1990 and thereafter completed Master of Management Studies (Finance) from NMIMS, Mumbai University. He is also member of the Shareholder/Investors grievance Committee.

He is a Director of the company since September-1990.

He specialises in the field of finance and managing the finances of the Company.

F) Sh. Anik Shah:

He is young, dynamic business executive. He has been appointed as Director of the Company in March-2006.

G) Mr. Dinesh Sanghvi:

He is young, dynamic business executive. He has been appointed as Director of the Company in November-2011.

Number of Board Meetings and Sitting Fee: During the year, 10 board meetings were held. The board was presented with the relevant and necessary information at its meetings. The attendance of each director at board meeting during the year and the last annual general meeting and also the number of public limited companies and committees where he is a director/ member and sitting fee paid is tabulated below:

Name of Director	Category	No. of Board meetings attended	Attended last AGM held on 17/09/2012	Committee memberships/ chairmanships	Sitting fee (Rs.)
K.J. Rathod	Non Executive Independent Director	3	No	Nil	6000
R.L. Mehta	Non Executive Independent Director	6	Yes	3	12000
Anik Shah	Non Executive Independent Director	3	No	Nil	6000
Sandeep Bapna	Director	6	Yes	1	12000
Vinod Bapna	Director	6	Yes	1	12000
B.H. Bapna	Managing Director	6	Yes	2	12000
Dinesh Sanghvi	Non Executive Independent Director	3	No	2	6000

Audit Committee:

The Audit committee consists of Shri Dinesh Sanghvi, Shri R.L.Mehta and Shri B.H.Bapna. Terms of reference of the audit committee specified by the Board are as contained in the clause 49 of the Listing agreement.

During the year under review, the Audit committee met four times. Apart from considering un-audited and/or audited financial results for the relevant quarter, the half year and the year before adoption / approval by the board, the committee focused its attention on other matters which inter-alia included current assets management, operation of Plants, cost of borrowings, key areas affecting the overall performance of the company and proposal for restructuring company's debt repayment obligation with financial institution, banks and other lenders.

Remuneration of Directors:

The decisions regarding remuneration of executive and non-executive directors are taken by the entire Board subject to such approvals from the shareholders and Central government as may be necessary. The Company does not pay any remuneration to the non-executive directors of the Company except payment of sitting fees for attending board / committee meetings.

The Board of Directors have constituted a Remuneration committee consisting of Shri B.H.Bapna, Shri Vinod Bapna and Shri R.L.Mehta.

No Remuneration was paid to directors during the year.

The Company has not issued stock options to any of its Directors.

Share Holders / Investors Grievances:

The Board has formed a Shareholders / Investors Grievances Committee consisting Shri Sandeep Bapna, Shri R.L. Mehta, Dinesh Sanghvi as the Compliance Officer.

There were no major complaints from investors. Regular complaints, which are in the nature of non-receipt of annual report, change of address, transfer of shares, dematerialization of shares etc. are attended immediately. The company has not received any complaints from shareholder/investor during the year. There are no complaints pending as on 31.03.2013.

General Body Meeting:

All the last three Annual General Meeting were held at the registered office of the Company situated at 207(A), Mewar Industrial Area, Udaipur.

Annual General Meeting	Date	Time
30 th Annual General Meeting	22 nd September 2010	11.00 a.m
31 st Annual General Meeting	22 nd September 2011	11.00 a.m.
32 nd Annual General Meeting	17 st September 2012	11.00 a.m.

MEWAR POLYTEX LIMITED

Postal Ballot

During the current year, approval of shareholders was taken through Postal Ballot in case of sale of land and building including structures and fitted there on situated at A-450, RIICO Bhamashah Industrial Area, Kaladwas, Udaipur, Rajasthan.

Disclosure:

There were no transactions of the Company of material significance with its promoters, directors or the management or their subsidiaries or relatives during the year, which may have potential conflict with interest of the Company at large. The details of transactions with related parties are disclosed in the notes to accounts. There was no default of non-compliance on any matters related to capital markets. Consequently, during the last three years, neither any penalties were imposed nor strictures passed on the company by stock exchanges, SEBI of any statutory authority.

Means of communication:

Quarterly/ half yearly un-audited and yearly audited results are published in English and local language newspapers as required under the listing agreement. The management discussion and analysis is a part of the annual report. All financial and other vital information are promptly communicated to the BSE on which Company's shares are listed.

Shareholders Information:

Annual Meeting:

Date: 16th September 2013, Time: 11:00 a.m.; Venue: 207 (A), Mewar Industrial Area, Madri, Udaipur.

Financial Calendar:

April to March (Financial Year)	
First Quarter Results	Last week of July
Half Yearly Results	Last week of October
Third Quarter Results	Last week of January
Audited results for the year	May

Date of Book Closure:

The Register of Members and share Transfer Books of the company will be closed from 9th September 2013 to 16th September 2013 both days inclusive.

Stock Exchange Listing:

Shares of the Company are listed on The Stock Exchange of Bombay.

Stock Code:

The Stock Exchange, Mumbai (BSE)	- 531236
ISIN	INE404E01018

MEWAR POLYTEX LIMITED

Monthly high low of Share prices (Rs.) of Mewar Polytex Limited during the year 2012-13:

Month	High	Low
April-12	51.00	48.85
May-12	51.00	48.85
June-12	53.80	51.15
July-12	48.60	48.60
August-12	48.60	48.60
September-12	48.60	48.60
October-12	47.00	47.00
November-12	47.00	47.00
December-12	47.00	47.00
January-13	49.35	49.35
February-13	46.90	46.90
March-13	46.90	46.90

Source: www.bseindia.com

Registrar and Share Transfer Agents:

Ankit Consultancy Private Limited, Alankar Point, 2nd Floor, Geeta Bhawan Chouraha, A.B. Road Indore, M.P.- 452001

Share Transfer System:

Share transfers are registered with in a period of fifteen days from the date of receipt by transfer agent, if the documents are complete in all respects. During the year under review, the company has followed the guidelines issued by SEBI for dematerialization of shares sent for transfer by the investors. Total number of shares transferred in physical form (non-dematerialised) during 2012-2013 were 3550.

Distribution of shareholding:

The company has 434 shareholders as on 31st March 2013. Distribution of shareholding is given in the table hereunder:

MEWAR POLYTEX LIMITED

Shareholding Of Nominal Value Of Rs.	No. of Shares Holders	% of Shares Holders	Share Amount in Rs.	% age
Up to 1000	109	25.11	50,510	0.16
1001 to 2000	37	8.52	70,160	0.22
2001 to 3000	22	5.07	61,630	0.19
3001 to 4000	43	9.91	171,590	0.53
4001 to 5000	39	8.99	193,800	0.60
5001 to 10000	63	14.52	538,610	1.67
10001 to 20000	39	8.99	648,640	2.01
20001 to 30000	16	3.69	423,450	1.31
30001 to 40000	07	1.61	257,100	0.80
40001 to 50000	09	2.07	427,840	1.32
50001 to 100000	07	1.61	465,830	1.44
100000 Above	43	9.91	28,990,840	89.75
	434	100.00	32,300,000	100.00

Shareholding Pattern of the Company as on 31.3.2013

Category	No. of Shares Held	% of Shareholding
A		
1 Promoters		
Indian Promoters	2,338,800	72.41
Foreign Promoters	0	
2. Persons acting in concert	0	
Sub Total	2,338,800	72.41
B		
Non-Promoter Holding		
3. Institutional Investors		
1. Mutual Funds and UTI		
2. Banks, Financial Institution		
3. Insurance Companies/Central/State Govt. Institutions/Non-Government Institution/ Venture Capital Funds		
4. FII's (Including ADB holding)		
Sub Total	0	0
C		
4. Others		
(a) Private Corporate Bodies	69582	2.15
(b) Indian Public	497618	15.41
(c) NRI's/OCB's (Including GDFI)	324,000	10.03
(d) Any Other (Clearing Members & Trusts)		
Sub Total	891,200	27.59
GRAND TOTAL (A)+(B)+(C)	3,230,000	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are dealt on both the depositories viz. NSDL and CDSL. The company, for the benefit of the shareholders has made one time payment towards depository.

During the year 3550 shares were dematerialized. The dematerialization level as on 31st March 2013 stood 76.17% and total no. of shares in Demat are 2460380

Plant Location:

- (a) 207 (A), Mewar Industrial Area, Road No. 11, Madri, Udaipur.
- (b) Jhadol Phalasia Road, Village Nai, Udaipur.

Address of Correspondence:

207 (A), Mewar Industrial Area, Road No. 11, Madri, Udaipur.- 313003

CFO CERTIFICATION :

A certificate from the Managing Director & CFO on the Financial Statement of the Company in terms of clause 49 of Listing Agreement was placed before the Board, who took the same on record.

Auditors Certificate on Corporate Governance:

The Company has obtained a certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with stock exchange. This is annexed to the Directors report. The Certificate will also be sent to the stock exchanges along with the annual return to be filed by the company.

MEWAR POLYTEX LIMITED

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49
OF THE LISTING AGREEMENTS**

To the Shareholder of Mewar Polytex Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s Mewar Polytex Limited, for the year ended 31st March 2013, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange(s) (hereinafter referred as 'the agreement').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency with which the Management has conducted the affairs of the Company.

For **OM PRAKASH S CHAPLOT & CO.**
Chartered Accountants

(O.P. Chaplot)
Partner
M. No. 010184
Firm Regn.No. 000127C
Udaipur, the 30th May 2013

SECRETARIAL COMPLIANCE CERTIFICATE

(Pursuant to Section 383 A of the Companies Act,1956)

CIN No. : L25201RJ1979PLC001879
Authorized Capital : Rs. 37,500,000/-
Paid Up Capital : Rs. 32,300,000/-

To

The Members

M/s MEWAR POLYTEX LIMITED

207(A) Mewar Industrial Area,

Road No. 11, Madri

Udaipur- 313003 (Raj.)

We have examined the registers, records, books and papers of **M/s MEWAR POLYTEX LIMITED** (“the Company”) as required to be maintained under the Companies Act, 1956 (“the Act”) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Companies Act, 1956 and the rules made there under and entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the MCA – 21 within the time prescribed under the Companies Act, 1956 and the rules made there under. No form or return was required to be filed with Regional Director, Central Government or other authorities.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met **10 (TEN)** times respectively on 29th May, 2012, 27th June, 2012, 30th July, 2012, 30th September,2012, 10th October,2012, 30th October, 2012, 19th November, 2012, 29th January, 2013, 26th February, 2013 and 28th March, 2013 and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company observed book closure from 10th September, 2012 to 17th September, 2012 for the purpose of Annual General Meeting.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 17th September, 2012 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

MEWAR POLYTEX LIMITED

7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has passed a Resolution under section 293(1)(a) by postal ballot on dated 19/11/2012 pursuant to section 192A and duly complied with Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The Resolution so passed has been duly recorded in the minutes book maintained.
9. The Company has not advanced loans to its Director referred to under section 295 of the Act, during the financial year under review.
10. The Company has entered into contracts falling within the purview of section 297 of the Act, and all necessary formalities have duly been complied with.
11. The Company has made necessary entries in the register maintained u/s 301 of the Act.
12. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, the Company was not required to obtain any approvals from the Board of Directors, members or the Central Government, as the case may be.
13. The Company has not issued any duplicate share certificates during the financial year.
14. The Company has:
 - (i) Not posted warrants to members as no dividend was declared during the year under review.
 - (ii) Duly transferred and dispatched all shares received for transfer during the financial year.
 - (iii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iv) The company has duly transferred unclaimed dividend by crediting Rs.26,537/- to Investor Education and Protection Fund on 29/03/2013.
 - (v) Duly complied with requirement of Section 217 of the Act.
15. The Board of Directors of the Company is duly constituted and no appointment of director, additional director, alternate director and director to fill casual vacancies has been made during the financial year.
16. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
17. The Company has not appointed any sole selling agent during the financial year.
18. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
19. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
20. The Company has not issued any shares/debentures/other securities during the financial year.
21. The Company has not bought back any shares during the financial year.
22. The Company does not have preference shares/debentures.

MEWAR POLYTEX LIMITED

23. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
24. The Company has not invited / accepted any deposit including any unsecured loan falling within the purview of section 58A and 58AA during the financial year.
25. The Company has borrowed funds from Banks and duly complied with all requirements of the Companies Act, 1956.
26. The Company has not made loans or advances or given any guarantees or provided securities to other bodies and consequently no entries have been made in the register kept for the purpose.
27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
30. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under review.
31. The Company has not altered its Articles of Association during the year under review.
32. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
33. The Company has not received any amount as security from its employees during the financial year.
34. The Company has duly paid Provident Fund contribution of both employer and employees and complied with the provisions of Section 418 of the Act.

Place: UDAIPUR (RAJ)

Date: 29th May, 2013

FOR K.K. SAHLOT & CO.

Company Secretaries

(KUBER KUMAR SAHLOT)

Proprietor

M.No. FCS 5198, C. P. No. 4161

MEWAR POLYTEX LIMITED

ANNEXURE 'A'

(Forming part of compliance certificate dated 29th May, 2013)

Name of the Company : **M/s MEWAR POLYTEX LIMITED**
CIN No. : L25201RJ1979PLC001879
Authorized Capital : Rs. 37,500,000/-
Paid Up Capital : Rs. 32,300,000/-

Registers as maintained by the Company:

1. Register of Members u/s 150 of the Companies Act, 1956.
2. Register of Share Transfer u/s 108 of the Companies Act, 1956.
3. Register of Directors' Shareholding u/s 307 of the Companies Act, 1956.
4. Register of Charges u/s 143 of the Companies Act, 1956.
5. Register of Directors, Managing Director, Manager and Secretary.
6. Register of Contracts/firms in which directors are interested.
7. Minutes Book of the Board of Directors u/s 193(1) of the Companies Act, 1956.
8. Minutes Book of the General Meetings u/s 193(1) of the Companies Act, 1956.
9. Copies of instrument creating charge u/s 136 of the Companies Act, 1956.
10. Copies of Annual Returns.

Place: UDAIPUR (RAJ)
Date: 29th May, 2013

FOR K.K. SAHLOT & CO.
Company Secretaries

(KUBER KUMAR SAHLOT)
Proprietor
M.No. FCS 5198, C. P. No. 4161

MEWAR POLYTEX LIMITED**ANNEXURE 'B'**

(Forming part of compliance certificate dated 29th May, 2013)

Name of the Company : M/s MEWAR POLYTEX LIMITED

CIN No. : L25201RJ1979PLC001879

Authorized Capital : Rs. 37,500,000/- Paid Up Capital : Rs. 32,300,000/-

(A) Returns/Documents/Forms filed with MCA during the financial year ended 31-03-2013

Sr. No	Form No.	Relevant Section	Description	SRN	Date of Documents	Date of Filing	Whether filed within prescribed Time Yes/No	If delay in whether requisite additional fee paid Yes/No
1.	23AC & 23ACA	220(1)	Balance Sheet and P& L A/c	Q04077145	17/09/2012	08/12/2012	Yes	No
2.	66	383A	Compliance Certificate	P89358295	17/09/2012	04/10/2012	Yes	No
3.	20B	159(1)	Annual Return	P95608105	17/09/2012	10/11/2012	Yes	No
4	23	192	Registration of Resolution/ Agreement	B60085339	17/09/2012	19/10/2012	Yes	No
5	25C	269(2)	Appointment of Managing Director	B60148715	17/09/2012	20/10/2012	Yes	No
6	23	192	Registration of Resolution/ Agreement	B63443329	19/11/2012	10/12/2012	Yes	No
7	8	125	Registration of Charge	B38313060	30/03/2012	03/05/2012	Yes	No
8	8	125	Registration of Charge	B64125735	06/12/2012	18/12/2012	Yes	No
9	62	77A	Submission of Document with registrar	B59579243	10/10/2012	13/10/2012	Yes	No
10	23C	233B(2)	Appointment of cost auditor	S14018501	27/06/2012	08/09/2012	No	Yes

(B) Returns/Documents/Forms filed with the Regional Director.

- Nil -

(C) Returns/Documents/Forms filed with the Central Government

- Nil -

(D) Returns/Documents/Forms filed with the other Authorities.

- Nil -

Place: UDAIPUR (RAJ)

Date: 29th May, 2013**For K.K. SAHLOT & Co.
Company Secretaries****(KUBER KUMAR SAHLOT)
Proprietor
M.No. FCS 5198, C. P. No. 4161**

MEWAR POLYTEX LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
MEWAR POLYTEX LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MEWAR POLYTEX LIMITED**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true

and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 and
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - A. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - B. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - C. The Balance Sheet, Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of account;
 - D. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - E. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **OM PRAKASH S. CHAPLOT & CO.**

Chartered Accountants

(O.P. Chaplot)

Partner

M. No. 010184

Udaipur, the 30th May 2013

(Firm Regn.No. 000127C)

MEWAR POLYTEX LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of MEWAR POLYTEX LIMITED on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the Fixed Assets been physically verified by the management during the year, according to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.

(c) During the year, in our opinion, the company has not disposed a substantial part of the fixed assets and the going concern status of the company is not affected.
2. (a) The inventory of the company has been physically verified by the management at reasonable interval during the year. In respect of inventories lying with third parties, these have been substantially been confirmed by them. In our opinion the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were found reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of the examination of the records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
3. In respect of Loans, secured or unsecured granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. The Company has given loan to one party during the year amounting to Rs. 48 Lacs.
 - b. In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the company.
 - c. The Company has taken short-term loan from two parties aggregating of Rs. 350 lacs.
4. In our opinion and according to the information and the explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of its inventory, fixed assets and also for the sale of goods and services. During the

MEWAR POLYTEX LIMITED

course of our audit, we have not observed any failure to correct weaknesses in internal control system.

5. In respect of the contract or arrangement referred to in section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us these contract or arrangements have been made at prices which appear reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time.
6. The company has not accepted any deposits from the public.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of Provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, sales tax, custom duty, excise duty, cess, Service Tax and other applicable taxes have been regularly deposited by the company during the year with the appropriate authorities.
- (b) Disputed sales tax, Stamp duty, Labour Compensation and Income tax dues aggregating Rs.1,765,869/- have not been deposited since the matter are pending with relevant forum as

S.No	Name of the Statute Detailed below	Nature of dues	Forum where dispute is pending	Amount
1.	Rajasthan Sales Tax, Act 1994	Sales Tax	Honorable High Court of Rajasthan	1,265,151/-
2.	Indian Stamp Act, 1899	Stamp Duty and registration fee	Collector Stamp, Udaipur	135,000/-
3.	Payment of wages Act, 1936	Labour compensation	Payment and wages authority, Udaipur	44,923/-
4.	Workmen compensation Act, 2009	Labour compensation	Commissioner, Workmen compensation, Chittorgarh	320,795/-
			TOTAL	1,765,869/-

MEWAR POLYTEX LIMITED

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions, banks etc.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under clause (xiii) of Paragraph 4 of the order are not applicable to the Company.
- 14.. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. The Company has not given any guarantee for loans taken by others from banks or financial Institutions, the terms and conditions whereof, in our opinion, are prima facie, prejudicial to the interests of the Company.
16. The Company has not obtained any term loans that were not applied for the purpose for which these were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short term basis which have been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company does not have debentures in its capital structure.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For **OM PRAKASH CHAPLOT & CO.**

Chartered Accountants

(O.P. Chaplot)

Partner

M. No. 010184

(Firm Regn.No. 000127C)

Udaipur, the 30th May 2013

MEWAR POLYTEX LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013				
PARTICULARS	NOTE NO.	AS AT 31st March,2013	AS AT 31st March,2012	
<u>EQUITY AND LIABILITIES :</u>				
Shareholders' Funds :				
Share Capital	2	32,300,000	32,300,000	
Reserves & Surplus	3	<u>97,131,376</u>	<u>79,108,925</u>	
		129,431,376	111,408,925	
Non-current liabilities				
Long-term borrowings	4	10,556,807	54,347,681	
		10,556,807	54,347,681	
Current liabilities				
Short-term borrowings	5	37,347,499	47,147,168	
Trade payables	6	19,489	6,109,162	
Other current liabilities	7	9,539,229	6,981,863	
Short-term provisions	8	<u>3,339,153</u>	<u>1,257,461</u>	
		50,245,370	61,495,654	
	TOTAL	<u>190,233,553</u>	<u>227,252,260</u>	
<u>ASSETS</u>				
Non-current assets				
Fixed assets				
Tangible assets	9	40,723,765	59,455,989	
Capital work-in-progress	10	-	22,191,110	
Non-current investments	11	15,376,500	31,876,500	
Deferred tax assets (net)		4,516,256	3,485,907	
Long-term loans and advances	12	12,340,445	10,183,428	
		72,956,966	127,192,934	
Current assets				
Inventories	13	52,872,840	37,874,033	
Trade receivables	14	42,214,298	45,095,175	
Cash and cash equivalents	15	9,823,099	8,757,012	
Short-term loans and advances	16	12,224,620	8,221,319	
Other current assets	17	<u>141,730</u>	<u>111,787</u>	
		117,276,587	100,059,326	
	TOTAL	<u>190,233,553</u>	<u>227,252,260</u>	
The accompanying notes are an integral part of these financial statements				
In terms of our report of even date For Om Prakash S. Chaplot & Co. Chartered Accountants		For and on behalf of Mewar Polytex Limited		
sd/- (O.P. Chaplot) Partner M. No. 010184 (Firm Regn.No. 000127C) Udaipur, the 30th May 2013	sd/- B.H. Bapna Managing Director	sd/- Vinod Bapna Director		
	sd/- Sandeep Bapna Director	sd/- R. L. Mehta Director		

MEWAR POLYTEX LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013			
PARTICULARS	NOTE NO.	As At 31st March 2013	As At 31st March 2012
INCOME :			
Revenue from Operations	18	440,656,729	365,951,490
Other Income	19	4,408,634	2,899,388
Total Revenue		445,065,363	368,850,878
EXPENSES:			
Cost of materials consumed	20	318,241,189	253,269,547
Purchases of Stock-in-Trade		135,239	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(17,237,327)	(292,045)
Employee benefits expense	22	22,027,392	17,799,612
Finance costs	23	9,133,207	8,353,811
Depreciation and amortization expense	24	9,662,996	11,712,072
Other expenses	25	89,723,404	66,430,895
Total expenses		431,686,100	357,273,892
Profit before Exceptional items and Tax		13,379,263	11,576,986
Exceptional items		8,663,899	140,949
Profit before Tax		22,043,162	11,717,935
Tax expense			
Current Tax		5,137,121	4,876,823
Deferred Tax		(1,030,949)	(1,210,543)
Earlier year		(86,061)	6,655
Profit for the year		18,022,451	8,045,000
Earnings per equity share of face value of Rs.10 each			
Basic and Diluted		5.58	2.49
The accompanying notes are an integral part of these financial statements			
In terms of our report of even date			
For Om Prakash S. Chaplot & Co.	For and on behalf of Mewar Polytex Limited		
Chartered Accountants			
sd/-	sd/-	sd/-	
(O.P. Chaplot)	B.H. Bapna	Vinod Bapna	
Partner	Managing Director	Director	
M. No. 010184	sd/-	sd/-	
(Firm Regn.No. 000127C)	Sandeep Bapna	R. L. Mehta	
Udaipur, the 30th May 2013	Director	Director	

CASH FLOW STATEMENT

Rupees in lacs

	As At 31st March 2013	As At 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	220.43	117.18
Adjustment for Depreciation	96.63	117.12
Interest and Financial Charges	91.33	83.09
Profit/Loss on Sale of Fixed Assets	(37.14)	(1.41)
Profit/Loss on Sale of Shares	(49.50)	-
Excess provisions written off (Net)	0.86	(0.07)
Interest and Dividend Received	(8.71)	(7.05)
Rent Received	(8.00)	(11.00)
Foreign Exchange gain on EEFC	(1.01)	
Operating Profit Before Working Capital Charges	304.90	297.86
Adjustments For:		
(Increase) / Decrease in Inventories	(149.99)	(1.62)
(Increase) / Decrease in Trade and Other Receivable	28.81	(215.60)
(Increase) / Decrease in Short Term Loan & Advances	(40.03)	6.52
(Increase) / Decrease in Long Term Loan & Advances	(21.57)	(38.86)
(Increase) / Decrease in Other Current Assets	(0.30)	(0.26)
Increase / (Decrease) in Trade and Other Payable	(60.90)	59.48
Increase / (Decrease) in Current Liabilities	25.57	14.77
Increase / (Decrease) in Other Provision	20.82	(0.74)
Cash Generated From Operation	107.31	121.55
Tax Paid / Tax Deducted at Source	(51.37)	(48.77)
Net Cash Flow Operating Activities (A)	55.94	72.78
B. Cash From Investing Activities		
(Purchase)/ Sales of Fixed Assets (Net)	349.74	(350.07)
(Purchase) / Sale of Investments	214.50	-
Interest Received	8.71	7.05
Rent Received	8.00	11.00
Net Cash Used in Investing Activities (B)	580.95	(332.03)
C. Cash Flow From Financing Activities:		
Proceeds From / (Repayment of) Long Term Borrowing	(437.91)	225.16
Increase / (Decrease) in Bank Borrowing	(98.00)	121.08
Interest and Financial Charges Paid	(91.33)	(83.09)
Net Cash From Financing Activities (c)	(627.24)	263.16
D. NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	9.65	3.91
E. OPENING CASH AND CASH EQUIVALENTS (see note no. 1)	87.57	83.66
F. CLOSING CASH AND CASH EQUIVALENTS (see note no. 1)	97.22	87.57

MEWAR POLYTEX LIMITED

Rupees in lacs	
As At	As At
31st March 2013	31st March 2012

Notes to the Cash flow statement :**1. Cash & Cash Equivalents**

Cash & Cash Equivalents consist of cash on hand & balances with banks, which comprises the following amounts

Cash in Hand	1.16	0.38
Balances with banks	97.07	87.19
	98.23	87.57
Foreign Exchange Gain of eefc	-1.01	-
	97.22	87.57

2. Figures in brackets represent outflow.

3. Previous years figures have been regrouped / reclassified wherever applicable.

In terms of our report of even date

For **Om Prakash S. Chaplot & Co.**
Chartered Accountants

B.H. Bapna
Vinod Bapna
Sandeep Bapna
R.L. Mehta

Managing Director
Director
Director
Director

(O.P. Chaplot)

Partner

M. No. 010184

(Firm Regn.No. 000127C)

Udaipur, the 30th May 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013

NOTE NO. :1

Company Overview

Mewar Polytex Limited was originally incorporated in 1979 as private limited company and subsequently converted in to public limited company in 1994 is listed on Bombay Stock Exchange (BSE). The Company was promoted by Mr. B.H. Bapna an engineer from University of California, to manufacture light weight PP bags for packing minerals and chemicals during a period when HDPE bags were predominately used. The company is now an ISO 9001:2008 certified export house. Company is having two manufacturing units one at Mewar Industrial Area Madri established in the year 1979 and second at village Nai established in the year 1994. Company has annual consolidated production capacity of 3645 MT including lamination.

1. Significant Accounting Policies:

1.1 Method of Accounting:

Generally Mercantile System of Accounting is followed except payment of Bonus, interest on National Saving Certificate, Subsidy and incentives which, are accounted on Cash basis.

1.2 Inventories:

Raw material is valued at cost.

Work in progress is valued at cost.

Finished goods produced and purchased by the company are valued at lower of cost or estimated realisable value.

Wastage is valued at estimated realisable value.

Stores, Spares, Consumables are valued at cost.

Cost of Inventories is generally ascertained on FIFO basis.

Cost of finished goods is determined considering predetermined cost based on consumption of material, labour and appropriate proportion of factory overheads including depreciation and excise duty paid / payable on such goods.

1.3 Retirement Benefits:

As per Accounting Standard (AS-15) accounting for post employment benefit is covered under Defined Contribution plans. The Company's contribution towards retirement benefit scheme, viz. Provident fund and Gratuity Fund is charged against revenue each year.

The gratuity fund is administered by a trust formed for this purpose through the group gratuity scheme of Life Insurance Corporation of India and Provident fund is administered by Government.

MEWAR POLYTEX LIMITED

Disclosure as per AS-15 revised

	Unit-Nai	Unit-Madri
The principle assumption used in actuarial valuation are as below	2012-13	2012-13
Discount rate	8.00%	8.00%
Expected rate of future salary increase	8.00%	8.00%
Change in present value of obligations		
Opening balance present value	3404445	932688
Interest cost	272356	74615
Current service cost	184602	103546
Benefits paid	0	0
Actuarial loss on obligations	210605	21258
Closing balance of present value	4072008	1132107
Liabilities recognized in the Balance sheet		
Present value of obligation	4072008	1132107
Fair value of plan assets as at the end of the year	5627651	1371421
Unfunded status	1555643	237314
Net Assets/(Liabilities) recognized in Balance Sheet	1555643	239314

1.4 Investment:

Investments are stated at cost.

1.5 Fixed Assets and Depreciation:

- Fixed Assets are stated at their original cost including incidental expenditure related to acquisition and installation less accumulated depreciation up to 31.03.2013, and exclusive of Cenvat benefit and VAT credit thereafter.
- Company had been providing Depreciation at the rates prescribed under schedule XIV of the Companies Act, 1956 on WDV method for the fixed assets.
- Depreciation on additions to assets has been provided with reference to the month of addition / installation and in case of sale of assets up to the previous month of sale.
- No write off has been made in respect of leasehold land.

1.6 Sales:

- Sale of goods is recognized on dispatch of goods to customers. Sales include excise duty.
- The Income or expenses in foreign currency during the year are recorded at the rate of exchange prevailing on the dates when the relevant transaction took place. The assets and the liabilities in the foreign currencies are converted at year end exchange rates and the overall resultant Gain or Loss, if any, is charged to the Profit and Loss Account.

1.7 Taxes on Income

- Provision for current income tax is made on the basis of assessable income under the Income Tax Act, 1961 less advance Income tax paid and TDS Credit.
- Deferred income tax is recognized on timing difference, between taxable income and accounting income, which originate in one period and are capable of reversal in one or more subsequent period. The tax effect is calculated on the accumulated timing differences at the year-end based on tax rates and laws enacted or substantially enacted as of the Balance Sheet date.

1.8 Foreign Exchange Rate Fluctuations:

The Income or expenses in foreign currency during the year are recorded at the rate of exchange prevailing on the dates when the relevant transaction took place. The assets and the liabilities in the foreign currencies are converted at 31st March exchange rates and the overall resultant Profit & Loss, if any, is charged to the Profit and Loss Account.

NOTE ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013		
	AS AT	AS AT
NOTE NO. : 2	31st March,2013	31st March,2012
<u>SHARE CAPITAL:</u>		
Authorised Share Capital		
3750000 (P.Y.3750000) Equity Shares of Rs.10/- each	37,500,000	37,500,000
	37,500,000	37,500,000
Issued, Subscribed and Fully Paid		
3230000 (P.Y.3230000) Equity Share of Rs.10/- each	32,300,000	32,300,000
	32,300,000	32,300,000
Reconciliation of the number of shares		
Outstanding at the beginning of the year	3,230,000	3,230,000
Outstanding at the end of the year	3,230,000	3,230,000
Shares held by each shareholder holding more than 5% shares		
	No. of Shares	No. of Shares
Promoters' Holding		
Sandeep Bapna	9.44% 304900	9.44% 304900
B.H.Bapna	8.72% 281500	8.72% 281500
Cedar Investment P. Ltd.	5.42% 175100	5.42% 175100
Aruna Bapna	8.50% 274650	8.50% 274650
Mangla Bapna	8.68% 280300	8.68% 280300
Shilpa Bapna	8.53% 275450	8.53% 275450
NOTE NO. : 3		
<u>RESERVES AND SURPLUS</u>		
Securities Premium Reserve (As per last Balance Sheet)	12,269,333	12,269,333
General Reserve (As per last Balance Sheet)	8,694,006	8,694,006
Surplus		
Opening balance	58,145,586	50,100,585
(+) Net Profit/(Net Loss) For the current year	1,80,22451	8,045,000
	76,168,037	58,145,586
TOTAL	97,131,376	79,108,925

MEWAR POLYTEX LIMITED

NOTE NO. : 4	AS AT	AS AT			
LONG-TERM BORROWINGS	31st March,2013	31st March,2012			
Secured					
Term loans from banks					
SBI Term Loan A/C	8,624,100	11,137,703			
Unsecured					
Others					
Deferment Tax Liability (Rst/Cst) A\C	5,693,978	5,693,978			
Cedar Investments Private Limited	-	40,000,000			
	14,318,078	56,831,681			
Less : Shown in current maturities of long-term debt (Refer Note 6)	3,761,271	2,484,000			
	10,556,807	54,347,681			
Note :					
Term Loan : 1. First Hypothecation charge over entire fixed and current assets (Both present and future) of the company					
2. Term of repayment and interest are as follows :-					
Loan from	ROI*	No. of	Year of	Amount	Amount
		Installments Left	Maturity	Outstanding	Outstanding
Term Loan-I from SBI	13%	36	2016	3,638,865	4,853,033
Term Loan-II from SBI	13%	46	2017	4,985,235	6,284,670
				8,624,100	11,137,703
* Applicable rate of Interest as on 31-03-2013					
NOTE NO. : 5					
SHORT-TERM BORROWINGS					
Secured					
Loans repayable on demand (from banks)					
Packing Credit				7,658,150	12,741,509
(Secured By entire fixed and current assets (Both present and future) of the company)					
SBI Commercial Branch CC A/c				29,239,088	22,893,195
(Secured By entire fixed and current assets (Both present and future) of the company)					
HDFC Bank C/A 1192320001468				450,261	4,388,161
(Secured By FDR with HDFC Bank)					
				37,347,499	40,022,865
Unsecured					
Loans repayable on demand (from others parties)					
Cedar Investments Private Limited				-	7,124,303
				-	7,124,303
TOTAL				37,347,499	47,147,168

MEWAR POLYTEX LIMITED

**NOTE NO. : 9
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 1/4/2012	ADDITION	DEDUCTION/ ADJUSTMENT	AS AT 31/03/2013	AS AT 1/4/2012	FOR THE YEAR	DEDUCTION/ ADJUSTMENT	AS AT 31/03/2013	AS AT 31/3/2012
TANGIBLE ASSETS:									
1 Lease Hold Land	10,041,664	512,040	6,168,631	4,385,073	-	-	-	4,385,073	10,041,664
2 Free Hold Land	941,854			941,854	-	-	-	941,854	941,854
3 Plant & Machinery	55,967,963	533,701	-	56,501,664	37,642,256	5,184,649	-	13,674,760	18,325,707
4 Misc.Fixed Assets	17,277,499	1,218,836	-	18,496,335	10,670,181	2,042,228	-	5,783,925	6,607,318
5 Factory Building	30,771,772	29,617,153	35,931,796	24,457,129	13,492,042	979,012	795,606	10,781,681	17,279,730
6 Office Building	2,218,436	-	-	2,218,436	815,484	70,148	-	1,332,804	1,402,952
7 Electrical Installation	4,243,418	-	-	4,243,418	3,203,533	289,296	-	750,589	1,039,885
8 Computers	435,882	115,900	-	551,782	428,037	12,155	-	111,590	7,845
9 D.G.Set	3,919,200	-	-	3,919,200	2,060,241	517,162	-	1,341,797	1,858,959
10 Air Conditioner	226,946	137,861	-	364,807	175,830	36,645	-	152,332	51,116
11 Vehicles	2,506,709	-	-	2,506,709	930,716	458,027	-	1,117,966	1,575,993
12 Furniture & Fixtures and office equipments	1,835,610	100,102	-	1,935,712	1,512,644	73,674	-	349,393	322,966
TOTAL	130,386,953	32,235,593	42,100,427	120,522,119	70,930,964	9,662,996	795,606	40,723,765	59,455,989
PREVIOUS YEAR	109,627,556	22,582,460	1,823,063	130,386,953	59,934,383	11,712,072	715,492	59,455,989	49,693,172

MEWAR POLYTEX LIMITED

	AS AT	AS AT
	31st March,2013	31st March,2012
NOTE NO. : 6		
TRADE PAYABLES	19,489	6,109,162
	<u>19,489</u>	<u>6,109,162</u>
NOTE NO. : 7		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt-Bank	3,761,271	2,484,000
Unclaimed / Unpaid Dividend	-	26,537
Other payables (Includes statutory dues, Capital goods and advance from customers.	5,777,958	4,471,326
	<u>9,539,229</u>	<u>6,981,863</u>
NOTE NO. : 8		
SHORT-TERM PROVISIONS		
Provision for employee benefits	-	72,932
Other payables	3,339,153	1,184,529
	<u>3,339,153</u>	<u>1,257,461</u>
NOTE NO. : 10		
CAPITAL WORK IN PROGRESS		
Building under Construction	-	22,163,570
Misc. Fixed Assets	-	27,540
	<u>-</u>	<u>22,191,110</u>
NON-CURRENT ASSETS		
NOTE NO. : 11		
NON-CURRENT INVESTMENTS		
Other Investments		
In Equity shares of Associate Company-Unquoted, fully paid up		
Sun Polytex P. ltd (Share)	15,371,000	31,871,000
In Government Securities-Unquoted		
N.S.C.	5,500	5,500
(Assisgned in favour of govt. Department)		
	<u>15,376,500</u>	<u>31,876,500</u>
NOTE NO. : 12		
LONG-TERM LOANS AND ADVANCES		
(Unsecured - Considered Good unless otherwise stated)		
Capital Advances	-	500,000
Security Deposits	4,131,482	2,876,879
Other loans and advances	8,208,963	6,806,549
	<u>12,340,445</u>	<u>10,183,428</u>

MEWAR POLYTEX LIMITED

	AS AT	AS AT
	31st March,2013	31st March,2012
NOTE NO. : 13		
INVENTORIES		
(Taken as valued and certified by the management)		
(Refer Note 1.2 on valuation)		
Raw Material	16,525,395	13,812,930
Stock in Transit	101,928	4,721,088
Finished Goods	30,297,768	10,677,891
Work in Progress	5,070,147	7,419,678
Stores, Spares and Consumables	820,425	1,152,250
Waste & Scrap	57,177	90,196
	52,872,840	37,874,033
NOTE NO. : 14		
TRADE RECEIVABLES		
(Unsecured considered good)		
Outstanding for a period exceeding six months from the due date	7,683	28,685
Others	42,206,615	45,066,490
	42,214,298	45,095,175
NOTE NO. : 15		
CASH AND CASH EQUIVALENTS		
Cash in Hand	116,063	37,532
Balances with banks	9,707,036	8,719,479
	9,823,099	8,757,012
NOTE NO. : 16		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured – Considered good)		
Others	12,224,620	8,221,319
	12,224,620	8,221,319
NOTE NO. : 17		
OTHER CURRENT ASSETS		
(Unsecured – Considered good)		
Others-Interest Accrued	141,730	111,787
	141,730	111,787
NOTE NO. : 18		
REVENUE FROM OPERATIONS		
(Refer Note 24.6 on revenue recognition)		
Sale Of Products	439,024,039	372,726,710
Sale Of Services	23,715,481	12,009,081
	462,739,520	384,735,791
Less:		
Excise Duty/Service Tax Recovered	22,082,791	18,784,301
	440,656,729	365,951,490

MEWAR POLYTEX LIMITED

	AS AT 31st March,2013	AS AT 31st March,2012
Particulars of Sale of Products		
Particulars		
PP Granules/ Tape/ Fabric/ Bags (Coated/uncoated)	439,024,039	372,726,710
	439,024,039	372,726,710
NOTE NO. : 19		
OTHER INCOME		
Interest Income	870,728	1,486,066
Interest on IT Refund	63,488	-
Foreign Exchange Fluctuation	2,323,646	-
Misc. Balance Written Off	118,772	81,322
Profit On Sale Of Fixed Assets	-	-
Rental Income	1,032,000	1,332,000
	4,408,634	2,899,388
NOTE NO. : 20		
COST OF MATERIALS CONSUMED		
Opening Stock	13,812,930	18,173,439
Add: Purchases plus Expenses	250,938,212	243,921,787
PP Tape/Fabric/Lam. Fabric	70,015,442	4,987,251
Less: Closing Stock	16,525,395	13,812,930
Raw Material Consumption	318,241,189	253,269,547
NOTE NO. : 21		
CHANGES IN INVENTORIES OF FINISHED GOODS WORK- IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock		
Finished Goods	30,297,768	10,677,891
Work in Progress	5,070,147	7,419,678
Waste & Scrap	57,177	90,196
TOTAL(A)	35,425,092	18,187,765
Opening Stock		
Finished Goods	10,677,891	14,122,217
Work in Progress	7,419,678	3,634,569
Waste & Scrap	90,196	138,934
TOTAL(B)	18,187,765	17,895,720
(Increase)/Decrease in Stock	(17,237,327)	(292,045)
NOTE NO. : 22		
EMPLOYEE BENEFITS EXPENSE		
(Refer Note 24.3 on employee benefits)		
Salary and Wages	20,196,374	16,119,572
Contribution to Provident and other funds	1,620,673	1,637,845
Staff Welfare expenses	210,345	42,195
	22,027,392	17,799,612

