



PBM POLYTEX LTD.

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

THROUGH BSE.LISTING CENTRE

Date-01.09.2022

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

Sir / Madam,

SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-22

Pursuant to provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith **a copy of the Annual Report of the Company for the FINANCIAL YEAR 2021-22** consisting of the following, for your information and records:

Sl. No.	Particulars
a)	Notice convening the 103 rd Annual General Meeting of the Company which is to be held on Wednesday, the 28 th September, 2022
b)	Directors' Report along with all its Annexures
i	Secretarial Audit Report
ii	Report on Corporate Governance
iii	Secretarial Auditors' Certificate on Compliance with conditions of Corporate Governance
iv	Management Discussion and Analysis Report
v	CEO certification on Compliance with Code of Business Conduct and Ethics
vi	CEO/CFO Certification
c)	Independent Auditors' Reports both Standalone and Consolidated
d)	Standalone and Consolidated Balance Sheets as of 31 st March, 2022 with Notes on Accounts
e)	Standalone and Consolidated Statements of Profit & Loss for the year ended 31 st March, 2022 with Notes on Accounts
f)	Cash Flow Statements for the year ended 31 st March, 2022

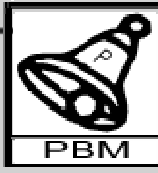
Please acknowledge.

Thanking you,
Yours faithfully,
For PBM Polytex Limited

GOPAL PATODIA
Digitally signed by
GOPAL PATODIA
Date: 2022.09.01
10:59:39 +05'30'

Gopal Patodia
Managing Director
(DIN: 00014247)

ENCL: Copy of the Annual Report for the FINANCIAL YEAR 2021-22



PBM Polytex Limited

103RD ANNUAL REPORT 2021-22



PBM POLYTEX LIMITED

103RD ANNUAL REPORT (2021-22)

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	Non – Executive Director
Shri Jugalkishore Todi	Independent Director
Smt. Vinita Devi Modi	Independent cum Woman Director (upto 14.07.2022)
Shri Ashok Pandit	Independent Director
Shri Rakesh Todi	Independent Director
Shri Chirayush Patel	Independent Director
Ms. Amishal Modi	Additional Director (Independent) (Appointed w.e.f. 12.08.2022)

SENIOR EXECUTIVES

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

COMPANY SECRETARY

Ms. Swati Sharda

REGISTERED OFFICE

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

MUMBAI OFFICE

12th Floor, Raheja Chambers,
213, Nariman Point, Mumbai – 400 021

CORPORATE OFFICE

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

MANUFACTURING UNITS

- (1) Opposite Railway Station, Petlad – 388 450
Dist. Anand, Gujarat.
- (2) Plot No. 16 to 19, Sector B,
AKVN Industrial Area,
Kheritaigaon, Borgaon, Dist. Chhindwara (MP)

WINDMILLS

- (1) Vill: Suthari, Revenue Survey No. 870/p,
Abdasa Taluka, Dist. Kutch (Guj.)
- (2) Vill: OkhaMadhi, Survey No. 24 Part,
Taluka Dwarka, Dist. Jamnagar (Guj.)
- (3) Vill: Methan Survey No. 284, Taluka Jamjodhpur,
Dist. Jamnagar (Guj.)
- (4) Vill: Methan Survey No. 284/3 paiki,
Taluka Jamjodhpur, Dist. Jamnagar (Guj.)

BANKERS

State Bank of India
IDBI Bank Limited

AUDITORS

M/s. Rinkesh Shah & Co. (FRN : 129690W)
Chartered Accountants, B-304/305, Fairdeal House, Nr. Swastik Cross road,
Navrangpura, Ahmedabad-380 009.

REGISTRAR AND SHARE TRANSFER AGENT ("RTA")

M/s. Link Intime India Pvt. Ltd. having its branch office at B-102 & 103, Shangrila
Complex, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,
Vadodara – 390 020

PBM POLYTEX LIMITED

NOTICE TO SHAREHOLDERS

Notice is, hereby, given that the 103rd Annual General Meeting of the Members of PBM Polytex Limited will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), on **Wednesday, the 28th Day of September, 2022 at 11:00 A. M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheets as at 31st March 2022, Statements of Profit and Loss (along with Audited Consolidated Financial Statements) and Cash Flow Statements for the year ended on that date together with the Directors’ Report and Auditors’ Reports thereon.
2. To declare dividend on equity shares for the Financial Year ended on 31st March, 2022.
3. To appoint a Director in place of Shri Hari Prasad Siotia (DIN: 00015103) as director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mohan Kumar Patodia (DIN: 00035381) as director who retires by rotation and being eligible, offers himself for re-appointment
5. **To appoint Statutory Auditors of the Company and to fix their remuneration**

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

“RESOLVED THAT pursuant to the provisions of Section 139(8), 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any other law for the time being in force (including any statutory modification or re-enactment thereof for the time being in force), upon recommendations of the Audit Committee, consent of the Members of the Company be and is hereby accorded for appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN.: 105775W), Ahmedabad, as the Statutory Auditors of the Company, to fill the casual vacancy caused due to resignation of M/s. Rinkesh Shah & Co., Chartered Accountants, and shall hold office for a term of 5 (five) years from the conclusion of this 103rd Annual General Meeting till the conclusion of the 108th Annual General Meeting on such remuneration as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company from time to time.”

“RESOLVED FURTHER THAT the Managing Directors of the Company, namely Shri Gopal Patodia and Shri Mohan Kumar Patodia, be and are hereby severally empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

SPECIAL BUSINESS:

6. To ratify the remuneration payable to the Cost Auditor for the financial year 2022-23:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, 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 of Rs. 65,000/- (Rupees Sixty Five Thousand) only plus GST and reimbursement of travelling and out-of pocket expenses to M/s. Y. S. Thakar & Co, Cost Accountants, Vadodara (FRN No-000318), as recommended by the Audit Committee and approved by the Board to conduct the audit of cost records and statements maintained by the Company for the financial year 2022 – 23, be and is, hereby, ratified and confirmed.

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

7. To approve revision in remuneration payable to Shri Amit Patodia, Senior President cum Chief Executive Officer

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as SPECIAL 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 in the scale of Rs. 1,86,000/ – Rs. 12,000 – Rs. 2,46,000/- with effect from 01.10.2022 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. 5,00,000/- per month i.e. Rs. 60,00,000/- per annum, with authority to the Board of Directors to bifurcate the above referred remuneration and perks within the aforesaid limit.”

8. To reappoint Shri Ashok Pandit (DIN: 08132980) as an Independent Director of the Company for the second term of 5 consecutive years:

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

“RESOLVED THAT pursuant to provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of Companies Act 2013 and the rules and regulations framed thereunder, as amended from time to time, and other applicable regulation(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, if any, and as per the

recommendation of Nomination and Remuneration Committee, the consent of the members, be and is, hereby accorded for reappointment of Shri Ashok Pandit (DIN: 08132980) as Independent Director of the company for the second term of 5 years from 18th May, 2023 to 19th May 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is, hereby, authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or required in this regard.”

9. **To appoint Ms. Amishal Modi (DIN : 09661312) as an Independent Director of the Company to hold office for a term of five consecutive years:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Amishal Modi (DIN : 09661312), who was appointed as an Additional Director in the capacity of Independent Director of the Company as per the recommendation of Nomination and Remuneration Committee and the Board with effect from 12th August, 2022 pursuant to the Articles of Association of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) years w.e.f. 12th August, 2022;

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is, hereby, severally authorized to do all acts, things & deeds and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

10. **To approve the revision through increase in the remuneration payable to Shri Gopal Patodia (DIN: 00014247) as Managing Director of the company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 197(1), Section II of Part II of Schedule V of the Companies Act, 2013, Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time, and such other consents, approvals, permissions as may be required and pursuant to the recommendations of the Nomination and Remuneration Committee having been received, the consent of the members of the company be and is hereby accorded to increase the remuneration payable to Shri Gopal Patodia, (DIN: 00014247), the Managing Director of the Company for the remaining tenure of his existing term i.e. from 1st October, 2022 to 31st March, 2024, as per the remuneration given in explanatory statement annexed to this Notice and the draft amendment agreement.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, things, deeds, as may be required for giving effect to this resolution.”

11. **To approve the revision through increase in the terms of remuneration payable to Shri Mohan Kumar Patodia (DIN: 00035381) as a Managing director of the company.**

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

“RESOLVED THAT pursuant to the provisions of Section 197(1), Section II of Part II of Schedule V of the Companies Act, 2013, Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time, and such other consents, approvals, permissions as may be required and pursuant to the recommendations of the Nomination and Remuneration Committee having been received, the consent of the members of the company be and is hereby accorded to increase the remuneration payable to Shri Mohan Kumar Patodia (DIN: 00035381), the Managing Director of the Company for the remaining tenure of his existing term i.e. from 1st October, 2022 to 31st March, 2024, as per the remuneration given in explanatory statement annexed to this Notice and the draft amendment agreement.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, things, deeds, as may be required for giving effect to this resolution.”

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020

the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.pbmpolytex.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 25th September 2022 at 09:00 A.M. and ends on 27th September 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16th September, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page

mode with NSDL.

click on the “**Beneficial Owner**” icon under “**Login**” which is available under ‘**IDeAS**’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

<p>Login type</p>	<p>Helpdesk details</p>
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Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 121323 then user ID is 121323001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cssamdani@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [Himali Vijayakar-Senior Manager at evoting@nsdl.co.in](mailto:Himali.Vijayakar@nsdl.co.in)

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to pbmcs@patodiagroup.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to pbmcs@patodiagroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING HOLDING SHARES IN PHYSICAL AND NON-INDIVIDUAL SHAREHOLDERS

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 16th September, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 16th September, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at pbmcs@patodiagroup.com. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email ID mentioning their name, DP ID & Client ID / Folio Number, Mobile Number to the Company at pbmcs@patodiagroup.com on or before 22nd September, 2022. Those members who have registered themselves as speakers will only be allowed to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of the time for AGM.

By Order of the Board
For PBM Polytex Limited

Place : Vadodara
Date : 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

Statement as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 102 of the Companies Act, 2013, as may be applicable.

ITEM NO. 5

The Board of Directors at its meeting held on 12th August, 2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, recommended the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN.: 105775W), as Statutory Auditor of the Company to fill the casual vacancy caused due to resignation by M/s. Rinkesh Shah & Co, Chartered Accountants. The appointment of M/s. Mahendra Shah & Co., Chartered Accountants, Ahmedabad shall be for a period of 5 (five) years, from the conclusion of the 103rd Annual General Meeting, till the conclusion of the 108th Annual General Meeting of the Company, with a remuneration as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

As per the resignation letter of the outgoing auditors M/s. Rinkesh Shah & Co., they hold office as Statutory Auditors of the Company till the conclusion of 103rd Annual General meeting.

The Company has received letter and eligibility certificate from M/s. Mahendra N. Shah & Co., Chartered Accountants to act as Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The details required to be disclosed under the provisions of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under;

- (a) Proposed Fees payable to Statutory Auditor: Such remuneration as may be fixed by the Board of Directors in consultation with them and not lesser than the remuneration paid to out going auditors.
- (b) Terms of Appointment: For a term of Five year i.e. from 103rd AGM to 108th AGM
- (c) In case of new auditor, any material change in the fees payable to such auditor from that paid to the outgoing auditor along with the rational for such change: NIL
- (d) Basis of recommendation for appointment: To fill the casual vacancy caused due to resignation of Statutory Auditors w.e.f. 103rd AGM.
- (e) Credentials of the Statutory Auditor proposed to be appointed: Eligible for such appointment and not disqualified to act as such.

None of the Directors, Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the proposed Resolution.

The Board recommends the Resolution set out under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

ITEM NO. 6

The Cost Records and related statements of the Company are subject to audit as required under section 148 of the Companies Act, 2013 for which, on the recommendation of Audit Committee, M/s. Y.S. Thakar & Co, Cost Accountant (FRN No. 000318), has been appointed as Cost Auditor by the Board of Directors of the Company for the financial year 2022-23 at total remuneration of Rs. 65,000/- plus GST plus Out of pocket expenses (Out of pocket expenses to be defined as expenses for visiting factories or offices which will only include actual taxi charges and meal expenses), also including all charges of XBRL. The consent of the members is sought for ratification of remuneration payable to the Cost Auditor.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the Company are required to ratify the remuneration to be paid to the Cost Auditors.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Resolution set out under Item No. 6 of the Notice for approval of the Members as an Ordinary Resolution.

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 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. 4,00,000/- to Rs. 5,00,000/- per month with effect from 01.10.2022 including all perquisites and benefits i.e. not exceeding Rs. 60,00,000/- (Rupees Sixty 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 to 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 Managing Director, Shri Gopal Patodia.
4. **Nature, material terms, monetary value and particulars of the contract or arrangement:**
Total Remuneration is proposed Rs. 60,00,000/- 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 Director 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

The first term of Mr. Ashok Pandit (DIN: 08132980), as an Independent Director, shall expire on 18th May 2023. He being eligible for reappointment as Independent Directors of the company for the second term of further five years. The Nomination and Remuneration Committee ("NRC") and the Board of Directors have recommended his reappointment for the second term of five years from 18th May, 2023 to 18th May, 2028 subject to the approval of the shareholders.

In requirement of SEBI (LODR) read with Companies Act 2013, the company has received a declaration from Mr. Ashok Pandit confirming the fulfillment of requirement to be re-appointed as independent director of the company. At the time of his reappointment as non executive Independent Director, he has already attained age of 75 years and as per the requirement of Regulation 17(1A) of SEBI ("LODR") while appointing such non executive on the board, the company needs to pass a special resolution along with explanatory statement indicating the justification for such appointment.

Mr. Ashok Pandit is Arts Graduate by qualification and having exposure of more than 60 years in the field of trading and business. The Company has received notice u/s. 160 of the Companies Act 2013 from a Member proposing Mr. Ashok Pandit as candidate for the Office of Director of company and considering his experience, Nomination and Remuneration Committee and Board is of view that his appointment will be immensely helpful to the company in many ways and accord have recommended for his Re-appointment as Non-Executive Independent Director of the company.

Details pursuant to Regulation 36 of SEBI (Listing obligations and disclosures requirements). Regulations 2015, and Secretarial Standard - II, on General Meeting issued by the Institute of Company Secretaries of India, is attached as Annexure - A.

Mr. Ashok Pandit, if appointed shall be with effect from 18th May, 2023 for a period of 5 years.

The Directors accordingly recommend to pass the Resolution at Item No. 8 of the Notice as a Special Resolution.

Except to the extent of the shareholding none of the Directors except Mr.Ashok Pandit and his relatives, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

ITEM NO. 9

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 149, 150, 152 and 161(1) of the Companies Act, 2013 (“the Act”) and all the applicable Rules made thereunder and as per the Article of Association of the Company had recommended to the members of the company to appoint Ms. Amishal Modi (DIN : 09661312), as Independent Director of the Company effective from 12th August, 2022. The Company has also received notice under Section 160 of the Act from a shareholder proposing her candidature for the office of Independent Director of the Company.

Ms. Amishal Modi is qualified to be appointed as a director in terms of Section 164 of the Act who has given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In the opinion of the Board, Ms. Amishal Modi fulfills all the conditions specified in the Listing Regulations, 2015, the Act and Rules made thereunder for her appointment as an Independent Director of the Company and she is independent of the Management. Having regard to her qualifications, knowledge and experience, her appointment as an Independent Director will be in the interest of the Company.

Ms. Amishal Modi appointed to be an Independent Director of the Company, shall be eligible to be paid sitting fees for every Board Meeting and Committee Meeting attended by her.

Details pursuant to Regulation 36 of SEBI (Listing obligations and disclosures requirements). Regulations 2015, and Secretarial Standard - II, on General Meeting issued by the Institute of Company Secretaries of India, is attached as Annexure - A.

Except Ms. Amishal Modi, being the appointee or her relatives, none of the Directors, Key Managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise except to the extent of their shareholding, in the resolution set out in Item No. 9 of the notice.

The Board, accordingly, recommends to the members to pass the special resolution for her appointment as an Independent Director to hold office for a term of five year w.e.f. 12th August, 2022 which is in the interest of the Company.

ITEM NO. 10

The Company at the meeting of the Board of Directors held on 31st July, 2020 had re-appointed Shri Gopal Patodia (DIN: 00014247), as Managing Director of the Company for a further period of 3 years from 01.04.2021 to 31.03.2024. Considering his knowledge in various aspects relating to the Company’s affairs and long business experience and keeping in view the increasing responsibilities and challenges involved, the Board of Directors of the company is of the opinion that the remuneration payable to him may be revised for suitable enhancement in line with his efforts towards the betterment and smooth and efficient functioning of the company.

As Shri Gopal Patodia is aged more than 70 years and the proposed remuneration exceeds the ceilings laid down in Section 197(1), Section II of Part II of Schedule V of the Companies Act, 2013 (“the Act”) the appointment including variation in the terms of remuneration of a Managing Director is to be approved by the members at a general meeting by way of Special Resolution. Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended, also require the appointment of executive directors, who are promoters or members of the promoter group, through Special Resolution in general meeting.

Shri Gopal Patodia, Managing Director has over 47 years of rich experience and under his able leadership the performance of the Company has been quite decent. He is qualified as a B.Sc., B Tech (Chem).

Keeping in mind the above and on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 12.08.2022, it is proposed to pay to Shri Gopal Patodia, the Managing Director a remuneration not exceeding Rs. 1,50,00,000/- p.a. for the remaining of his present term even in case of inadequate profits.

The main terms and conditions for the revision and suitable enhancement in the terms of remuneration of Shri Gopal Patodia as Managing Director (MD), are as follows:

I. Period: From 1st October, 2022 to 31st March, 2024

II. Remuneration:

1. IN CASE OF ADEQUACY OF PROFITS

In case of adequacy of Profits, Shri Gopal Patodia will be entitled to a remuneration upto 5% of the Net Profits of the Company, the quantum and breakup whether by way of salary, commission or perquisites, as may be determined by the Board of Directors of the Company on recommendation of Nomination and Remuneration Committee.

2. IN CASE OF INADEQUACY OF PROFITS:

In case of loss or inadequacy of profits, Shri Gopal Patodia will be entitled to the following remuneration:

A maximum remuneration of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) p.a. including the following perquisites but excluding the contribution of the employer to the Provident Fund to the extent not taxable under the provisions of the Income Tax, 1961, Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service and encashment of leave at the end of the tenure.

a) **Salary:** He will be entitled to Salary of Rs. 3,25,000/- per month.

b) **Incentive:** Upto 10% of the Salary as may be decided by the Board of Directors from time to time.

c) **Perquisites:**

i. **Housing:** Shri Gopal Patodia will be paid House Rent Allowance of Rs. 45,000/- p.m.

ii. The expenditure incurred by the Managing Director at his residence on **Gas, Electricity and Water** shall be reimbursed by the Company.

- iii. Reimbursement of all **medical expenses** incurred in India or abroad by the Managing Director for self and his family including in case of medical treatment abroad, air fare, boarding and lodging for patient and attendant.
- iv. **Leave Travel Concession** for the Managing Director and his family will be allowed once a year.
- v. **Fees of Clubs:** Subject to maximum of two clubs. This will not include admission and Life membership fee.
- vi. **Personal Accident Insurance and Mediclaim Insurance** for the Managing Director and his family, total Premium for which shall not exceed Rs. 1,00,000/- p.a. or such higher amount as may be approved by the Board.
- vii. **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 Director.
- viii. **Gratuity: At the rate of one month's salary** for each completed year of service.
- ix. **Provision of car** with Driver for use on Company's business and also for personal use and telephone at the residence of Managing Director.
- x. **Privilege Leave Encashment:** As per Company's rules.
- xi. 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. 12,50,000/- per month, the Managing Director may be given any other allowances perquisites, benefits and facilities within the aforesaid limits as the Board of Directors from time to time may decide.
- xii. Cost of Insurance cover against the risk of any financial liability or loss because of any error of judgment

d) Minimum Remuneration: The Managing Director shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of profits subject to the ceiling of 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.

The above may be treated as a written memorandum setting out the terms & conditions of enhancement in the remuneration of Shri Gopal Patodia under of the Act. A copy of the draft amendment agreement is available for inspection by any members of the company on any working day during business hours upto the date of Annual General Meeting at the Registered Office of the Company.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Part – II, Section – II(A) of Schedule - V to the said Act, the proposed enhancement in the remuneration payable to Shri Gopal Patodia requires approval of members by way of passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly. The Board recommends the Resolution at Item No. 10 for approval of the shareholders as special resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Shri Krishna Kumar Patodia, Shri Gopal Patodia himself, Shri Mohan Kumar Patodia, directors of the company and Shri Amit

Patodia, Chief Executive Officer (CEO) of the Company being related is, in any way, concerned or interested, financially or otherwise, in the said resolution.

(a) Information about the appointee in terms of Schedule V, Part II, section II (A) of the Companies Act, 2013:

I. 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 was 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 company set-up another unit at Borgaon, Dist. Chhindwara, Madhya Pradesh and 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 profit earning and has paid dividend continuously since 1985-86 except for the years 2007-08, 2008-09 and 2019-20. The Company's financial performance is given hereunder:

YEAR	2019-20	2020-21	2021-22
Capital	688	688	688
Free Reserves	6843	7043	10243
Effective Capital	8965	10557	12793
Exports	5732	4863	11092
Total Sales & Other Income	17369	15634	25826
Profit Before Depreciation & Tax	197	786	3416
Profit Before Tax	(159)	433	3088
Profit / (Loss) After Tax	(27)	337	2340

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

II. Information about the appointee:

1. Shri Gopal Patodia

i. Background Details:

Shri Gopal Patodia is B.Sc., B.Tech. (Chemical), having a rich and varied experience in the Textile Industry of more than 47 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 2021-22, Shri Gopal Patodia was paid the following remuneration:

Salary	Perquisites	Retirement Benefit	Commission	Total
39,00,000	23,19,037	21,55,000	--	83,74,037

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 47 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 of over 47 years and expertise in Textile Industry, mainly manufacturing and administrative skills, the Company is in need of his services in this challenging 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 considered the profile of rich and diversified experience in the Textile industry. Proposed remuneration of Shri Gopal Patodia is comparable and is at par with Industry norms considering the nature of industry, size of the Company, profile and position of the persons. 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. Directors Shri Krishan Kumar Patodia and Shri Mohan Kumar Patodia are related to Shri Gopal Patodia.

III. Other Information:

1. Reasons of loss or inadequate profits – The company is continuously profit making except during the year 2019-20 when complete Textile industry (mainly yarn spinning units) were put to heavy losses during the year because of cotton prices which was very high on account of increase in Minimum support price by Government and steep reduction in exports. During the year 2021-22, the Company has made a Net Profit of Rs. 23.40 Crores as compared to Rs. 3.37 Crores, during the previous year.
2. Steps taken or proposed to be taken for improvement- Because of bad effects on account of COVID 19 pandemic, the Company's Management is monitoring the situation and shall try its best to do the needful.
3. Expected increase in productivity and profits in measurable terms: With improved demand, the turnover and profitability of the company is expected to increase.

ITEM NO. 11

The Company at the meeting of the Board of Directors held on 31st July, 2020 had re-appointed Shri Mohan Kumar Patodia (DIN: 00035381) as Managing Director of the Company for a further period of 3 years from 01.04.2021 to 31.03.2024. Considering his knowledge of various aspects relating to the Company's affairs and long business experience and keeping in view the increasing responsibilities and challenges involved, the Board of Directors of the company is of the opinion that the remuneration payable to him may be revised for suitable enhancement in line with his efforts towards the betterment and smooth and efficient functioning of the company.

As Shri Mohan Kumar Patodia is aged more than 70 years and the proposed remuneration exceeds the ceilings laid down in Section 197(1), Section II of Part II of Schedule V of the Companies Act, 2013 ("the Act") the appointment of a Managing Director is to be approved by the members at a general meeting by way of Special Resolution. Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended, also require the appointment of executive directors, who are promoters or members of the promoter group, through Special Resolution in general meeting.

Shri Mohan Kumar Patodia, Managing Director has over 45 years of rich experience and under his able leadership the performance of the Company has been quite decent. He is qualified as a B.Com., Textile Technocrat.

Keeping in mind the above and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 12.08.2022, it is proposed to pay to Shri Mohan Kumar Patodia, the Managing Director a remuneration not exceeding Rs. 1,50,00,000/- p.a. for the remaining of his present term even in case of inadequate profits.

The main terms and conditions for the revision and suitable enhancement in the terms of remuneration of Shri Mohan Kumar Patodia as Managing Director (MD), are as follows:

- I. Period: From 1st October, 2022 to 31st March, 2024
- II. Remuneration:

1. IN CASE OF ADEQUACY OF PROFITS

In case of adequacy of Profits, Shri Mohan Kumar Patodia will be entitled to a remuneration upto 5% of the Net Profits of the Company, the quantum and breakup whether by way of salary, commission or

perquisites, as may be determined by the Board of Directors of the Company on recommendation of Nomination and Remuneration Committee.

2. IN CASE OF INADEQUACY OF PROFITS:

In case of loss or inadequacy of profits, Shri Mohan Kumar Patodia (DIN: 00035381) will be entitled to the following remuneration:

A maximum remuneration of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) p.a. including the following perquisites but excluding the contribution of the employer to the Provident Fund to the extent not taxable under the provisions of the Income Tax, 1961, Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure.

- a) **Salary:** He will be entitled to a salary of Rs. 1,90,000/- per month.
- b) **Incentive:** Upto 10% of the Salary as may be decided by the Board of Directors from time to time.
- c) **Perquisites:**
 - i. **Housing:** Shri Mohan Kumar Patodia (DIN: 00035381) will be paid House Rent Allowance @ 60% of his salary.
 - ii. The expenditure incurred by the Managing Director at his residence on **Gas, Electricity and Water** shall be reimbursed by the Company.
 - iii. Reimbursement of all **medical expenses** incurred in India or abroad by the Managing Director for self and his family including in case of medical treatment abroad, air fare, boarding and lodging for patient and attendant.
 - iv. **Leave Travel Concession** for the Managing Director and his family will be allowed once a year.
 - v. **Fees of Clubs:** Subject to maximum of two clubs. This will not include admission and Life membership fee.
 - vi. **Personal Accident Insurance and Mediclaim Insurance** for the Managing Director and his family, total Premium for which shall not exceed Rs. 1,00,000/- p.a. or such higher amount as may be approved by the Board.
 - vii. **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 Director.
 - viii. **Gratuity: At the rate of one month's salary** for each completed year of service.
 - ix. **Provision of car** with Driver for use on Company's business and also for personal use and telephone at the residence of Managing Director.
 - x. **Privilege Leave Encashment:** As per Company's rules.
 - xi. 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. 12,50,000/- per month i.e. Rs. 1,50,00,000/- per annum, the

Managing Director may be given any other allowances perquisites, benefits and facilities within the aforesaid limits as the Board of Directors from time to time may decide.

- xii. Cost of Insurance cover against the risk of any financial liability or loss because of any error of judgment

d) Minimum Remuneration: The Managing Director shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of profits subject to the ceiling of 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.

The above may be treated as a written memorandum setting out the terms & conditions of enhancement in the remuneration of Shri Mohan Kumar Patodia under the Act. A copy of the draft amendment agreement is available for inspection by any members of the company on any working day during business hours upto the date of Annual General Meeting at the Registered Office of the Company.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Part – II, Section – II(A) of Schedule - V to the said Act, the proposed enhancement in the terms of remuneration payable to Shri Mohan Kumar Patodia requires approval of members by way of passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly. The Board recommends the Resolution at Item No. 11 for approval of the shareholders as special resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Shri Krishna Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia, directors of the company being related is, in any way, concerned or interested, financially or otherwise, in the said resolution.

(a) Information about the appointee in terms of Schedule V, Part II, Section II (A) of the Companies Act, 2013:

I. 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 was 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 Company set-up another unit at Borgaon, Dist. Chhindwara, Madhya Pradesh and 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 profit earning and has paid dividend continuously since 1985-86 except for the years 2007-08, 2008-09 and 2019-20. The Company's financial performance is given hereunder:

YEAR	2019-20	2020-21	2021-22
Capital	688	688	688
Free Reserves	6843	7043	10243
Effective Capital	8965	10557	12793
Exports	5732	4863	11092
Total Sales & Other Income	17369	15634	25826
Profit Before Depreciation & Tax	197	786	3416
Profit Before Tax	(159)	433	3088
Profit / (Loss) After Tax	(27)	337	2340

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

II. Information about the appointee:

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 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 2021-22, Shri Mohan Kumar Patodia was paid the following remuneration:

Salary	Perquisites	Retirement Benefit	Commission	Total
22,80,000	29,93,433	7,86,000	--	60,59,433

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 Mohan Kumar Patodia has functional 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 various activities of the Company including 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 Mohan Kumar 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 of over 45 years and expertise in Textile Industry, mainly Yarn trading, and administrative skills, the Company is in need of his services in this challenging 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 considered the profile of rich and diversified experience in the Textile industry. Proposed remuneration of Shri Mohan Kumar Patodia is comparable and is at par with Industry norms considering the nature of industry, size of the Company, profile and position of the persons. 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. Directors Shri Krishan Kumar Patodia and Shri Gopal Patodia are related to Shri Mohan Kumar Patodia.

III. Other Information:

1. Reasons of loss or inadequate profits – The company is continuously profit making except during the year 2019-20 when complete Textile industry (mainly yarn spinning units) were put to heavy losses during the year because of cotton prices which was very high on account of increase in Minimum support price by Government and steep reduction in exports. During the year 2021-22, the Company has made a Net Profit of Rs. 23.40 Crores as compared to Rs. 3.37 Crores, during the previous year.

2. Steps taken or proposed to be taken for improvement- Because of bad effects on account of COVID 19 pandemic, the Company's Management is monitoring the situation and shall try its best to do the needful.

3. Expected increase in productivity and profits in measurable terms: With improved demand, the turnover and profitability of the company is expected to increase.

Annexure – A

Details of Directors seeking Appointment/Reappointment at the 103rd Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (“ICSI”) are as under:

Sl. No.	Name of Director	Shri Hari Prasad Siotia, Director	Shri Mohan Kumar Patodia, Managing Director cum Chief Financial Officer	Ms. Amishal Modi, (Appointment as Independent cum Woman Director)	Shri Ashok Pandit, Independent Director
1	DIN (Director Identification Number)	00015103	00035381	09661312	08132980
2	Date of Birth	03.05.1934	10.06.1948	16.05.1980	17.12.1936
3	Age (in Years)	88	74	42	86
4	Date of First Appointment on the Board	09.08.1980	09.08.1980	12.08.2022	19.05.2018
5	Qualifications	B. Com	B.Com Textile Technocrat	Ph.D. (in English)	B.A.
6.	No. of shares held in Company as on 31 st March, 2022	1,99,280	67,998	NIL	NIL
7.	Brief profile and nature of their expertise in specific functional areas.	Rich experience of more than five decades in the field of Cotton and Yarn trading and manufacturing activity of textiles.	48 years of experience in marketing of Cotton Yarn and other Textile Product. He is Managing Director of the Company since 01.08.2007	Ms. Amishal Modi is having expertise in the field of administration and finance with experience of around 10 years. Her appointment as Independent Director will be helpful to the company in many ways. Presently she is engaged in Content Development (CBSE Project)-Freelance and is in profession since the year 2003. During her career she has worked as Editorial Assistant. She was also assistant professor at Nirma University Ahmedabad, The Dhirubhai Ambani Institute of Information and	Vast experience in Trading and Business

				Communication Technology, Gandhinagar, and other prominent institutions.	
8.	Number of meetings of the Board attended during the year 2021-22	1	1	N.A.	6
9.	Directorship of other Companies	M/s. Eurotex Industries & Exports Ltd. M/s. Patodia Syntex Ltd. M/s. Eurospin Industries Ltd. M/s. Mercury Gems Pvt. Ltd.	M/s. Eurospin Industries Ltd. M/s. Sambhu Investments Pvt. Ltd. M/s. Star Silks Exports Pvt. Ltd. M/s. Trikon Investments Pvt. Ltd.	NIL	NIL
10.	Chairman of Committees of other Companies	Stakeholder Relationship Committee of M/s. Eurotex Industries and Exports Ltd.	NIL	NIL	NIL
11.	Member of Committees of other Companies	Audit Committee and Nomination & Remuneration Committee of M/s. Eurotex Industries and Exports Limited	NIL	NIL	NIL
12.	Relationship with other Directors, Manager and Key Managerial Personnel ("KMP")	Not related with any of the Directors, Managers and KMP	Brothers: Shri Krishan Kumar Patodia, and Shri Gopal Patodia Son of Brother (Shri Gopal Patodia) Shri Amit Patodia – Senior President cum CEO	Not related to any of the Directors, Managers and KMP.	Not related to any of the Directors, Managers and KMP.

By Order of the Board
For PBM Polytex Limited

GOPAL PATODIA
Managing Director
(DIN : 00014247)

Place : Vadodara
Date : 12.08.2022

PBM POLYTEX LIMITED
DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Hundred and Third Annual Report of the Company together with the Audited Standalone and Consolidated Statements of Accounts for the financial year ended 31st March, 2022.

1. FINANCIAL PERFORMANCE

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Earnings Before Interest, Depreciation and Tax (EBIDITA)	3508.11	846.69
<u>Less:-</u> Interest and Financial Charges	91.78	60.47
Gross Profit	3416.33	786.22
<u>Less:-</u> Depreciation	328.54	352.97
Profit Before Tax	3087.79	433.25
<u>Less:-</u> Provision for Taxation (Net)	814.36	146.74
	2273.43	286.51
<u>Add:-</u> Deferred Tax Assets	26.14	27.80
Profit After Tax (PAT)	2299.57	314.31
<u>Add:-</u> Other Comprehensive Income	40.09	22.46
Total Comprehensive Income for the year	2339.65	336.77
<u>Add:-</u> Surplus brought forward (net after Buy back of shares)	2701.16	2564.39
Amount available for Appropriation	5040.81	2901.16
<u>Less :- Appropriation:-</u>		
General Reserve	3200.00	200.00
Dividend	103.19	-
Total Appropriation	3303.19	-
Balance carried to Balance Sheet*	1737.62	2701.16

- Dividend Declared and paid in FY 2021-22 for FY 2020-21

2. DIVIDEND

Your directors have pleasure to recommend dividend @ of 40% (i.e. Rupee four) per equity share for the Financial Year 2021-22 on this account Rs. 275.16 Lacs will be appropriated from Reserves and Surplus. Payment of dividend shall be subject to Income tax deduction at source wherever applicable.

3. TRANSFER TO RESERVES

Your directors have decided to transfer Rs. 32,00,00,000/- (Rs. Thirty Two Crores only) to General Reserve from profits.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year 2021-22.

5. BUSINESS OPERATIONS / STATE OF COMPANY'S AFFAIRS

During the financial year 2021-22, overall our Company has performed well. There has been continuous steep increase in raw cotton prices and simultaneous increase in yarn prices as well. With timely and accurate information, the Company has been able to cover the raw material on time, which has substantially benefited the Company, resulting in substantial increase in Company's profitability. Fortunately, during this financial year, Pandemic Covid-19 has not affected much in the operation of the Company, as the Pandemic was well in control.

The Company's Borgaon unit's machine utilization has been exceptionally good. However, at Petlad Unit, because of shortage of workers and heavy absenteeism, machine utilization has not been satisfactory. The Company's HR Department, is making all-out effort to recruit new apprentices and train them to cover the shortage of workers. Also, HR Department is vigorously counselling our workers to be more punctual. We are optimistic, during the current year, we are able to fight absenteeism and shortage of workers. During the financial year 2022-23, as a word of caution, it appears that cotton prices have gone beyond expectable limits. Over the year, the price increase is almost more than 100%. This has affected the whole textile chain both locally as well as internationally. During the coming year, the Company will have to fight the situation which is absolutely abnormal.

During the current financial year, the capital expenditure for changing of comber at the Borgaon Unit has been successfully completed as per schedule. Because of global chip shortage and non-delivery of machinery from LMW, the modernization in Carding Department has got delayed. We envisage to get this completed in this financial year. In the last quarter of this financial year, we are expecting delivery of 2 Murata auto coner and we are hopeful to get the commissioned by March, 2023.

6. INDEPENDENT DIRECTORS' DECLARATION

All the 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 Companies Act, 2013 and Articles of Association of the Company, Shri Hari Prasad Siotia (DIN: 00015103) and Shri Mohan Kumar Patodia (DIN: 00035381) Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible, offer themselves for re-appointment.

Subject to the approval of members at the ensuing AGM, the Board of Directors at its meeting held on 12th August, 2022, on recommendations of the Nomination and Remuneration Committee, has proposed to re-appoint Shri Ashok Pandit (DIN: 08132980) as Independent Director of the Company w.e.f. 18th May, 2023 for a further period of 5 years by way of special resolution.

The Board on recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders by way of a Special Resolution proposed to appoint Ms. Amishal Modi (DIN : 09661312), as Independent Director with effect from 12th August, 2022 for a period of 5 (Five) years.

The details in respect of qualification, area of expertise etc. of all the above appointee directors are provided in annexure to the notice. You are therefore in the interest of the company requested to accord your consent to these resolutions.

Neither of these Directors are disqualified under Section 164(2) of the Act.

Smt. Vinita Devi Modi, Independent Director has submitted her resignation vide letter dated 14.07.2022, from the office of the Director due to her other commitments and priority as a result, she could not spare time to contribute and continue as director w.e.f. 14.07.2022. She was appointed as an Independent Director on the Board of Directors of the Company w.e.f. 20th September, 2014 for the period of five consecutive years i.e. upto 19th September, 2019 and was re-appointed as an Independent Women Director on 30th September 2019 for the second the term of five consecutive years i.e. upto 19th September 2024. Board appreciated her valuable services rendered to the company during her tenure as director.

8. KEY MANAGERIAL PERSONNEL

Pursuant to the 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, the following persons are acting as Key Managerial Personnel of the Company:-

- | | | | |
|------|--------------------------|---|---|
| i. | Shri Gopal Patodia | : | Managing Director |
| ii. | Shri Mohan Kumar Patodia | : | Managing Director cum Chief Financial Officer |
| iii. | Shri Amit Patodia | : | Senior President cum Chief Executive Officer |
| iv. | Ms. Swati Sharda | : | Company Secretary cum Compliance Officer |

9. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of Section 134(3)(p) 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's Committees, as well as, Directors individually including performance of Independent Directors, after seeking inputs from all the Directors/Committee members and finds it satisfactory.

10. BOARD MEETINGS

The Board of Directors have met six times during the financial year 2021-22.

The details of Board Meetings held are disclosed in Corporate Governance Report appended to Directors' Report.

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 & detecting errors & frauds 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 all other applicable laws and that such systems are adequate and operating effectively.

12. SHARE CAPITAL

There was no change in the authorized/issued or paid up share capital of the company during the year.

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

The Company has given inter corporate loan to M/s. Eurotex Industries & Exports Limited i.e. it's Associate Company, of Rs. 3,00,00,000/-, (Rupees Three Crores) at 7% rate of interest, by way of mortgage of land of the borrower company, by executing loan agreement and equitable mortgage. Investments in mutual funds made during the year have all been encashed. Short Term deposits with banks have, however, been made- the details of which are given under Note pertaining to Cash and Bank Balances. All these investments including long term investments are within the limits prescribed under Section 186 of the Act. The Company is holding 46,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 4.60 Crores in M/s. Eurotex Industries & Exports Limited. The said Company since last more than four years due to inadequate profit/loss has not declared Dividend on Preference Shares.

14. INDUSTRIAL RELATIONS

During the year under review, the Industrial relations remained cordial at both the Petlad and Borgaon Units 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 ("Committee") has been set up to redress the complaints received regarding sexual harassment. During the year, no complaints of this nature 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 is given in **Annexure "A"**.

There is no Employee in the company who was / is drawing remuneration more than managerial personnel nor there is any employee who has drawn remuneration more than Rs. 102.00 Lakhs p.a. or 8.50 Lakhs p.m. as described under Rules Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

17. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company. However, the Company holds 22,31,980 Equity Shares of Rs. 10/- per share and also 46,00,000; 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- per share 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)”**.

Accordingly, the said M/s. Eurotex Industries and Exports Limited is an Associate Company of our Company as defined under section 2(6) of the Act by virtue of the fact that our Company holds 25.5087% equity share of that Associate Company.

In pursuance of section 129 of the Act, Consolidation of Financial Statements of our Company and the associate 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 accounted and exhibited under the head “Reserves and Surplus” as Capital Reserves, and the results from the F.Y. 2014-15 to 2021-22 have been incorporated in Consolidated Statement of Profit and Loss (of relevant years). The corresponding effect of the above has been given in the value of shares of the Associate Company held by us and has been shown under Note No. 4 of Balance Sheet of the Consolidated Balance Sheet under Investments (Non – Current). The working of the Mill of the said Company is at grinding halt due to the continuous illegal strike by the workers since long and the company is suffering huge losses. The loans and dues of Banks and financial institutions have been fully paid. The portion of our company’s share in profit/losses of the associate company has been shown in Form AOC-1 as required under the Act.

18. RELATED PARTY TRANSACTIONS

All Related Party Transactions as 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 approved by the Audit Committee, as well as, the Board of Directors. The summary of such transactions is given in Note No. 41 of ‘Notes forming part of Accounts’.

The Policy on Related Party Transactions has been uploaded on the Company’s Website, web-link of which is https://pbmpolytex.com/upload/investor_lodr_reg/8-policy-of-related-party-transactions-final.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. ANNUAL RETURN AND EXTRACT OF ANNUAL RETURN

As per provisions of Section 92 of the Companies Act, 2013 read with Rules made thereunder, a draft Annual Return of the Company for the financial year 2021-22 is available on the website of the Company, web-link of which is https://pbmpolytex.com/upload/investor_lodr_reg/sodapdf-merged-merging-result.pdf

21. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

The Board of directors has amended the applicable Policies to bring them in accordance with the SEBI regulation and keeping in view better corporate governance.

The CSR Policy has been placed on the Company's website www.pbmpolytex.com. The details in respect of CSR activities and expenditure forming part of the Directors' Report is attached as **Annexure "C"**. Pursuant to MCA Notification dated 22.01.2021 the CSR Committee is no longer required.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a well-defined Whistle Blower Policy and has established Vigil Mechanism which provides adequate safeguards against victimisation of Reporting persons who follow such mechanism and also make provisions for direct access to the Chairman of Audit Committee in appropriate cases. The Vigil Mechanism / Whistle Blower Policy has been placed on the Company's website www.pbmpolytex.com.

23. POLICY ON NOMINATION AND REMUNERATION

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Nomination and Remuneration policy which has been uploaded on the Company's website. The web-link for Nomination & Remuneration Policy is https://pbmpolytex.com/upload/investor_lodr_reg/7-nomination-and-remuneration-policy-final.pdf

The salient features of the NRC Policy are as under:-

- a.) Setting out the objectives of the Policy
- b.) Definitions for the purposes of the Policy
- c.) Policy for appointment and removal of Director, KMP and Senior Management
- d.) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees.

During the year, the Company has made changes in the policy to bring them in line with the amendments in the SEBI Listing Regulations, 2015.

24. RISK MANAGEMENT POLICY

The Company has a structured Risk Management Policy. The Risk Management Process is designed to safeguard the organization 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.

25. COMMITTEES OF THE BOARD

The Company has already formed the following committees to ensure timely compliances and better corporate governance 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.

26. 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.

27. AUDITORS

A. Statutory Auditors

M/s. Rinkesh Shah & Co., Chartered Accountants (FRN: 129690W), Ahmedabad, were appointed as Statutory Auditors of the Company at the 101st AGM for the term of five years i.e. up to conclusion of 106th Annual General Meeting of the Company to be held in the year 2025-26. However, M/s. Rinkesh Shah & Co., vide its letter dated 09.08.2022 have tendered resignation as the Statutory Auditors of the Company with effect from the conclusion of 103rd Annual General Meeting due to medium sized CA firm and facing staff constraints. Accordingly they will cease to be the Statutory Auditors of the Company upon conclusion of 103rd Annual General Meeting.

Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on 12.08.2022 noted and accepted the resignation of M/s. Rinkesh Shah & Co. The Board also placed on record its appreciation to outgoing Auditors for their valuable contribution to the Company with their audit process and standards of auditing.

Pursuance to the Provisions of Section 139(1) of the Companies Act, 2013, the Directors of the Company to fill such casual vacancy at their meeting dated 12.08.2022, as per the recommendation of the Audit Committee and subject to the approval of members, appointed M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN: 105775W), Ahmedabad, as Statutory Auditors of the Company for a period of 5 (five) years with effect from the conclusion of 103rd Annual General Meeting as such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the board of directors of the Company and the auditors.

M/s. Mahendra N. Shah & Co., Chartered Accountants (FRN: 105775W), is a well-known firm of Chartered Accountants having their office at Ahmedabad. The firm also holds a Peer Review Certificate No.013057 dated 29.04.2021 issued by the Peer Review Board of the Institute of Chartered Accountants of India valid till dated 30.04.2024.

Appropriate resolution seeking Members approval for the appointment of M/s. Mahendra N. Shah & Co., as Statutory Auditors of the Company is appearing in the Notice of the meeting. The Audit for FY 2021-22 was conducted by M/s. Rinkesh Shah & Co., and there are no qualifications, reservations, adverse remarks, or disclaimers made by the statutory auditor in their Audit Report.

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, (CP 2863) a firm of Practicing Company Secretaries, Vadodara, as Secretarial Auditors for the financial year 2022-23 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2021-22 is annexed herewith as **Annexure "D"**.

C. Cost Auditor

M/s. Y. S Thakar & Co., has been appointed as Cost Auditor for audit of cost records and statements for the financial year 2022-23 also. The proposed remuneration for the said financial year, as stated in the notice of the ensuing Annual General Meeting, is to be confirmed by the shareholders as required under section 148 of the Act.

Further the company has made and maintained proper Cost Records as specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for its business activities carried out during the year.

D. Internal Auditors

Shri. Yegasubramaniam Iyer, (Membership No-045781), Chartered Accountants, Vadodara and M/s. Shah Baheti Chandak & Co, (FRN: 109513W), Chartered Accountants, Nagpur, have been appointed as Internal Auditors for conducting internal audit of Petlad and Borgaon Units of the Company respectively for the financial year 2022-23.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the Auditors' Reports;

No disqualifications, reservations, adverse remarks or disclaimers have been reported in the Auditors' Reports, requiring any explanation or comments by the Board of Directors of the Company.

28. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The Company has complied with all the applicable requirements of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Separate Report on Corporate Governance and a Certificate obtained from M/s. Samdani Shah & Kabra, Practicing Company Secretaries, regarding compliance with the conditions of Corporate Governance and Management Discussions & Analysis Report are annexed herewith with as **Annexure "E"** which forms part of this Report.

29. 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 and upto the date of this Report.

30. 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.

31. INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems, commensurate with the size and scale of the Company. However, looking to the need of the time it has been decided to widen the scope of internal audit and accordingly internal auditors have been appointed for Petlad, as well as, Borgaon units of the Company who submit their periodical reports to the Board and their advices are adopted and needful is done, if required for better control.

32. UNCLAIMED EQUITY SHARES AND DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the said Act"), the declared dividends which remained unpaid or unclaimed for a period of seven years have been duly transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the said Act.

The Company has uploaded the details of unpaid and unclaimed amounts lying in separate bank accounts named "PBM POLYTEX LIMITED UNPAID DIVIDEND ACCOUNT" upto the financial year 2013-14 on the Company's website (www.pbmpolytex.com) and also on the Ministry of Corporate Affairs' website: www.mca.gov.in.

The dividend for the years mentioned below, if remain unclaimed for consecutive seven years, will be transferred by the Company to IEPF:-

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend as on 31.03.2022 (Rs.)
2014-15	24.09.2015	1356108.00
2015-16	24.09.2016	710817.00
2016-17	25.09.2017	758172.00
2017-18	18.09.2018	587482.00
2018-19	30.09.2019	100558.20
2019-20	No dividend declared	0.00
2020-21	30.09.2021	233912.00
TOTAL		3747049.20

Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, all the shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years, have to be transferred in the name of IEPF Authority.

Accordingly 106840 equity shares against 71 folios corresponding to the dividend for the financial year ended 31st March, 2014 which remained unclaimed for seven consecutive years have been transferred to the IEPF Authority after giving individual notices to the concerned shareholders and advertisement in Newspapers.

In aggregate 257769 equity shares against 1069 folios have been transferred to IEPF Authority against the dividend unpaid/unclaimed upto the Financial Year 2013-14.

The Company has uploaded the details of all shares transferred to the IEPF Authority on the Company's website (www.pbmpolytex.com) and also on the Ministry of Corporate Affairs' website: www.mca.gov.in.

The shareholders or their legal successors can claim back the dividend and all equity shares so transferred, from MCA after following the procedure laid down by MCA.

33. SECRETARIAL STANDARDS

All the applicable Secretarial Standards are being followed by the Company.

34. 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.

35. ACKNOWLEDGEMENTS

The bankers, and financial institutions have 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

For PBM POLYTEX LIMITED

Place: Vadodara
Date: 12.08.2022

GOPAL PATODIA
Managing Director
(DIN: 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN: 08690998)

ANNEXURE “A” TO THE DIRECTORS’ REPORT

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

1. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each director, Chief Executive Officer and Chief Financial Officer during the financial year 2021-22:

Sl. No.	Name of Director / Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration during 2021-22(%)
1.	Shri Gopal Patodia	Managing Director	35.50	24.45
2.	Shri Mohan Kumar Patodia	Managing Director cum CFO	25.69	7.70
3.	Shri Amit Patodia	Chief Executive Officer	N.A	0.15
4.	Ms. Swati Sharda	Company Secretary	N.A	6.43

Note:

- a. The Non-Executive Directors of the Company are entitled to sitting fees for meetings attended as per the statutory provisions. The details of remuneration of Non-Executive Directors have been exhibited 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.
- b. Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination & Remuneration Committee of the Company during the financial year 2021-22.
2. The percentage increase in the median remuneration of Employees for the financial year 2021-22 was 31.18% compared to previous year because of retirement of many old employees from service, recruitment of new employees in their place, reduction in benefits related to attendance as well as Covid implications on the salary structure.
3. The Company has 884 permanent Employees on the rolls of Company as on 31st March, 2022.
4. It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time

- A.) None of the employee was employed throughout the year who was in receipt of remuneration of more than Rs. 102.00 lakhs per annum.
- B.) None of the employee was employed for part of the year who was in receipt of remuneration of more than Rs. 8.50 lakhs per month.
- C.) 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(s) 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

For PBM POLYTEX LIMITED

Place: Vadodara
Date : 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

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

Form AOC-I

Part “B”: Associates and Joint Ventures

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

	Name of Associate	M/s Eurotex Industries and Exports Ltd
1.	Latest audited Balance Sheet Date	31.03.2022
2.	Shares of Associate held by the Company on the year end	
	A. No. of Equity Shares	22,31,980
	Amount of Investment in Associate (Rs. in Lakhs)	545.91
	Extent of Holding (%)	25.5087
	B. No. of 6% Non-Convertible Non-Cumulative Redeemable Preference Shares	46,00,000
	Amount of Investment in Associate (Rs. in Lakhs)	460.00
3.	Description of how there is significant influence	By virtue of more than 20% holding in paid up share capital and thereby the voting rights.
4.	Reason why the Associate is not consolidated	Results of Associate Company are consolidated.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	NIL
6.	Profit / (Loss) for the year	
	i. Considered in Consolidation (Rs. in Lakhs)	NIL
	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:

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

For PBM POLYTEX LIMITED

For PBM POLYTEX LIMITED

GOPAL PATODIA

CHIRAYUSH PATEL

Place: Vadodara

Date : 12.08.2022

Managing Director
(DIN : 00014247)

Independent Director
(DIN : 08690998)

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 Arm’s Length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm’s length basis:**
All the transactions with related parties were at arm’s length.
2. **Details of material contracts or arrangement or transactions at arm’s length basis:**
Details given in “Notes forming part of Accounts”. (Note No.41).

For PBM POLYTEX LIMITED

For PBM POLYTEX LIMITED

Place: Vadodara
Date : 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

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:

(i) Steps taken or impact on conservation of energy:

The management is very much cautious for minimizing/eliminating any losses in energy consumption. With such watch the consumption of electricity and its cost is absolutely under control.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Both the manufacturing units are purchasing power from respective State Electricity Boards. Whenever possible, to reduce the power cost, the company also purchases power from open excess sources.

(iii) The capital investment on energy conservation equipments:

The energy conservation equipments, wherever installed, are replaced at intervals to ensure their run at the best capacity and benefit. The cost of replacement is debited to the account head “Additions to Electrical installations” or any other account head as per the accounting principles.

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

The company has its own Quality Assurance Department which is equipped with instruments of latest technology for testing quality of raw material i.e. cotton, finished goods etc.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Since considerable quantity of company’s cotton yarn is exported, the quality of finished product is always kept within the acceptable norms. It is also kept in view that the cost of production does not go beyond the appropriate level.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-Not Applicable

(iv) Expenditure incurred on Research and Development:

Expenditure on In-House R & D, as and when incurred, is debited to the respective head of expenses in Statement of Profit and Loss.

(C) Foreign Exchange Earning in terms of actual Inflows and actual Outflows:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Foreign Exchange outgo in terms of Actual Outflows	106.14	874.52
Foreign Exchange earned in terms of Actual Inflows	10749.93	4997.38

For PBM POLYTEX LIMITED

For PBM POLYTEX LIMITED

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

Place: Vadodara
Date: 12.08.2022

ANNEXURE “C” TO THE DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company has framed a CSR Policy in compliance of the provisions of the Companies Act, 2013, and the same is available on the weblink https://pbmpolytex.com/upload/investor_lodr_reg/2-csr-policy-final.pdf The CSR Policy covers the various activities in different fields covered under the Companies Act, 2013.

2. The composition of CSR Committee:

The CSR Committee stands dissolved as decided by the Board of Directors at its meeting held on 13.02.2021. Now the power of decision as regards CSR activities and expenditure vests with the Board of Directors.

3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed. Details about formation of CSR Committee and CSR Policy etc. placed in company’s website www.pbmpolytex.com Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility policy) Rules, 2014, if applicable

The amount spent/paid to the different entities has been utilized fully for the eligible activities.

4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2019-20	0.00	00
2	2020-21	Total amount spent Rs. 0.01 lacs for F.Y. 2019-20 and Rs. 13.66 lacs for F.Y. 2020-21 Rs. 3.66 lacs excess spent which is to be setoff in the year 2021-22.	Rs.3.66 Lacs
3	2021-22	Total amount spent Rs. 25 Lacs for the F.Y. 2021-22 Rs. 17.31 Lacs excess spent which is to be setoff in the year 2022-23.	Rs. 17.31 Lacs

5. Average net profit of the company as per section 135(5).—

Average Net Profit: Rs. 1162.88 Lakhs (for Three years)

6. (a) Two percent of average net profit of the company as per section 135(5)—

Rs. 23.25 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Rs. NIL

(c) Amount required to be set off for the financial year,

Rs. 17.31 lacs for F.Y. 2021-22 in F.Y. 2022-23

7. (a) CSR amount spent for the financial year:

		Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Total Amount Spent for the Financial Year. (in Rs.)	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
5,00,000			M/s Shree Krishna Hospital, run by M/s Charutar Arogya Mandal, Karamsad, Anand	5,00,000	04.05.2021
5,00,000			Cancare Trust	5,00,000	26.08.2021
5,00,000			M/s. Shram Mandir Trust, Sindhrot, Vadodara	5,00,000	23.11.2021
10,00,000			M/s Shree Krishna Hospital, run by M/s Charutar Arogya Mandal, Karamsad, Anand	10,00,000	18.12.2021
25,00,000/-					

(b) Details of CSR amount spent against ongoing projects for the financial year: Rs.25,00,000/-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)—

Total amount spent during the F.Y. 2021-22 is Rs. 25,00,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	1135380
2	Total amount spent for the Financial Year	2866364
3	Excess amount spent for the financial year [(ii)-(i)]	1730984
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	1730984

8. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). NA

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

NOT APPLICABLE.

For PBM POLYTEX LIMITED For PBM POLYTEX LIMITED

Place: Vadodara
Date : 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

ANNEXURE “D” TO THE DIRECTORS’ REPORT

Secretarial Audit Report
For the Financial Year ended March 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
PBM Polytex Limited,
Opp. Railway Station,
Petlad – 388 450,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PBM Polytex Limited (“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, 2022 (“review period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

- i. The Companies Act, 2013 (“Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 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 (“SEBI”) Act, 1992: -
 - a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - d. SEBI (Share Based Employee Benefits) Regulations, 2014; However, there were no actions / events pursuant to these regulations, hence not applicable.

- e. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - f. SEBI (Issue and Listing of Debt Securities) Regulations, 2008; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - g. SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - h. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - i. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - j. SEBI (Delisting of Equity Shares) Regulations, 2009 / 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - k. SEBI (Depositories and Participants) Regulations, 2018;
 - l. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - m. SEBI (Debenture Trustees) Regulations, 1993; However, there were no actions / events pursuant to these regulations, hence not applicable.
- vi. Other sector specific laws as follows:
- (a) The Essential Commodities Act, 1955;
 - (b) Ordinances issued by the Textile Commissioner (Textile Control Order).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that;

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the review period;
- B. 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;
- C. 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;

- D. 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;
- E. During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677; CP No. 2863

ICSI Peer Review # 1079/2021

UDIN: F003677D000408686

Place: Vadodara | Date: May 27, 2022

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

Appendix A

The Members,
PBM Polytex Limited,
Opp. Railway Station,
Petlad – 388 450,
Gujarat, India.

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

- i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- iv. 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 Company's affairs.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677; CP No. 2863

ICSI Peer Review # 1079/2021

UDIN: F003677D000408686

Place: Vadodara | Date: May 27, 2022

ANNEXURE “E” 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 towards shareholders, employees, government and others. The 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 good ethical standards.

2. BOARD OF DIRECTORS

A. Composition of the Board

As per requirements of section 149 of the Companies Act, 2013 (“the Act”) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), atleast 50% of the Board Members should be Independent. There is optimum combination of Executive, Non – Executive and Independent Directors including Woman Director and the Company fulfils the criteria. 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 held as on 31 st March 2022	Category	As on 31 st March, 2022		
				No. of Directorship in other Companies	#Committee(s) Position in other Companies	
					Member	Chairperson
Shri Krishan Kumar Patodia	Chairman	141028	Promoter – Non Executive Director	7	1	0
Shri Gopal Patodia	Managing Director	27369	Promoter – Executive Director	5	0	0
Shri Hari Prasad Siotia	Director	199280	Promoter – Non Executive Director	4	2	1
Shri Mohan Kumar Patodia	Managing Director cum Chief Financial Officer	67998	Promoter – Executive Director	4	0	0
Shri Jugalkishore Todi	Director	0	Independent Director	0	0	0
Smt. Vinita Devi Modi	Director	0	Independent Director (Women Director)	0	0	0
Shri Ashok Pandit	Director	0	Independent Director	0	0	0
Shri Rakesh Todi	Director	13227	Independent Director	0	0	0
Shri Chirayush Patel	Director	0	Independent Director	0	0	0

Only Committee position of Audit Committee and Stakeholders’ Relationship Committee have been considered.

B. Six Board meetings were held during the year on the dates mentioned below:

Dates on which Board Meetings were held	Total strength of Board	No. of Directors Present
08.06.2021	9	3
30.06.2021	9	6
14.08.2021	9	9
12.10.2021	9	3
13.11.2021	9	4
12.02.2022	9	6

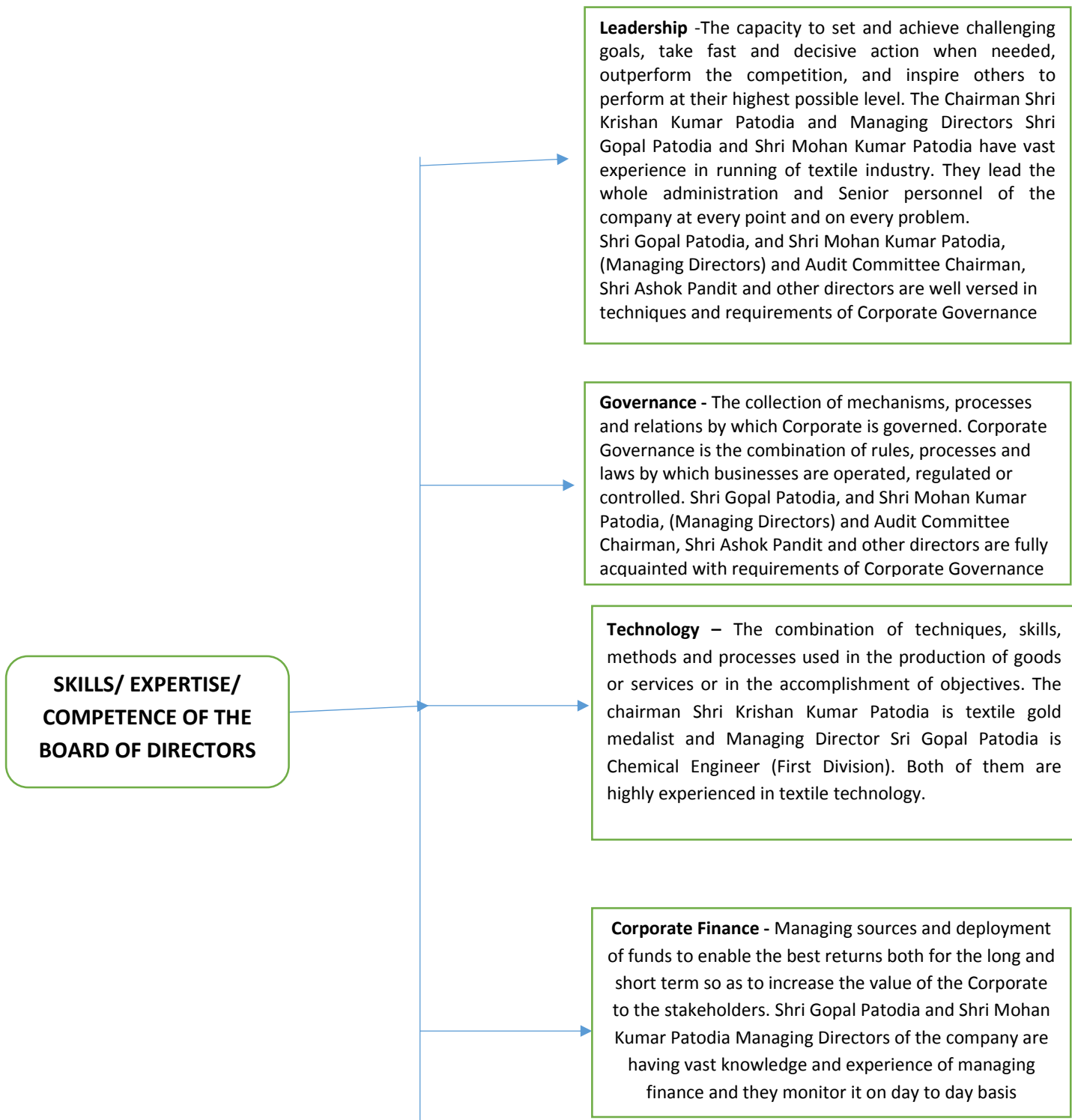
C. Attendance of each Director present at the Board Meetings and Last Annual General Meeting (“AGM”):-

Name of the Directors	Attendance at Board Meetings held on						Attendance at AGM held on 30.09.2021
	08.06.2021	30.06.2021	14.08.2021	12.10.2021	13.11.2021	12.02.2022	
Shri Krishan Kumar Patodia	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Shri Gopal Patodia	✓	✓	✓	✓	✓	✓	✓
Shri Hari Prasad Siotia	Leave of Absence	Leave of Absence	✓	Leave of Absence	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 Jugalkishore Todi	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence
Smt. Vinita Devi Modi	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence
Shri Ashok Pandit	✓	✓	✓	✓	✓	✓	✓
Shri Rakesh Todi	Leave of Absence	✓	✓	Leave of Absence	✓	✓	✓
Shri Chirayush Patel	✓	✓	✓	✓	✓	✓	✓

D. Directorship in other Listed Companies:-

Name of Directors	Name of Listed Companies	Category of Directorship
Shri Krishan Kumar Patodia	M/s. Eurotex Industries and Exports Ltd.	Chairman and Managing Director
Shri Gopal Patodia	--	--
Shri Hari Prasad Siotia	M/s. Eurotex Industries and Exports Ltd.	Non-Executive Director
Shri Mohan Kumar Patodia	--	--
Shri Jugalkishore Todi	--	--
Smt. Vinita Devi Modi	--	--
Shri Ashok Pandit	--	--
Shri Rakesh Todi	--	--
Shri Chirayush Patel	--	--

E. Key Board qualifications, expertise and attributes:



International business - Encompasses all commercial activities that take place to promote the transfer of goods, services, resources, people, ideas and technologies across national boundaries. Shri Krishan Kumar Patodia, Chairman and Shri Gopal Patodia and Shri Mohan Kumar patodia, Managing Directors are all in the business of yarn sales since very long time. The company and these three directors are having much knowledge and experience in export market. The company is exporting considerable quantity of its product since the year 1984. The chairman is also managing 100% export oriented unit namely M/s. Eurotex Industries and Exports Ltd. They are always in touch with foreign buyers.

Sales and marketing - Generating revenue from the operations of the Corporate. The role of Marketing is to create market awareness, preference and demand for the Products of the Corporate. Sales is responsible for converting that demand into actual sales. Other than the chairman and the Managing Directors the other Independent Directors Shri Jugal Kishore Todiji, Shri Rakesh Todiji and Shri Chirayush Patel are experts in marketing and have rich knowledge of managing business. Vinita Deviji herself is also managing a small business part time.

Disclosure of relationships between Directors inter-se

Shri Krishan Kumar Patodia, Shri Gopal Patodia and Shri Mohan Kumar Patodia are related to each other. No other director is relative of any other director(s).

Confirmation on the independence of the Independent Directors

The Board of Directors hereby confirm that in their opinion, the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

F. Detailed reasons for the resignation of an Independent Director who resigned before the expiry of his/her tenure along with a confirmation that there are no material reasons other than those provided

Smt. Vinita Devi Modi, Independent Director submitted her resignation vide letter dated 14.07.2022, from the office of the Director with reasons that she has some other commitments and priority, and she could not spare time to contribute and is unable to continue as director and therefore she has tendered resignation as an Independent Women Director of the Company w.e.f. 14.07.2022. She was appointed as an Independent Director on the Board of Directors of the Company w.e.f. 20th September, 2014 for the period of five consecutive years i.e. upto 19th September, 2019 and was re-appointed as an Independent Women Director on 30th September 2019 for the second the term of five consecutive years i.e. upto 19th September 2024.

Mrs. Vinitadevi Modi in her letter has also confirmed that there are no other material reasons for her resignation other than those mentioned in the resignation letter and necessary disclosures have also been made in this regard to the Stock Exchange.

The Board of Directors have appreciated the valuable contributions made by her during tenure as Independent Director of the company.

COMMITTEES OF THE BOARD

With a view to have more focused attention on business and for better governance and accountability, the Board has constituted various mandatory committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship 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 Auditors, Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its 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 Listing Regulations.

(ii) Composition

The Audit Committee (as mentioned below) consists of five Non-Executive Directors, out of which four (4) are Independent Directors. All the members of Audit Committee are financially literate and majority of them are specialized in accounting and financial management. The constitution of Audit Committee meets with the requirements prescribed under Section 177 of the Act and Listing Regulations.

Name of Committee Members	Category
Shri Ashok Pandit	Chairman, Independent Director
Shri Hari Prasad Siotia	Member, Non-Executive Director
Shri Jugalkishore Todi	Member, Independent Director
Shri Rakesh Todi	Member, Independent Director
Shri Chirayush Patel	Member, Independent Director

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

Ms. Swati Sharda acts as the Secretary of the Committee.

(iii) Meetings

During the year, the Audit Committee has met six times. Attendance of each Committee member at the meetings were as follows:

Name of Committee Members	Category	Attendance at the Audit Committee Meetings held on					
		08.06.2021	30.06.2021	14.08.2021	12.10.2021	13.11.2021	12.02.2022
Shri Ashok Pandit	Chairman, Independent Director`	✓	✓	✓	✓	✓	✓
Shri Hari Prasad Siotia	Member, Non Executive Director –	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence	Leave of Absence

Shri JugalkishoreTodi	Member, Independent Director	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence	✓
Shri RakeshTodi	Member, Independent Director	Leave of Absence	✓	✓	Leave of Absence	✓	✓
Shri Chirayush Patel	Member, Independent Director	✓	✓	✓	✓	✓	✓

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 Listing Regulations.

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;
- All Related Party Transactions submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditor;
- Internal Audit Reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviation, if applicable

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 (concerned), 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:

- a) 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;
- b) To carry out evaluation of every Director's performance;
- c) 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;
- d) To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
- e) To devise a policy on Board diversity;
- f) To recommend/review remuneration of the Managing Director(s), Whole-time Directors and other senior management personnel based on their performance and defined assessment criteria;
- g) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- h) #For every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the

capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates;
- i) 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;
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#The terms of reference at point no. (i) are effective form January 1, 2022.

(ii) Composition

The Nomination and Remuneration Committee consists of five Non-Executive Directors as mentioned below.

Name of Committee Members	Category
Shri Ashok Pandit	Chairman, Independent Director
Shri Hari Prasad Siotia	Member, Non-Executive Director
Shri JugalkishoreTodi	Member, Independent Director
Shri Rakesh Todi	Member, Independent Director
Shri Chirayush Patel	Member, Independent Director

Ms. Swati Sharda acts as the Secretary of the Committee.

The appointments and remuneration of all the Managerial Personnel and top executives are decided on the recommendation of the Committee.

(iii) Meetings

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

Name of Committee Members	Category	Attendance at the Nomination and Remuneration Committee Meetings held on	
		30.06.2021	12.02.2022
Shri Ashok Pandit	Chairman, Independent Director	✓	✓
Shri Hari Prasad Siotia	Member, Non – Executive Director	Leave of Absence	Leave of Absence
Shri Jugalkishore Todi	Member, Independent Director	✓	✓
Shri Rakesh Todi	Member, Independent Director	✓	✓
Shri Chirayush Patel	Member, Independent Director	✓	✓

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS & SENIOR EXECUTIVES AND THEIR REMUNERATION

The remuneration of Managing Directors is decided as per the applicable Schedule and Sections of the Act, as amended from time to time on recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors subject to the approval of shareholders and other authority(ies), if required.

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 shareholders, if any. Senior 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 the concerned 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 / PAYABLE TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Remuneration of Whole Time / Executive Directors

Remuneration paid/accrued to the Executive Directors for the financial year ended March 31, 2022 is as follows (Rs.):

Name of Managing Director	Salary	Perquisites	Commission	Incentives	Other	Total
Shri Gopal Patodia	3,900,000	1,409,037	--	1,390,000	1,675,000	8,374,037
Shri Mohan Kumar Patodia	2,280,000	2,241,433	--	1,028,000	510,000	6,059,433
TOTAL	6,180,000	3,650,470	--	2,418,000	2,185,000	14,433,470

Two Managing Directors namely Shri Gopal Patodia and Shri Mohan Kumar Patodia have been reappointed as such for the period of three year from 01.04.2021 to 31.03.2024 by the shareholders at the Annual General Meeting of the company held on 30.09.2020 on recommendations of Nomination & Remuneration Committee and approval of the Board of Directors.

Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors are paid sitting fees only for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act and Articles of Association of the company. No criteria of making payment to Non-Executive Directors is required to be fixed as they are paid only sitting fees. Details of remuneration paid to Non-Executive Directors during financial year 2021-22 are as follows:

Name of Directors	Sitting Fees (Rs.)
Shri Krishan Kumar Patodia	15000
Shri Hari Prasad Siotia	30000
Shri Ashok Pandit	210000
Shri Jugalkishore Todi	120000
Smt. Vinita Devi Modi	45000
Shri Rakesh Todi	150000
Shri Chirayush Patel	210000

The company has not done any transaction with any of the above Non-Executive Directors except reimbursement of actual travelling expenses incurred for attending Board Meeting(s)/Committee Meeting(s) and/or Annual General Meeting during the year ended March 31, 2022.

The Company does not have any Stock Option Scheme. Both the Managing Directors have agreements with the Company for the period of three consecutive years which are renewed after every three years on their reappointment.

Both the Managing Directors shall be paid Incentive upto 10% of the Salary as may be decided by Board from time to time. Further there is no separate provision for notice period or payment of severance fees to the Managing Directors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

(A) Terms of reference

Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the listing Regulations and Section 178 of the Act.

- 1) To consider and resolve the grievances of security holders.
- 2) To consider and approve issue of share certificates, transfer, transmission of securities etc.

(B).The Stakeholders Relationship Committee (“Committee”) consists of the following Directors:

Name of Committee Members	Category
Shri Ashok Pandit	Chairman, Independent Director
Shri Krishan Kumar Patodia	Member, Non-Executive Director
Shri Hari Prasad Siotia	Member, Non – Executive Director
Shri Gopal Patodia	Member, Executive Director
Shri Rakesh Todi	Member, Independent Director
Shri Chirayush Patel	Member, Independent Director

This Committee also looks into the grievances lodged by the Shareholders. No complaints have been received from shareholders during the year 2021-22.

The Chairperson of the Committee, Shri Ashok Pandit was present at the last Annual General Meeting to answer the shareholders’ queries through video conference.

The meetings of the Committee were held on 14.08.2021, 13.11.2021 and 12.02.2022

Ms. Swati Sharda, Company Secretary is the Compliance Officer of the Company.

(C).The Company has appointed **M/s. Link Intime India Private Limited.**, having its Vadodara Office at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020, Gujarat, India and registered office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India as **Registrar and Share Transfer Agent.**

6. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE

The CSR committee of the Board Members was constituted as per the requirements of Section 135 of the Act. However since the expenditure obligations of the company were always much below the limit of Rs. 50 lakhs p.a., the Board of Directors at its meeting held on 13.02.2021 dissolved the CSR committee as permitted under MCA Notification dated 22.01.2021. Accordingly the decision as regards CSR expenditure now vests with the board members.

7. 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
2018-19	100 th AGM at the Registered Office of the Company situated at PBM Polytex Ltd., Opp. Railway Station, Petlad Dist. Anand, Gujarat.	Monday, 30.09.2019 at 11:00 A.M.	Re-appointment of Smt. Vinita Devi Modi as an Independent Woman Director of the Company for the Second term of 5 consecutive years. Re-appointment of Shri Makhanlal Bagaria as an Independent Director of the Company for the Second term of 5 consecutive years. Continuation of Directorship of Shri Krishan Kumar Patodia as a Non-executive Non Independent Director of the company, going to attain age of 75 years.
2019-20	101 st AGM through video conferencing (VC)/Other Audio Visual Means (OAVM)	Wednesday,30.09.2020 at 11:00 A. M	Re-appointment of Shri Gopal Patodia as Managing Director of the Company for a period of 3 years from 1st April, 2021. Re-appointment of Shri Mohan Kumar Patodia as Managing Director of the Company for a period of 3 years from 1st April, 2021.
2020-21	102 nd AGM through video conferencing (VC)/Other Audio Visual Means (OAVM)	Thursday, 30.09.2021 at 11:00 A. M	To provide inter corporate loan in one or more tranches to Eurotex Industries and Exports Limited

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

Whether any Special Resolution is proposed to be conducted through Postal Ballot this year – **No**

8. INDEPENDENT DIRECTORS' MEETING

During the year under review, all the Independent Directors of the Company met One time i.e. on 14.08.2021, to discuss and evaluate :-

- a.) the performance of Non-Independent Directors and the Board as a whole;
- b.) the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c.) the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- d.) To take note of applicable provisions of The Act, and rules made thereunder and to do needful in the matter.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent directors have fulfilled the conditions specified in the Act, SEBI Listing Regulations and are independent of the management.

The details of the Familiarization Programme imparted to Independent Directors is available on Company's Website, at https://pbmpolytex.com/upload/investor_lodr_reg/details-of-familiarization-programme-converted-pdf-1.pdf

9. RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions is available on Company's Website, web-link of which is https://pbmpolytex.com/upload/investor_lodr_reg/8-policy-of-related-party-transactions-final.pdf

10. 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.

However, the Company has taken on rent- Offices, Godowns (for storing material) and Residential Premises (for employees) in and outside Gujarat which belong to Related Parties namely M/s Sambhu Inv. Pvt. Ltd., M/s Trikon Inv. Pvt. Ltd., (upto 31.12.2021) 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 and sale and purchase transactions have also been made with M/s. Eurotex Industries & Exports Ltd. which all are on Arm's Length Basis.

Further, the Company has given on rent a small room for office use in Premises of Registered Office of the company to M/s. Shashank Investments Pvt. Ltd., M/s. Chandramauli Investments Pvt. Ltd., M/s. Veepee Intrades Pvt. Ltd. and M/s. Suragini Investments Pvt. Ltd., from whom rent is received 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 or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years:

The Company has complied with all the requirements of Listing Agreement entered into with BSE, as well as, the Listing regulations and guidelines of SEBI. There were no strictures or penalties imposed either by SEBI or BSE 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 provides 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. Web link for Whistle Blower Policy / Vigil Mechanism is https://pbmpolytex.com/upload/investor_lodr_reg/10-whistle-blower-or-vigil-mechanism-policy-final.pdf . As per the Policy, no person has been denied access to the Chairman of Audit Committee.

D. Policy for determining material subsidiaries:

The Company does not have any Subsidiary Company. Therefore, requirement of devising such policy does not apply to the Company.

E. Certificates from Company Secretary in Practice:

The following certificates as issued by Shri S. Samdani, Partner of M/s. Samdani Shah & Kabra, a firm of Practicing Company Secretaries, Vadodara are enclosed to this Report:

- (a) Compliance Certificate regarding compliance of conditions of Corporate Governance; and
- (b) Certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

F. Details of utilization of funds raised through preferential allotment/qualified institutions placement as specified under Reg. 32(7A) of the Listing Regulations:

The Company has, during the year, not raised any funds through preferential allotment or qualified institutions placement as specified under the Listing Regulations.

G. Fees paid to Statutory Auditors:

The Company has, during the year, paid an amount of Rs. 4,00,000/- (Rupees Four Lakhs only) plus GST to its Statutory Auditors M/s. Rinkesh Shah & Co., Chartered Accountants as approved by the shareholders.

H. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the Financial Year 2021-22	NIL
Number of complaints disposed off during the Financial Year 2021-22	NIL
Number of complaints pending as at the end of the Financial Year 2021-22	NIL

I. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations:

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	YES
17A	Maximum number of Directorship	YES
18	Audit Committee	YES
19	Nomination and Remuneration Committee	YES
20	Stakeholders Relationship Committee	YES
21	Risk Management Committee	N. A.
22	Vigil Mechanism	YES
23	Related Party Transactions	YES
24	Corporate Governance requirements with respect to subsidiary of the Company	N. A.
24A	Secretarial Audit and Secretarial Compliance Report	YES
25	Obligations with respect to Independent Directors	YES
26	Obligations with respect to employees including senior management, key managerial persons, directors and Promoters	YES
27	Other Corporate Governance Requirements	YES
46(2) (b) to (i)	Website	YES

J. Compliance with the Listing Regulations

The Company has adopted and complied with mandatory requirements of the Listing Regulations. Some of the following non-mandatory requirements have also been complied with.

NON-MANDATORY REQUIREMENTS:

(i) Reporting of Internal Auditor

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

(ii) Audit Qualification / Modified Opinion(s)

There is no Audit Qualification / Modified Opinion(s) in the Audit Reports by the Auditor.

(iii) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the applicable Indian Accounting Standards (Ind AS) 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.

(iv) Shareholder Rights:

Since the financial results are published in the newspapers and also posted on the Company's website, those are not being sent to the shareholders.

(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.

K. Instances of not accepting any recommendation of the Committee by the Board:

There was no such instance where Board had not accepted any recommendation of any committee of the Board, whether mandatorily required or not, in the relevant financial year.

L. Details of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company has granted loan of Rs. Three Crores to M/s. Eurotex Industries & Exports Limited (Associate Company).

M. The Company is not required to formulate Dividend Distribution Policy as per Reg. 43A of the Listing Regulations.

N. MEANS OF COMMUNICATION

The Company generally publishes quarterly, half yearly, nine months and Annual Standalone and Consolidated Financial Results in one English daily newspaper and one daily newspaper of regional language namely "The Financial express", in accordance with the requirements of the Regulation 47 of the Listing Regulations.

All periodical compliance like Announcements, Financial Results, 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 including financial results is promptly uploaded on website of the Company www.pbmpolytex.com also as may be required from time to time.

O. GENERAL SHAREHOLDER INFORMATION:

103rd Annual General Meeting will be held at **11:00 A. M.** on **28th September, 2022, through Video Conference**

- 1. Financial Year** from 01.04.2021 to 31.03.2022.
- 2. Date of Book Closure:** From **17th September, 2022 to 28th September 2022 (both days inclusive)**
- 3. Dividend Payment Date:** Dividend shall be paid within 30 days from the date of declaration
- 4. Listing of Shares:**

The Company's shares are listed on the following Stock Exchange. The Company confirms that the annual listing fees to BSE Limited for the financial year 2022-23 has been paid.

Name of Stock Exchange	Scrip Code / Stock Exchange Code	ISIN No.
BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai – 400001	514087	INE501F01018

5. Stock Market Data for FY 2021-22 (BSE) :

Month	Month's Highest Price (Rs.)	Month's Lowest Price (Rs.)
April 2021	57.9	44.05
May 2021	72.95	49.45
June 2021	108.75	60.00
July 2021	149.90	82.00
August 2021	184.45	131.00
September 2021	142.50	113.20
October 2021	140.00	107.60
November 2021	158.65	129.45
December 2021	190.95	142.20
January 2022	194.95	162.25
February 2022	177.45	125.30
March 2022	134.95	132.00

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

Particulars	31.03.2022 (Rs.)	31.03.2021 (Rs.)	Change (%)
Share price of PBM	134.95	53.00	154.62
BSE Sensex	58885.49	49442.50	19.10

7. 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. The Company does not have material exposure for any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of circular of SEBI dated November 15, 2018.

8. Demat Suspense account/ Unclaimed Suspense Account

No unclaimed share certificates are with the Company.

9. Registrars & Share Transfer Agent:

(Share Transmission, Duplicate issue, Consolidation, Name Deletion etc., 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: alpesh.gandhi@linkintime.co.in / vadodara@linkintime.co.in

10. Share Transfer System:

Share transfers are processed and Share Certificates are duly endorsed, and are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respect. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories concerned within 15 days from the date of receipt, subject to documents being valid and complete in all respects.

Effective from April 1, 2019, as per SEBI notification no. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 as amended from time to time, no shares can now be transferred in physical form except transmission of shares to the legal successors.

11. Distribution of shareholding as at 31.03.2022:

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	% of Issued Capital
1 – 500	3900	481051	6.9930
501 – 1000	220	168025	2.4426
1001 – 2000	105	152256	2.2133
2001 – 3000	36	92499	1.3447
3001 – 4000	15	54920	0.7892
4001 – 5000	9	41615	0.6050
5001 – 10000	20	142888	2.0772
More than 10000	53	5746396	83.5351
TOTAL	4358	6879020	100.00

12. Dematerialization of shares:

About 96.69 % of Company's paid up equity share capital has been dematerialized up to 31st March, 2022. The shareholders wishing to demat the shares may approach Depository Participant(s).

13. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: Not Applicable.**14. Plant Location:****(A) Yarn Manufacturing Plants of the Company are situated at -**

- | | |
|---|---|
| (i) Opp. Railway Station,
Petlad – 388450,
Dist. Anand, Gujarat | (ii) Plot No.16 to 19, Sector B,
AKVN Industrial Area, Borgaon,
Kheritaigaon,
Dist. Chhindwara (M. P.) |
|---|---|

(B) Four Windmills are located in Gujarat at -

- | | |
|---|--|
| (i) Vill: Suthari,
Revenue Survey No. 870/P,
Taluka Abdasa,
Dist. Kutch (Guj.) | (ii) Vill: Okha Madhi,
Survey No. 24 Part,
Taluka Dwarka,
District Jamnagar (Guj.) |
| (iii) Vill: Methan,
Survey No. 284,
Taluka Jamjodhpur,
Dist. Jamnagar (Guj.) | (iv) Vill: Methan,
Survey No. 284/3/Paiki,
Taluka Jamjodhpur,
Dist. Jamnagar (Guj.) |

15. Address for correspondence

Attn: Company Secretary
PBM Polytex Limited,
Corporate Office: 8th Floor, Ramakrishna Chambers, Productivity Road,
Alkapuri, Baroda – 390007, Gujarat
Telephone: (0265) 2333587, 2320053; Fax No. (0265) 2338979,
E-Mail pbmcs@patodiagroup.com

16. Details of Credit Ratings assigned

Your Company has been assigned the following ratings by CARE Ratings Limited:

Name of Credit Rating Agency	Facilities	Existing Ratings	Revised Ratings
CARE Ratings Limited	Long-term Bank Facilities	CARE BBB+; Outlook : Negative	CARE BBB+; Outlook : Stable
	Short-term Bank Facilities	CARE A2; (A Two)	CARE A2; (A Two)

Members are requested to quote their Folio No. / DP ID-Client ID, Email ID, Telephone Number and full address while having any communication with the Company / Registrars & Share Transfer Agent.

Members are also requested to register their email ID with the Registrar & Share Transfer Agent and also to give their bank account particulars for direct remittance of dividend to their account, if declared (i.e. Name of Bank, account No. with the Bank, Bank IFC Code No., a cancelled cheque leaf).

For PBM POLYTEX LIMITED

For PBM POLYTEX LIMITED

Place: Vadodara
Date: 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(ANNEXURE TO DIRECTORS' REPORT)

INDUSTRIAL STRUCTURE AND DEVELOPMENTS:

The company was established in the year 1919 and it started manufacturing activity in the year 1922 at Petlad (Gujarat). On different reasons the company almost became a sick unit. The present management took it over in the year 1978 and gradually modernized the manufacturing unit in installments. Continuous upgradation of the unit improved its financial situation. By internal earnings and public issue, right issue, ploughing the working capital by private placement of debentures right from the year 1980 to 1998, the company became a continuous dividend paying company. Its shares were listed with the Bombay Stock Exchange in the year 1986. Dividend was paid to the shareholders continuously since 1986 except for 2-3 years. The company had also given bonus shares at two times. The company setup another yarn manufacturing unit at Borgaon Dist Chhindwara (MP) in the year 1990. Four windmills of the capacity of 1600 KWA (in aggregate) were also set up in Jamnagar, Kutch, Gujarat in the years 2006 and 2007.

Textile Industry is the oldest and highest employment providing industry in India, globally. India is one of the countries having largest textile manufacturing capacity. The important factors which influences the Company's operations are demand and supply conditions, availability of raw material at reasonable rate (cotton), the export market condition, availability of workers of required skills, Government regulations, tax laws, economic developments etc. Ours being mainly a cotton yarn spinning unit has to face all the difficulties which the textile industry is facing in the country.

In the last about 10-15 years many yarn spinning units have been established increasing the production, supply of cotton yarn in the country. Since the new units are eligible for many government benefits and concessions under different policies of the government and since the new units (with new technology) are less labour oriented our company cannot stand in competition with them because their production cost is much lower than that of ours. The company's both the units are established in mofussil area and, therefore, the cost of transportation of raw material and finished goods are also higher. The cost control at different level, wherever possible, and changes according to the times has made the company to survive even under adverse conditions.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The Company's main raw material is Cotton which is an agricultural crop. Its quality and available quantity in the country at reasonable rate depends on proper rains and government policies towards exports, as well as, on international market. The steep increase in Minimum Support Price of Cotton by the Government, which was made in the last year, is a continuous factor on increase in cotton prices whereas the realization of yarn is dependent on market conditions.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company's main product is Cotton Yarn which is about 95.42% of total sales. As stated above, there are four Windmills where the electricity generation depends upon weather conditions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control Systems and procedures in the Company are commensurate with nature and size of its business. Looking to the different amendments in applicable laws and regulations and much more requirements and disclosures, the management desires to increase the scope of internal audit.

It is to be noted that not only the assets of the Company are safeguarded and protected against any losses, but also all the transactions are properly accounted and that they meet the test of legal compliances.

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

OUTLOOK:

The management has programme of replacing the old machineries by installing new machines gradually to improve the quality of production. The availability of labour of required skills, however, on regular basis, is a matter of concern.

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 financial results/profitability.

FINANCIAL AND OPERATIVE PERFORMANCE:

During the year 2021-22, the yarn market was highly explosive. Price of raw Cotton and Cotton yarn increased abnormally. The demand for cotton yarn also remained very good. This helped the Company to have better margin for its yarn.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

In both the Units of the Company, peaceful and amicable relations with the workers were there. However, there continues to be shortage of skilled workers at Petlad Unit. Also absenteeism remain very high in Petlad Unit causing loss of production in Petlad Unit.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONGWITH DETAILED EXPLANATIONS THEREOF:

The following key financial ratios has witnessed a significant change i.e. a change of 25% or more as compared to the financial year 2020-21 and 2021-22 :-

Sr. No.	Key Financial Ratios	FY 2021-22	FY 2020-21	Change in % as compared to previous year	Reason
1.	Current Ratio	3.87 Times	3.46 Times	11.71%	Because of higher profits during the year, current ratio improved.
2.	Net Profit Margin (%)	9.21%	2.05%	348.42%	Due to very good demand of cotton yarn, the Company could enjoy better prices including the profit margin
3.	Return on Net Worth (%)	23.82%	4.44%	436.27%	Because of high realization of cotton yarn, return on net worth increased substantially.
4.	Debtors Turnover Ratio	20.82 Times	15.43 Times	34.87%	Sales proceeds due to higher prices was little slower.
5.	Inventory Turnover Ratio	3.66 Times	2.88 Times	26.94%	Substantially higher prices of cotton and cotton yarn.
6.	Interest Coverage	61.26 Times	25.74 Times	138%	Because of higher operating profit.
7.	Operating Profit Margin	13.90%	5.34%	160.23%	Because of higher realization of cotton yarn.
8.	Debt Equity Ratio	0.005	0.004	27.71%	Increase in ratio mainly on account of increase in lease liability as compared to previous year

FINANCIAL PERFORMANCE OF CURRENT AND PREVIOUS TWO YEARS BASED ON DIFFERENT INDICATORS**(Rs. In Lakhs)**

Year	2019-20	2020-21	2021-22
Capital	688	688	688
Free Reserves	6843	7043	10243
Effective Capital	8965	10557	12793
Exports	5732	4863	11092
Total Sales & other Income	17369	15634	25826
Profit Before Depreciation & Tax	197	786	3416
Dividend Per Share (Rs.)	NIL	1.50 Per Share	4 per share

CAUTIONARY STATEMENT

Any changes in applicable laws, regulations and Government policies and the present epidemic leading to reduction / stoppage of production are beyond the control and anticipations of the management and may adversely affect the profitability of the Company.

For PBM POLYTEX LIMITED

For PBM POLYTEX LIMITED

Place: Vadodara
Date : 12.08.2022

GOPAL PATODIA
Managing Director
(DIN : 00014247)

CHIRAYUSH PATEL
Independent Director
(DIN : 08690998)

Compliance with Code of Business Conduct and Ethics

Pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, hereby, confirm that the Company has received affirmations on compliance with the Company's Code of Business Conduct and Ethics for the financial year ended 31st March, 2022 from all the Board members and Senior Management Personnel.

For PBM Polytex Limited

Place : Vadodara
Date : 27.05.2022

(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, 2022 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

For PBM Polytex Limited

Place : Vadodara (Amit Patodia)
Date : 27.05.2022 Sr. President cum Chief Executive Officer

(Mohan Kumar Patodia)
Managing Director cum Chief Financial Officer

Corporate Governance Compliance Certificate

[For the Financial Year ended March 31, 2022 pursuant to Schedule V –

Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,

PBM Polytex Limited

We have examined the compliance of the conditions of Corporate Governance by PBM Polytex Limited (“Company”) for the Financial Year ended March 31, 2022 (“review period”), as per the relevant provisions of Securities and Exchange Board of India (“SEBI”) (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 Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, 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 review period, no such grievance is pending against the Company, as per the records maintained by the Company.

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

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries
FCS No. 3677; CP No. 2863

ICSI Peer Review # 1079/2021
UDIN: F003677D000408719

Place: Vadodara | Date: May 27, 2022

Certificate of Non-Disqualification of Directors
*[Pursuant to Regulation 34 (3) and Schedule V Part C Clause 10 (i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**The Members,
PBM Polytex Limited**

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents of PBM Polytex Limited (“Company”), having CIN: L17110GJ1919PLC000495, situated at Opposite Railway Station, Petlad – 388 450, Gujarat, India, as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Mr. Gopal Patodia	00014247	01-10-2010
2.	Mr. Hari Prasad Siotia	00015103	09-08-1980
3.	Mr. Krishan Kumar Patodia	00027335	12-06-1979
4.	Mr. Mohan Kumar Patodia	00035381	01-04-2012
5.	Mr. Jugalkishore Maneklal Todi	00598697	31-08-2006
6.	Ms. Vinitadevi Surendrakumar Modi	06965473	20-09-2014
7.	Mr. Ashok Anandpriya Pandit	08132980	19-05-2018
8.	Mr. Rakesh Laxmanprasad Todi	08476512	13-08-2019
9.	Mr. Chirayush Indrajitbhai Patel	08690998	14-02-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

ICSI Peer Review # 1079/2021
UDIN: F003677D000408807

Place: Vadodara | Date: May 27, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
PBM Polytex Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **PBM Polytex Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2022, and the statement of Profit and Loss (including the statement of other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response
<p data-bbox="167 185 794 264"><u>Measurement of provisions for employee emoluments and benefits</u></p> <p data-bbox="167 275 794 712">The company has made provisions for employee benefits and revision of wages. The estimates made by the management regarding the existence of an obligation as well as the forecast of future cash outflows in connection with these obligations directly impact the recognition and measurement of provisions. The management also make use of their judgements for provisions concerning the legal disputes under negotiations.</p>	<p data-bbox="821 185 1181 219"><u>Principal Audit Procedures</u></p> <p data-bbox="821 230 1452 443">We examined the processes and controls set up to prevent or detect and correct errors relating to the complete recognition and measurements of provisions involving the use of judgement.</p> <p data-bbox="821 454 1452 757">External actuaries were engaged to determine the amounts of provisions of gratuity and leave encashment. We examined the data made available to actuaries for completeness and accuracy. We reviewed the assumptions including the discount rate, expected return on plan assets, escalation rate, etc.</p> <p data-bbox="821 813 1452 976">In respect of provision for wage revision, we conducted a critical review of internal analysis notes for the likelihood and potential impact, examining the available documents.</p>

Information other than Financial Statements & Auditors Report thereon.

5. The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance report and Management Discussion and Analysis (but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon).

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance

with the Ind AS and accounting principles generally accepted in India. 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 judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:-

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. 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 are 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 the examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including statement of other comprehensive income and the Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements – Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) & (b) above contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company has not declared and paid any interim dividend during the year and until the date of this report.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members in the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

15. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For RINKESH SHAH & Co.
Chartered Accountants
FRN 129690W**

**Date: May 27, 2022
Place: Ahmedabad**

**CA RINKESH SHAH
Partner
M.No. 131783
UDIN:22131783AJRYQT9137**

PBM Polytex Limited

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 14(f) of Independent Auditor’s report of even date to the members of the Company on Standalone Financial Statements for the year ended March 31, 2022:

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of PBM Polytex Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

2. In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2022, 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.

Management’s Responsibility for Internal Financial Controls

3. 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 (“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 accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

4. 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.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. 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.

7. 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

8. 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 of procedures may deteriorate.

**For RINKESH SHAH & Co.
Chartered Accountants
FRN 129690W**

**Date: May 27, 2022
Place: Ahmedabad**

**CA RINKESH SHAH
Partner
M.No. 131783
UDIN:22131783AJRYQT9137**

PBM Polytex Limited

“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 15 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, 2022:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant & Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note No. 2 on “Property, Plant and Equipment” to the financial statements are in the name of the company.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) During the year, The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company for certain quarters are in not in agreement with the Reviewed books of accounts, however such differences between books of account and those submitted to bank are reconciled. Details of the same are as below :

(Rs. In Lakhs)

Quarter	Particulars of current assets provided as security	Amount as per books of accounts	Amount as per quarterly statements	Difference	Reasons for differences
June-2021	Trade Receivable	679.57	1345.55	(665.98)	<p>Reasons as per the explanation of the management as per note 51</p> <p>-The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends.</p> <p>- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.</p> <p>- There are other differences on account of regrouping and</p>
June-2021	Inventory – Raw Material	3403.03	3403.00	0.03	
June-2021	Inventory – Finished Goods	1722.34	1228.00	494.34	
June-2021	Inventory – Work in Progress	230.99	247.00	(16.01)	
June-2021	Inventory – Stores and Spares	158.48	161.36	(2.88)	
September-2021	Trade Receivable	1720.80	1720.31	0.49	
September-2021	Inventory – Raw Material	686.00	686.00	-	
September-2021	Inventory – Finished Goods	914.39	926.00	(11.61)	
September-2021	Inventory – Work in Progress	261.14	282.00	(20.86)	
September-2021	Inventory – Stores and Spares	157.00	161.36	(4.36)	
December-2021	Trade Receivable	1422.02	1634.41	(212.39)	
December-2021	Inventory – Raw Material	3494.52	3495.00	(0.48)	
December-2021	Inventory – Finished Goods	461.48	463.00	(1.52)	
December-2021	Inventory –	297.00	325.00	(28.00)	

2021	Work in Progress				reclassification of trade receivable balances. The Company has filed provisional return with banks for the quarter ended March 31 2022, as per the due date and subsequently filed final return with respective banks where amounts as per return matches with underlying books of accounts as at March 31, 2022.
December-2021	Inventory – Stores and Spares	261.00	166.36	(94.64)	
March-2021	Trade Receivable	1402.55	1640.94	(238.39)	
March-2021	Inventory – Raw Material	5941.61	5922.00	19.61	
March-2021	Inventory – Finished Goods	904.04	682.00	222.04	
March-2021	Inventory – Work in Progress	334.10	408.00	(73.90)	
March-2021	Inventory – Stores and Spares	160.88	148.27	12.61	

iii. The Company has not made investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships and other parties during the year. The Company has granted loans or advances in the nature of loans, secured or unsecured, to companies and any other parties during the year, in respect of which:

(a) The Company has granted loans or advances in the nature of loans during the year and details of which are given below:

(Rs. In Lakhs)

Particulars	Aggregate Amount during the year (Rs. In Lakhs)	Balance outstanding at the balance sheet date (Rs. In Lakhs)*
- Subsidiaries	Nil	Nil
- Joint Ventures	Nil	Nil
- Associates	308.85*	308.85
- Others	40.50**	15.23

* including interest accrued amounting to Rs. 8.85 Lakhs

** including opening balance as on 1/4/2021

The Company has not given guarantee or provided security to any other entity during the year.

- (b) The grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of interest-free loans or advances in the nature of loans provided by the Company to its employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation in such cases except for the following:

(Rs. In Lakhs)

Name of the employee	Nature	Amount	Due Date	Extent of Delay
Ishwarbhai R Sharma	Staff Loan	0.68	Feb-2022	2 Months
Devraj Saini	Staff Loan	0.64	Jan-2022	3 Months
Sanjay Jadhav	Staff Loan	0.26	Apr-2020	24 Months
Sanjay Khetan	Staff Loan	0.36	Jan-2021	15 Months
Anil Sharma	Staff Loan	0.01	Jan-2021	15 Months

In respect of loan to associate company, schedule of repayment of principal amount has not been stipulated and is repayable on demand.

- (d) In respect of following loans granted and advances in the nature of loans provided by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the management has taken reasonable steps for recovery :

(Rs. In Lakhs)

Nos. of cases	Principal amount overdue (Rs.)	Interest overdue (Rs.)	Total overdue (Rs.)
4	1.27	-	1.27

- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

Particulars	All Parties- Including Related Party* (Rs. In Lakhs)	Promoters * (Rs. In Lakhs)	Related Parties* (Rs. In Lakhs)
Aggregate amount of loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment	309.04*	Nil	308.85*
Percentage of loans to the total loans	95.36%	Nil	95.30%

* including interest accrued amounting to Rs. 8.85 Lakhs

- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of Section 185 and 186 of the Act in respect of investments made and loans granted, to the extent applicable to the Company. The company has not given guarantee or provided security as provided in section 185 and 186 of the Act.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. 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 the records of the company in this connection and are of 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.
- vii. 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 Goods and Services Tax, 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, 2022 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of any dispute, except the following :

Name of statue	Nature of Dues	Amount (in Lakhs)	Period to which amount relates	Forum where the dispute is pending
M P Commercial Tax	Entry Tax	2.16	2015-16	Commissioner (Appeals)
Goods and Services Tax, 2017	Value Added Tax	0.67	2014-15	Commissioner (Appeals)
Goods and Services Tax, 2017	Value Added Tax	0.67	2015-16	Commissioner (Appeals)

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or joint venture.
(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary, associate or joint venture.
- x. (a) 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) during the year and hence reporting under clause x(a) of the Order is not applicable.
(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the company during the year and covering the period up to 31st March, 2022.

- xv. In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) & (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

**For RINKESH SHAH & Co.
Chartered Accountants
FRN 129690W**

**Date: May 27, 2022
Place: Ahmedabad**

**CA RINKESH SHAH
Partner
M.No. 131783
UDIN:22131783AJRYQT9137**

PBM POLYTEX LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	As At 31/03/2022	As at 31/03/2021
I	ASSETS			
1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	4,971.95	4,758.09
	(b) Capital work-in-progress	3	77.18	0.56
	(c) Right of Use Assets	36.4	33.74	20.27
	(d) Intangible assets	4	9.12	10.18
	(e) Financial Assets			
	(i) Investments	5	444.64	293.08
	(ii) Other Financial Assets	6	89.84	95.09
	(f) Other non-current assets	7	146.06	50.15
	Total Non-current Assets		5,772.53	5,227.42
2)	Current Assets			
	(a) Inventories	8	7,340.64	6,107.20
	(b) Financial Assets			
	(i) Trade receivables	9	1,402.55	997.38
	(ii) Cash and cash equivalents	10	543.14	765.63
	(iii) Bank balances other than (ii) above	11	57.69	121.28
	(iv) Loans	12	315.24	22.84
	(v) Other Financial Assets	13	10.31	0.11
	(c) Current tax assets (Net)	14	14.64	-
	(d) Other current assets	15	650.78	373.54
	Total Current Assets		10,334.99	8,387.99
	TOTAL ASSETS		16,107.52	13,615.41
II	EQUITY AND LIABILITIES			
1)	Equity			
	(a) Equity Share Capital	16	687.90	687.96
	(b) Other Equity	17	12,105.47	9,868.95
	Total Equity		12,793.37	10,556.91
2)	Liabilities			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Lease Liabilities	36.1	26.57	11.61
	(ii) Other financial liabilities	18	1.03	1.13
	(b) Provisions	19	86.85	82.81
	(c) Deferred tax liabilities (Net)	20	527.16	539.82
	Total Non-current Liabilities		641.61	635.37
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	30.48	20.53
	(ii) Lease Liabilities	36.1	8.30	10.07

PBM POLYTEX LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	As At 31/03/2022	As at 31/03/2021
	(iii) Trade payables			
	- Total outstanding dues of micro & small enterprises	22	135.59	20.81
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,239.64	248.35
	(iv) Other financial liabilities	23	306.75	346.26
	(b) Other current liabilities	24	746.31	1,630.14
	(c) Provisions	25	205.48	108.94
	(d) Current Tax Liabilities (net)	26	-	38.02
	Total Current Liabilities		2,672.53	2,423.11
	TOTAL EQUITY AND LIABILITIES		16,107.52	13,615.41
	Significant Accounting Policies and	1 - 53		
	Notes to the Financial Statements			

**For and behalf of the Board of Directors of
PBM Polytex Limited**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO
(DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara

Date: 27th May, 2022

As per our attached Report of even Date

For, Rinkesh Shah & Co.

Chartered Accountants

FRN : 129690W

CA Rinkesh Shah

Partner

M. No. 131783

Place: Ahmedabad

Date: 27th May, 2022

PBM POLYTEX LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	2021-22	2020-21
I	INCOME			
	Revenue from operations	27	25,537.55	15,402.11
	Other income	28	288.30	232.25
	Total Income		25,825.86	15,634.36
II	EXPENSES			
	Cost of materials consumed	29	14,910.09	9,867.17
	Purchase of stock in trade		339.02	-
	Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	30	32.73	(431.18)
	Employee benefits expense	31	2,424.32	1,921.34
	Finance costs	32	91.78	60.47
	Depreciation and amortization expense	33	328.54	352.97
	Other expenses	34	4,611.58	3,430.35
	Total Expenses		22,738.07	15,201.11
III	Profit before exceptional items and tax		3,087.78	433.25
IV	Exceptional Items		-	-
V	Profit before tax		3,087.78	433.25
VI	Tax Expenses			
	Current Tax		835.95	161.60
	Deferred Tax Provision / (Reversal)		(26.15)	(27.80)
	Excess Provision of Income Tax of Earlier Years		(21.58)	(14.86)
			788.22	118.94
VII	Profit for the year		2,299.56	314.31
VIII	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		53.57	30.03
	Income tax relating to above items		(13.48)	(7.56)
IX	Total Comprehensive Income for the year		2,339.65	336.77
X	Earning per Equity Share of face value of Rs. 10 each			
	Basic	35	33.43	4.57
	Diluted	35	33.43	4.57
	Significant Accounting Policies and			
	Notes to the Financial Statements	1 - 53		

For and behalf of the Board of Directors of
PBM Polytex Limited

As per our attached Report of even Date

For, Rinkesh Shah & Co.

Chartered Accountants

FRN : 129690W

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara

Date: 27th May, 2022

CA Rinkesh Shah

Partner

M. No. 131783

Place: Ahmedabad

Date: 27th May, 2022

PBM POLYTEX LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars	For the Year Ended 31/03/2022	For the Year Ended 31/03/2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	3,087.78	433.25
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	328.54	352.97
Interest Income	(58.27)	(56.37)
Interest and Other Borrowing Cost	91.78	60.47
(Profit) / Loss on Sale of Tangible assets	7.81	3.73
(Profit) / Loss on Sale of Investment	(64.04)	(48.41)
Excess provision/sundry balances written back	(14.03)	(4.83)
Effect of fair valuation of investments	(140.61)	(35.38)
Other Comprehensive Income for gratuity	53.57	30.03
Operating Profit before Working Capital Changes	3,292.55	735.46
Working Capital Changes:		
Changes in Inventories	(1,233.43)	(1,599.18)
Changes in trade and other receivables	(1,065.46)	(12.51)
Changes in trade and other payables	300.46	782.28
Net Changes in Working Capital	(1,998.44)	(829.41)
Cash Generated from Operations	1,294.11	(93.95)
Direct Taxes paid (Net of Income Tax refund)	(867.03)	(94.97)
Net Cash flow from Operating Activities	427.08	(188.92)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment/intangible assets	(701.71)	(72.47)
Sale of property, plant & equipment	86.20	4.40
Proceeds from Sale/Redemption of Investment (Net)	53.09	1,045.94
Movement in Other Bank Balances	63.58	(57.49)
Interest Income	48.07	56.46
Net Cash flow from Investing Activities	(450.77)	976.84
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(106.41)	(4.30)
Proceeds from/(Repayments) of Short Term Borrowings	9.94	(5.39)
Interest and Other Borrowing Cost Paid	(91.78)	(61.19)
Payment of Lease Liability	(10.55)	(9.61)
Net Cash flow from Financing Activities	(198.80)	(80.50)
Net Increase/(Decrease) in cash & cash equivalents	(222.49)	707.41
Cash & Cash equivalent at the beginning of the year	765.63	58.22
Cash & Cash equivalent at the end of the year	543.14	765.63

For and behalf of the Board of Directors of
PBM Polytex Limited

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)
Shri Gopal Patodia, Managing Director (DIN: 00014247)
Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)
Shri Ashok Pandit, Independent Director (DIN: 08132980)
Shri Chirayush Patel, Independent Director (DIN: 08690998)
Shri Rakesh Todi, Independent Director (DIN: 08476512)
Shri Amit Patodia, CEO
Shri Sunil Somani, Finance Controller
Ms. Swati Sharda, Company Secretary

Place: Vadodara
Date: 27th May, 2022

As per our attached Report of even Date

For, Rinkesh Shah & Co.

Chartered Accountants

FRN : 129690W

CA Rinkesh Shah

Partner

M. No. 131783

Place: Ahmedabad
Date: 27th May, 2022

PBM POLYTEX LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

a. Equity Share capital

PARTICULARS	(Rs. In Lakhs)
As at April 1, 2020	687.96
Changes due to prior period errors	-
Restated Balance as April 1, 2021	687.96
Changes during the year 2020 - 2021	-
As at March 31, 2021	687.96
Changes due to prior period errors	(0.06)
Restated Balance as April 1, 2021	687.90
Changes during the year 2021 - 2022	-
As at March 31, 2022	687.90

b. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus				Total
	Share Capital Forfeiture	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2020	0.17	125.00	6,842.62	2,564.39	9,532.18
Profit for the year	-	-	-	314.31	314.31
Other Comprehensive Income for the year (Including tax thereon)	-	-	-	22.46	22.46
Transfer to General Reserve	-	-	200.00	(200.00)	-
Balance at 31st March, 2021	0.17	125.00	7,042.62	2,701.16	9,868.95
Balance at 1st April, 2021	0.17	125.00	7,042.62	2,701.16	9,868.95
Transfer to General Reserve	0.06	-	3,200.00	(3,200.00)	0.06
Profit for the year	-	-	-	2,299.56	2,299.56
Other Comprehensive Income for the year (Including tax thereon)	-	-	-	40.09	40.09
Dividend	-	-	-	(103.19)	(103.19)
Balance at 31st March, 2022	0.23	125.00	10,242.62	1,737.62	12,105.47

Gain of Rs. 40.09 Lakhs and Rs. 22.47 Lakhs on remeasurement of defined employee benefit plan (net of tax) is recognized as a part of retained earnings for the year ended March 31, 2022 and 2021 respectively.

**For and behalf of the Board of Directors of
PBM Polytex Limited**

**As per our attached Report of even Date
For, Rinkesh Shah & Co.
Chartered Accountants**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

FRN : 129690W

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

CA Rinkesh Shah

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Partner

Shri Amit Patodia, CEO

Membership No: 131783

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara

Place: Ahmedabad

Date: 27th May, 2022

Date: 27th May, 2022

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1A – CORPORATE INFORMATION

PBM Polytex Limited is a public company incorporated in India. Its shares are listed on the BSE limited. The company is engaged in manufacture and processing of yarn.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 27, 2022.

1B - SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Preparation:

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Historical cost convention

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

Functional currency:

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

(2) Key accounting estimates & judgements:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(3) Property, Plant & Equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Leasehold land is amortized over the period of lease.

(4) Intangible Assets

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 6 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(5) Inventories:

Items of inventories of Raw Material, Finished goods, Spares and Stores, Packing Material, etc. are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost is computed on a weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(6) Financial Instruments

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

De-recognition

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Revenue recognition

Revenue is measured at the value of the consideration received or receivable, after deduction of any trade discount, volume rebates and any taxes or duties collected on behalf of Government such as Goods and Services Tax, etc.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Other revenue:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.

Dividends are generally recognised in the Statement of Profit and Loss only when the right to receive is established.

(8) Foreign Currency Transactions:

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using exchange rate at the date of the transaction. Foreign exchange gains and losses from the settlement of these transactions are recognized in the statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at the exchange rates in effect at the balance sheet date, the gain or loss arising on such translations are recognized in the statement of profit and loss.

(9) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(c) **Minimum Alternate Tax (MAT):**

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

(10) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(11) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity liability of employees is funded with the approved gratuity trusts.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc., are charged to the Statement of Profit and Loss as incurred. The Company contributes to Superannuation Trust for the Managerial Personnel of the Company as per the rules of the Trust.

(12) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(13) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(14) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

(15) Leases :

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019).

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

As a Lessor

The company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(16) Cash Flow Statements

The Cash Flow statement is prepared by the "Indirect method" set out in Ind AS-7 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash Equivalent presented in the cash flow statement consist of cash on hand and demand deposits with banks.

(17) Events occurring after the balance sheet date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

(18) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

PBM POLYTEX LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1C - RECENT PRONOUNCEMENT

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

2. Property, plant and equipment

Particular	Leasehold Land	*Freehold Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross Value										
Balance as at 31st March, 2020	25.36	137.25	2,204.37	11,643.15	519.61	205.62	343.80	66.47	51.63	15,197.26
Additions	-	-	1.89	24.16	5.80	0.62	23.95	6.89	6.65	69.96
Deduction & Adjustment	-	-	-	17.28	-	0.70	2.72	-	-	20.71
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	25.36	137.25	2,206.26	11,650.03	525.41	205.54	365.03	73.36	58.28	15,246.52
Additions	-	-	64.74	467.29	8.41	6.75	62.06	11.38	4.10	624.72
Deduction & Adjustment	-	-	-	483.54	0.79	37.25	27.55	23.77	20.39	593.29
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	25.36	137.25	2,270.99	11,633.78	533.03	175.03	399.54	60.98	41.99	15,277.95
Accumulated Depreciation										
Balance as at 31st March, 2020	-	-	1,080.98	8,108.29	484.24	157.28	234.55	52.86	41.52	10,159.72
Depreciaton for the year	0.36	-	50.46	239.01	2.16	9.81	26.39	4.25	8.86	341.29
Deduction & Adjustment	-	-	-	10.26	-	0.67	1.65	-0.54	0.54	12.58
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	0.36	-	1,131.44	8,337.03	486.39	166.42	259.29	57.64	49.85	10,488.43
Depreciaton for the year	0.36	-	42.19	230.27	2.76	7.64	20.03	5.35	8.62	317.22
Deduction & Adjustment	-	-	-	398.01	0.75	32.99	25.95	22.58	19.37	499.64
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	0.72	-	1,173.62	8,169.30	488.41	141.07	253.37	40.40	39.10	10,306.00
Net carrying amount										
Balance as at 31st March, 2021	25.00	137.25	1,074.82	3,313.00	39.02	39.11	105.74	15.72	8.43	4,758.09
Balance as at 31st March, 2022	24.64	137.25	1,097.37	3,464.48	44.63	33.96	146.17	20.57	2.89	4,971.95

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

2.1 All the title deeds for the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company

2.2 The Company has not done revaluation of PPE / Intangible assets.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

3 Capital Work in Progress

Particulars	31.03.2022	31.03.2021
Project in Progress	77.18	0.56
Total	77.18	0.56

3.1 Details of Capital work in progress Ageing

Ageing of Capital work-in-progress as at 31/03/2022 is as follows

Particulars	Amount in Capital work-in-progress for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Project in Progress	77.18	-	-	-	77.18

Ageing of Capital work-in-progress as at 31/03/2021 is as follows

Particulars	Amount in Capital work-in-progress for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Project in Progress	0.56	-	-	-	0.56

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

4. Intangible Assets

Particular	Computer Software
Gross Value	
Balance as at 31st March, 2020	21.85
Additions	6.50
Deduction & Adjustment	-
Balance as at 31st March, 2021	28.35
Additions	-
Deduction & Adjustment	-
Balance as at 31st March, 2022	28.35
Amortization	
Balance as at 31st March, 2020	16.61
Deduction & Adjustment	-
Amortization for the year	1.57
Balance as at 31st March, 2021	18.18
Deduction & Adjustment	-
Amortization for the year	1.06
Balance as at 31st March, 2022	19.24
Net carrying amount	
Balance as at 31st March, 2021	10.18
Balance as at 31st March, 2022	9.12

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

5. Investments (Non-Current)

PARTICULARS	As at 31/03/2022		As at 31/03/2021	
	Nos.	Rs. In Lakhs	Nos.	Rs. In Lakhs
Investments measured at Fair Value Through Profit & Loss				
In Equity Shares of Associate Companies				
Quoted, Fully Paid Up				
M/s Eurotex Industries and Exports Limited (of Rs. 10 each)	22,31,980	296.85	22,31,980	156.24
Total of Investments measured at Fair Value Through Profit & Loss		296.85		156.24
Investments measured at Amortized Cost				
In Preference Shares of Associate Companies				
Unquoted, Fully Paid Up				
6% Non- Cumulative Non- convertible Redeemable Preference Shares of Rs. 10/- each of M/s Eurotex Industries and Exports Limited	46,00,000	147.79	46,00,000	136.84
Total of Investments measured at Amortized Cost		147.79		136.84
Total Non Current Investments		444.64		293.08
Aggregate amount of quoted Investments		545.91		545.91
Market Value of quoted Investments		296.85		156.24
Aggregate amount of unquoted Investments		147.79		136.84

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
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(Rs. in Lakhs)

6. Other Financial Assets (Non Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Security Deposits		
- Deposits with Related Parties	2.00	8.00
- Deposits with Others	87.76	87.01
Fixed Deposits with Banks*	0.08	0.08
Total	89.84	95.09

*given as security deposit to sales tax authorities

7. Other Non Current Assets

Particulars	As at 31/03/2022	As at 31/03/2021
Capital Advances	145.34	49.44
Others	0.71	0.71
Total	146.06	50.15

8. Inventories

Particulars	As at 31/03/2022	As at 31/03/2021
Raw materials (including Goods in Transit of Rs. 14.78 Lakhs, PY Rs. Nil)	5,941.61	4,670.20
Stores, Spares & Fuel (including Goods in Transit of Rs. 14.04 Lakhs, PY Rs. 7.08 Lakhs)	160.88	166.13
Finished goods	885.00	946.77
Stock in Process	334.10	262.02
Cotton Waste	19.04	62.09
Total	7,340.64	6,107.20

9. Trade Receivables (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Considered good - Unsecured	1,402.55	997.38
Total	1,402.55	997.38

(Refer Note No. 48 for ageing of trade receivables)

10. Cash and Cash Equivalents

Particulars	As at 31/03/2022	As at 31/03/2021
Balances with banks		
- In current accounts	114.34	760.06
- In deposit accounts (with original maturity of less than 3 months)	415.00	-
Cash on hand	13.80	5.57
Total	543.14	765.63

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
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(Rs. in Lakhs)

11. Bank balances other than mentioned in cash and cash equivalents

Particulars	As at 31/03/2022	As at 31/03/2021
Unclaimed Dividend	37.47	40.69
Fixed Deposits with Banks*	20.22	80.59
Total	57.69	121.28

* includes bank FD under lien for margin money amounting to Rs. 19.72 Lakh (PY Rs. 28.64 Lakh)

12. Loans (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Considered good - Unsecured		
Loans & Advances to Employees	15.24	22.84
Considered good - Secured		
Loans to Related Parties		
-Inter Corporate Deposit with Associate Company	300.00	-
Total	315.24	22.84

13. Other financial assets (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Interest receivable	10.31	0.11
Total	10.31	0.11

14. Current tax asset (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Advance tax (net off provision of income tax)	14.64	-
Total	14.64	-

15. Other Current Assets

Particulars	As at 31/03/2022	As at 31/03/2021
Advances to Suppliers & Others	98.87	78.04
Balance with Govt. Agencies	476.59	223.79
Prepaid Expenses	75.31	71.71
Total	650.78	373.54

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

16 Share capital (Rs. in Lakhs)

Particulars	As at 31/03/2022		As at 31/03/2021	
	Units	Rs.	Units	Rs.
Authorised Share Capital :				
Equity Shares of Rs. 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued & Subscribed :				
Equity Shares of Rs. 10 each	68,80,000	688.00	68,80,000	688.00
Subscribed and Fully Paid Up				
Equity Shares of Rs. 10 each	68,79,020	687.90	68,79,020	687.90
Forfeited Shares				
Equity Shares of Rs. 10 each	-	-	980	0.06
Total	68,79,020	687.90	68,80,000	687.96

16.1 The reconciliation of the no. of shares outstanding is set out below :

Particulars	As at 31/03/2022	As at 31/03/2021
Equity shares		
At Beginning of the period	68,80,000	68,80,000
Add : Issued during the year	-	-
Less : Changes due to prior period errors	980	-
At End of the period	68,79,020	6,88,00,000

16.2 Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31/03/2022		As at 31/03/2021	
	Units	% of holding	Units	% of holding
M/s Eurotex Industries & Exports Ltd.	3,58,345	5.21%	3,58,345	5.21%
M/s Sambhu Investments Pvt Ltd	7,79,320	11.33%	7,79,320	11.33%
M/s Patodia Syntex Ltd.	7,12,957	10.36%	7,12,957	10.36%
M/s Trikon Investments Pvt Ltd	5,57,834	8.11%	5,57,834	8.11%

16.3 The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

16.4 In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

16.5 Subsequent to Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 4 per share to be paid on fully paid equity shares in respect of financial year ended on March 31, 2022. The equity dividend is subject to approval by shareholders at the ensuing annual general meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 275.16 Lakhs.

16.6 Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows

Promoter Name	As at 31/03/2022		As at 31/03/2021		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Sambhu Investments Pvt Ltd	7,79,320	11.33	7,79,320	11.33	0.00
Patodia Syntex Ltd	7,12,957	10.36	7,12,957	10.36	0.00
Trikon Investments Pvt Ltd	5,57,834	8.11	5,57,834	8.11	0.00
Eurotex Industries and Exports Limited	3,58,345	5.21	3,58,345	5.21	0.00
Rajiv Agencies Private Limited	2,22,848	3.24	2,22,848	3.24	0.00
Manju Patodia	2,16,744	3.15	2,16,744	3.15	0.00
Madhu Patodia	2,12,594	3.09	2,12,594	3.09	0.00
Rani Krishan Kumar Patodia	2,10,511	3.06	2,10,511	3.06	0.00
Hari Prasad Siotia	1,99,280	2.90	1,99,280	2.90	0.00
Anita Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Nandini Narayan Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Krishan Kumar Patodia	1,41,028	2.05	1,41,028	2.05	0.00
Shashank Investments Private Limited	89,512	1.30	89,512	1.30	0.00
Amit Patodia	78,980	1.15	78,980	1.15	0.00
Shakuntala Devi Patodia	74,386	1.08	74,386	1.08	0.00
Siddharth krishan kumar patodia	69,007	1.00	69,007	1.00	0.00
Narayan Patodia	68,849	1.00	68,849	1.00	0.00
Mohankumar patodia	67,998	0.99	67,998	0.99	0.00
Aditi Jussawalla	63,467	0.92	63,467	0.92	0.00
Priya gopal patodia	56,553	0.82	56,553	0.82	0.00
Chandramauli Investment Pvt Ltd	56,314	0.82	56,314	0.82	0.00
Vikash patodia	49,518	0.72	49,518	0.72	0.00
Kirti patodia	47,173	0.69	47,173	0.69	0.00

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

Yashvardhan narayan patodia	47,173	0.69	47,173	0.69	0.00
Devan Patodia	45,917	0.67	45,917	0.67	0.00
Gaurav Narayan Patodia	44,995	0.65	44,995	0.65	0.00
Gopal Patodia	27,369	0.40	27,369	0.40	0.00
Thrust Investment and Management Consultants Pvt Ltd.	6,473	0.09	6,473	0.09	0.00
Shailja Patodia	3,125	0.05	3,125	0.05	0.00
Maharashtra Fibre and Syntex Ltd.	447	0.01	447	0.01	0.00

Disclosure of shareholding of promoters as at March 31, 2021 is as follows

Promoter Name	As at 31/03/2021		As at 31/03/2020		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Sambhu Investments Pvt Ltd	7,79,320	11.33	7,79,320	11.33	0.00
Patodia Syntex Ltd	7,12,957	10.36	7,12,957	10.36	0.00
Trikon Investments Pvt Ltd	5,57,834	8.11	5,57,834	8.11	0.00
Eurotex Industries and Exports Limited	3,58,345	5.21	3,58,345	5.21	0.00
Rajiv Agencies Private Limited	2,22,848	3.24	2,22,848	3.24	0.00
Manju Patodia	2,16,744	3.15	2,16,744	3.15	0.00
Madhu Patodia	2,12,594	3.09	2,12,594	3.09	0.00
Rani Krishan Kumar Patodia	2,10,511	3.06	2,10,511	3.06	0.00
Hari Prasad Siotia	1,99,280	2.90	1,99,280	2.90	0.00
Anita Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Nandini Narayan Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Krishan Kumar Patodia	1,41,028	2.05	1,41,028	2.05	0.00
Shashank Investments Private Limited	89,512	1.30	89,512	1.30	0.00
Amit Patodia	78,980	1.15	78,980	1.15	0.00
Shakuntala Devi Patodia	74,386	1.08	74,386	1.08	0.00
Siddharth krishan kumar patodia	69,007	1.00	69,007	1.00	0.00
Narayan Patodia	68,849	1.00	68,849	1.00	0.00
Mohankumar patodia	67,998	0.99	67,998	0.99	0.00
Aditi Jussawalla	63,467	0.92	63,467	0.92	0.00
Priya gopal patodia	56,553	0.82	56,553	0.82	0.00
Chandramauli Investment Pvt Ltd	56,314	0.82	56,314	0.82	0.00
Vikash patodia	49,518	0.72	49,518	0.72	0.00
Kirti patodia	47,173	0.69	47,173	0.69	0.00
Yashvardhan Narayan Patodia	47,173	0.69	-	-	0.69
Devan Patodia	45,917	0.67	45,917	0.67	0.00
Gaurav Narayan Patodia	44,995	0.65	44,995	0.65	0.00
Gopal Patodia	27,369	0.40	27,369	0.40	0.00
Thrust Investment and Management Consultants Pvt Ltd.	6,473	0.09	6,473	0.09	0.00
Shailja Patodia	3,125	0.05	3,125	0.05	0.00
Maharashtra Fibre and Syntex Ltd.	447	0.01	447	0.01	0.00

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022

(Rs. in Lakhs)

17. Other Equity

Particulars	As at 31/03/2022	As at 31/03/2021
Share Capital Forfeiture	0.23	0.17
General Reserve		
Balance as per last year	7,042.62	6,842.62
Add: Appropriations From Current year's Profit	3,200.00	200.00
Balance at the end of the Year	10,242.62	7,042.62
Share Capital Redemption Reserve	125.00	125.00
Surplus in Statement of Profit & Loss		
Balance at the beginning of the Year	2,701.16	2,564.39
Add: Total Comprehensive Income for the year	2,339.65	336.77
Amount available for Appropriation (A)	5,040.81	2,901.16
<u>Less: Appropriations</u>		
Dividend	103.19	-
Transferred to General Reserves	3,200.00	200.00
Total Appropriation (B)	3,303.19	200.00
Balance at the end of the Year (A - B)	1,737.62	2,701.16
Total	12,105.47	9,868.95

Share Capital Redemption Reserve

Capital Redemption Reserve represents reserve created during buy back of Equity Shares and it is a non-distributable reserve.

General Reserve

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022

(Rs. in Lakhs)

18. Other financial liabilities (Non Current)

Particulars	As at 31.03.2022	As at 31/03/2021
Security Deposits (From Debtors, Employees and Contractors)	1.03	1.13
Total	1.03	1.13

19. Provisions (Non Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for employee benefits		
- Leave Encashment (unfunded)	82.60	78.56
- Gratuity	4.25	4.25
Total	86.85	82.81

20. Deferred Tax Liabilities (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Liability Relating to earlier years	539.82	560.06
Add/(Less): Liability/(Assest) for the year		
- Charged/(Credited) to P & L	(26.15)	(27.80)
- Charged/(Credited) to OCI	13.48	7.56
TOTAL	527.16	539.82

21.1 Component of Deferred Tax Liabilities (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Depreciation	732.83	765.39
Employee Benefits	(64.41)	(46.16)
Other Timing Differences	(141.26)	(179.40)
TOTAL	527.16	539.82

21. Borrowings (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Current Interest-bearing loans and borrowings		
Working Capital Loans		
From banks		
Secured*	30.48	20.53
Total	30.48	20.53

* Secured by first pari passu charge (favouring SBI and IDBI Bank) by way of hypothecation of current assets and also by mortgage of immovable properties of the company.

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022

(Rs. in Lakhs)

22. Trade Payables (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Total outstanding dues of micro & small Enterprises (Refer Note No. 49.1)	135.59	20.81
Total outstanding dues of creditors other than micro & small enterprises	1,239.64	248.35
Total	1,375.23	269.16

(Refer Note No. 49.2 For ageing of trade payables)

23. Other Financial Liabilities (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Unpaid dividends	37.47	40.69
Dues to Employees and others	269.28	305.57
Total	306.75	346.26

24. Other Current liabilities

Particulars	As at 31/03/2022	As at 31/03/2021
Credit Balances of Customers	391.21	1,283.95
Statutory Dues	42.87	31.61
Other Payables	312.23	314.57
Total	746.31	1,630.14

25. Provisions (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for employee benefits		
- Leave Encashment (unfunded)	34.46	29.74
- Bonus	171.01	79.20
Total	205.48	108.94

26. Current Tax Liabilities

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for taxation (net of advance tax paid)	-	38.02
Total	-	38.02

PBM POLYTEX LIMITED

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022**

(Rs. in Lakhs)

27. Revenue from Operations

Particulars	2021-22	2020-21
Sale of Products	24,607.10	15,302.01
Sale of Services (Job Work Charges)	370.88	7.18
Other Operating Revenue		
-Sale of Scrap	21.64	7.33
-Export Incentive Income	537.93	85.59
Total	25,537.55	15,402.11

27.1 Sale of Products

Name of Products	2021-22	2020-21
Yarn sales	23,495.42	14,507.03
Cotton/Yarn Waste Sales	964.61	675.63
Sale of Electricity Units	147.07	119.34
Total	24,607.10	15,302.01

28. Other income

Particulars	2021-22	2020-21
Interest income	58.27	56.37
Net Gain on sale of Investments	64.04	48.41
Insurance claims Received	11.24	31.02
Gain on sale of property, plant and equipments	-	1.27
Foreign Exchange Fluctuation Gain	-	54.85
Effect of fair valuation of investments	140.61	35.38
Excess Provision/Sundry Balances written back	14.03	4.83
Other Miscellaneous Income	0.12	0.12
Total	288.30	232.25

29. Cost of materials consumed

Particulars	2021-22	2020-21
Opening Stock	4,670.20	3,504.69
Add : Purchases	16,166.71	11,032.68
Sub Total	20,836.91	14,537.38
Less : Closing Stock	5,926.82	4,670.20
Total	14,910.09	9,867.18

PBM POLYTEX LIMITED

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022**

(Rs. in Lakhs)

30. Changes in Inventories of Finished goods, WIP and Waste

Particulars	2021-22	2020-21
Inventories at the beginning of the year		
Finished Goods	946.77	515.15
WIP	262.02	284.64
Waste	62.09	39.90
Sub Total	1,270.88	839.70
Less : Inventories at the end of the year		
Finished Goods	885.00	946.77
WIP	334.10	262.02
Waste	19.04	62.09
Sub Total	1,238.14	1,270.88
Net Decrease / (Increase) in Inventories	32.73	(431.18)

31. Employee benefit expense

Particulars	2021-22	2020-21
Salaries and wages	2,140.39	1,672.87
Contribution to provident and other funds	197.27	177.93
Staff welfare expenses	86.66	70.54
Total	2,424.32	1,921.34

32. Finance costs

Particulars	2021-22	2020-21
Interest Expenses	2.53	6.58
Other Borrowing Costs	89.25	53.89
Total	91.78	60.47

33. Depreciation and Amortization Expenses

Particulars	2021-22	2020-21
Depreciation on Property, Plant & Equipment	317.22	341.29
Amortization of Intangible Assets	1.06	1.57
Amortization of Right-of-Use Assets	10.27	10.11
Total	328.54	352.97

PBM POLYTEX LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST
MARCH, 2022****(Rs. in Lakhs)****34. Other expenses**

Particulars	2021-22	2020-21
Consumption of stores and packing material	479.02	330.94
Power and fuel	2,490.25	2,108.28
Rent Expense	41.62	35.14
Repairs:-		
- Machinery (including spares)	368.10	239.08
- Building	73.93	27.32
- Others	60.62	28.02
Insurance	66.87	68.39
Rates and Taxes	14.50	12.64
Licence Fees, Legal & Professional Charges	86.66	60.51
Sales and Distribution Expenses	630.52	312.79
Travelling and conveyance	152.23	117.30
Directors Sitting Fees	7.80	5.55
Audit Fees and Expenses (Refer Note No. 34.1)	4.79	4.19
Donation	9.34	9.05
Foreign Exchange Fluctuation Loss	26.26	-
CSR Expenses (Refer Note No. 39)	25.00	17.33
Loss on sale of Property, Plant & Equipment	7.81	4.99
Other Miscellaneous Expenses	66.25	48.81
Total	4,611.58	3,430.35

34.1 Auditor's Remuneration

Particulars	2021-22	2020-21
As auditor :		
Audit fee	4.00	4.00
Reimbursement of expenses	0.79	0.19
Total	4.79	4.19

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

35. Earning Per Share

Particulars	2021-22	2020-21
Net Profit/(Loss) for the year attributable to Equity Shareholders (Rs. In Lakhs)	2,299.56	314.31
Weighted Average number of Equity Shares outstanding of Face Value of Rs. 10 each. (Nos.)	68,79,020	68,80,000
Number of Equity Shares for Basic EPS (Nos.)	68,79,020	68,80,000
Add : Diluted Potential Equity Shares (Nos.)	-	-
Number of Equity Shares for Diluted EPS (Nos.)	68,79,020	68,80,000
Basic Earning Per Share (Rs.)	33.43	4.57
Diluted Earning Per Share (Rs.)	33.43	4.57
Nominal Value Per Share (Rs.)	10.00	10.00

36. Disclosure under Ind As 116 - Leases

36.1 Lease liabilities included in financial statements

Particulars	As at 31/03/2022	As at 31/03/2021
Current	8.30	10.07
Non-Current	26.57	11.61
Total	34.86	21.69

36.2 Movement in Lease Liability during the year

Particulars	2021-22	2020-21
Balance at the beginning of the year	21.69	31.29
Additions	23.74	-
Finance Cost accrued during the year	2.08	2.70
Payment of Lease Liabilities (including interest)	(12.63)	(12.30)
Balance at the end of the year	34.86	21.69

36.3 Maturity Analysis of Undiscounted cash flow of the lease liability

Particulars	As at 31/03/2022	As at 31/03/2021
Less than one year	11.33	11.75
one to five years	26.96	7.92
More than 5 years	41.62	42.27

36.4 Movement in Right to Use of Assets during the year

Particulars	2021-22	2020-21
Balance at the beginning of the year	20.27	30.39
Addition during the year	23.74	-
Amortisation during the year	(10.27)	(10.11)
Balance at the end of the year	33.74	20.27

36.5 Expense relating to short-term leases are disclosed under the head rent expense in other expenses (Refer Note 34).

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

37. Contingent Liabilities and Commitments

Particulars	As at 31/03/2022	As at 31/03/2021
Contingent Liabilities		
Entry tax demands for different years against which company has preferred appeals before appropriate authorities	2.16	2.16
Disputed VAT matters	1.44	1.44
Claim by Director of Industries, Gujarat in Gujarat High Court for non-delivery of yarn in the year 1978	1.09	1.09
Bills discounted under Export/Inland Letters of Credit	-	861.22
Commitments		
Estimated amount of contracts remaining unexecuted on capital account and not provided for in Books (net of advances)	320.95	688.99
Other commitments	-	-

38. Segment Information

The company manufactures and deals in single segment, i.e. manufacturing of cotton yarn. Therefore no separate disclosure as per Ind AS 108 - "Operating Segments" is given.

38.1 Geographical Information

Revenue from external customers	2021-22	2020-21
India	14,819.56	10,036.80
Outside India	10,717.99	5,365.31
Total	25,537.55	15,402.11

38.2 There are no Non Current Assets other than in India.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

39. Corporate Social Responsibility

Particulars	2021-22	2020-21
1. Gross amount required to be spent by the Company	11.35	13.66
2. Amount spent during the year		
(i) construction/acquisition of any asset	-	-
(ii) on purposes other than (i) above	25.00	17.33
3. Shortfall at the end of the year	-	-
4. Total of previous years' shortfall	-	-
5. Reasons for shortfall	-	-
6. The nature of CSR activities undertaken by the Company		
- Promoting Healthcare	25.00	12.95
- Promoting Education	-	1.88
- Research and Development Activities	-	2.50
7. CSR transactions with related parties	-	-

40. Income Taxes

Particulars	2021-22	2020-21
The major components of income tax expense for the year as under:		
Current tax	835.95	161.60
Deferred tax		
In respect of Accumulated Depreciation	(32.56)	(33.48)
In respect of Investments, employee benefits and other timing differences	19.89	13.24
Total deferred tax	(12.67)	(20.24)
Adjustment of tax for earlier years	(21.58)	(14.86)
Total tax expenses charged to statement of Profit and Loss	801.70	126.50

40.1 Reconciliation of Effective Tax Rate

Particulars	2021-22	2020-21
Applicable Tax Rate	25.17%	25.17%
Profit before tax	3,087.78	433.24
Income tax expense at tax rates applicable to individual entities	777.13	109.05
Income exempt from tax	-	-
Expenses that are not deductible	8.64	7.89
Adjustment of tax for earlier years	(21.58)	(14.86)
Others	37.51	24.43
Income Tax Expenses recognised in Statement of Profit and Loss	801.70	126.50

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

41. Related Party Disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

41.1 Name of the Related Parties and Nature of Relationship:

Associates & Enterprises owned or significantly influenced by key management personnel (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
M/s Shashank Investment Pvt. Limited	M/s Chandramauli Investment Pvt. Limited
M/s Veepee Intrades Pvt. Limited	M/s Suragini Investment Pvt. Limited
M/s.Star Silk Exports Pvt.Limited	M/s Mercury Gem Pvt. Ltd.

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
Smt. Swati sharda	company secretary

41.2 Transactions with Related Parties :

Transactions	Associates & Enterprises owned or Significantly influenced by KMP		Key Managerial Personnel	
	2021-22	2020-21	2021-22	2020-21
Purchase of Goods (Net of GST)				
- M/s Eurotex Industries and Exports Limited	17.91	8.60	-	-
Purchase of Property, Plant and Equipments (Net of GST)				
- M/s Eurotex Industries and Exports Limited	11.76	-	-	-
Sale of Goods (Net of GST)				
- M/s Eurotex Industries and Exports Limited	101.82	341.07	-	-
- M/s Patodia Syntex Limited		-		
Sale of Services (Net of GST)				
- M/s Eurotex Industries and Exports Limited	-	7.16	-	-
Rent Paid				
- M/s Patodia Syntex Limited	1.20	1.20	-	-
- M/s Trikon Investments Pvt. Limited	0.90	1.20	-	-
- M/s Sambhu Investments Pt. Limited	7.80	7.80	-	-
- M/s B.L.Patodia Family Trust	2.88	2.88	-	-
- M/s Murarilal Mahendrakumar	4.50	3.60	-	-
- M/s Brijlal Purushottamdas	1.80	1.80	-	-
- M/s Dharamchand Keshardeo	1.80	1.80	-	-
- M/s Eurotex Industries and Exports Limited	1.80	1.80	-	-
Rent Received				
- M/s Shashank Investment Pvt. Limited	0.03	0.03	-	-
- M/s Veepee Intrades Pvt. Limited	0.03	0.03	-	-
- M/s Chandramauli Investment Pvt. Limited	0.03	0.03	-	-
- M/s Suragini Investment Pvt. Limited	0.03	0.03	-	-
Dividend Paid				
- M/s Sambhu Investments Pt. Limited	11.69	-	-	-
- M/s Patodia Syntex Limited	10.69	-	-	-
- M/s Trikon Investments Pvt. Limited	8.37	-	-	-
- M/s Eurotex Industries and Exports Limited	5.38	-	-	-
- M/s Shashank Investment Pvt. Limited	1.34	-	-	-
- M/s Chandramauli Investment Pvt. Limited	0.84	-	-	-
- Shri Gopal Patodia	-	-	0.41	-
- Shri Amit Patodia	-	-	1.18	-
- Shri Mohankumar Patodia	-	-	1.02	-

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

Loan Given				
- M/s Eurotex Industries and Exports Limited	300.00	-	-	-
Interest Income				
- M/s Eurotex Industries and Exports Limited	9.84	-	-	-
Remuneration to KMP				
- Managing Directors	-	-	144.33	123.54
- Senior President cum Chief Executive Officer	-	-	47.80	47.73
- Company Secretary	-	-	3.33	4.32

41.3 Outstanding Balances:

Transactions	Associates & Enterprises owned or Significantly influenced by KMP		Key Managerial Personnel	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Security deposits given				
- M/s Trikon Investments Pvt. Limited	-	6.00	-	-
- M/s Sambhu Investments Pt. Limited	2.00	2.00	-	-
- M/s Murarilal Mahendrakumar	0.03	0.03	-	-
Investments				
Investments in 22,31,980 Equity Shares of Rs. 10/- each of M/s. Eurotex Industries and Exports Limited (Stated at Fair Value through Profit & Loss) (Purchase Value Rs. 545.90 Lakhs)	296.85	156.24	-	-
Investments in 46,00,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.10/- each of M/s. Eurotex Industries and Exports Limited. (Stated at Amortized Cost) (Purchase Value Rs. 460 Lakhs)	147.79	136.84	-	-
Loan Given				
- M/s Eurotex Industries and Exports Limited	300.00	-	-	-
Interest Accrued				
- M/s Eurotex Industries and Exports Limited	8.85	-	-	-
Trade Receivables				
- M/s Eurotex Industries and Exports Limited	-	90.24	-	-
Remuneration Payable to				
- Managing Director	-	-	24.18	21.76
- Senior President	-	-	1.50	2.25

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free (except loan to Associate Company) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

42 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 "EMPLOYEE BENEFITS"

(a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	2021-22	2020-21
Employer's contribution to Provident Fund	48.37	39.58
Employer's contribution to Superannuation Fund	21.58	20.16
Employer's contribution to Pension Scheme	70.19	62.67

(b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

i) Reconciliation of opening and closing balances of defined benefit obligation

Particulars	2021-22	2020-21
Present value of obligation as at the beginning of the year	1,299.37	1,255.29
Interest Cost	69.58	72.96
Current Service Cost	60.04	60.05
Benefits Paid	(62.21)	(70.65)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(32.35)	13.33
Actuarial (Gain)/Loss on arising from Change Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	(4.43)	(31.61)
Present value of obligation as at the end of the year	1,330.00	1,299.37

ii) Reconciliation of opening and closing balances of fair value of plan assets

Particulars	2021-22	2020-21
Fair Value of plan assets at the beginning of the year	1,315.30	1,296.72
Interest Income	72.48	77.49
Contributions by the employer	24.88	-
Benefits paid	(62.21)	(70.65)
Return on plan assets	16.79	11.74
Fair Value of plan assets at the end of the year	1,367.25	1,315.30

iii) Reconciliation of fair value of assets and obligations

Particulars	As at 31/03/2022	As at 31/03/2021
Fair Value of plan assets	1,367.25	1,315.30
Present value of obligation	1,330.00	1,299.37
Amount recognised in Balance Sheet [Surplus/(Deficit)]	37.25	15.93

iv) Expenses recognised during the year

Particulars	2021-22	2020-21
(A) In the Statement of Profit & Loss		
Interest Cost	(2.90)	(4.53)
Current Service Cost	60.04	60.05
Net Cost	57.14	55.52
(B) In Other Comprehensive Income		
Actuarial (Gain)/Loss	(36.78)	(18.29)
Return on Plan Assets	(16.79)	(11.74)
Net Expense/(Income) recognized in Other Comprehensive Income	(53.57)	(30.03)

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

v) Investment Details :

Particulars	As at 31/03/2022	As at 31/03/2021
Insurance Plan	100%	100%

vi) Actuarial Assumptions

Particulars	As at 31/03/2022	As at 31/03/2021
Mortality Table	IALM(2012-14)	IALM(2012-14)
Discount Rate	6.40%	6.05%
Expected rate of return on plan assets	6.40%	6.05%
Rate of escalation in salary	7.00%	7.00%

vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As at 31/03/2022	As at 31/03/2021
Sensitivity Level - Discount Rate		
0.5% Increase	1,286.17	1,275.19
0.5% Decrease	1,376.64	1,375.00
Sensitivity Level - Salary Escalation		
0.5% Increase	1,373.84	1,374.35
0.5% Decrease	1,288.38	1,275.33
Sensitivity Level - Withdrawal Rate		
W.R. X 110%	1,329.78	1,321.72
W.R. X 90%	1,330.19	1,325.19

viii) Expected contribution to the defined benefit plan for the next reporting period - Rs. 63.99 Lakhs

ix) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31/03/2022	As at 31/03/2021
Within the next 12 months (next annual reporting period)	342.14	298.54
Between 2 to 5 years	308.21	302.52
Beyond 5 years	490.26	411.54

x) Weighted Average duration of Defined Plan Obligation

Particulars	As at 31/03/2022	As at 31/03/2021
Gratuity	7.89 Years	8.53 Years

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

43 Financial Instruments - Fair Values & Risk Management

43.1 Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1. The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
3. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4. The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The company uses the following hierarchy for determining and disclosing the fair values of financial

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

I. Figures as at March 31, 2022

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	147.79	-	147.79
Other Non Current Financial Assets	89.84	-	89.84
Trade Receivables	1,402.55	-	1,402.55
Cash and Cash Equivalents	543.14	-	543.14
Bank Balances Other than Cash and Cash Equivalents	57.69	-	57.69
Other Current Financial Assets	325.54	-	325.54
TOTAL	2,566.56	-	2,566.56
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	296.85	296.85	-
TOTAL	296.85	296.85	-
Financial liabilities at amortised cost:			
Lease Liabilities	34.86	-	34.86
Borrowings (Current)	30.48	-	30.48
Trade Payables	1,375.23	-	1,375.23
Other Financial Liabilities	307.77	-	307.77
TOTAL	1,748.35	-	1,748.35
Financial liabilities at fair value through profit or loss:			
TOTAL	-	-	-

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

II. Figures as at March 31, 2021

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	136.84	-	136.84
Other Non Current Financial Assets	95.09	-	95.09
Trade Receivables	997.38	-	997.38
Cash and Cash Equivalents	765.63	-	765.63
Bank Balances Other than Cash and Cash Equivalents	121.28	-	121.28
Other Current Financial Assets	22.95	-	22.95
TOTAL	2,139.17	-	2,139.17
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	156.24	156.24	-
TOTAL	156.24	156.24	-
Financial liabilities at amortised cost:			
Lease Liabilities	21.69	-	21.69
Borrowings (Current)	20.53	-	20.53
Trade Payables	269.16	-	269.16
Other financial liabilities	347.39	-	347.39
TOTAL	658.77	-	658.77
Financial liabilities at fair value through profit or loss:			
TOTAL	-	-	-

No financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.

There have been no transfers between Level 1 and Level 2 during the year ended March 21, 2022 and March 31, 2021.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

44 Financial Risk Management

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

44.1 Credit Risk Management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

Trade Receivables

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. The Company performs impairment analysis at each reporting date using expected credit loss model. The Company does not hold collateral as security.

Details of single customer accounted for more than 10% of the accounts receivables as at 31st March 2022 and 31st March 2021 :

Name of Customer	As at 31/03/2022	As at 31/03/2021
BYC Co. Ltd	167.37	123.33
Tai Zeus International Corporation	-	212.93
Latin Textiles and Trade DMCC	-	221.21
Shovon Knitwear Limited	164.56	-

Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2022 and 31st March 2021 :

Name of Customer	2021-22	2020-21
BYC Co. Ltd.	3,706.37	1,824.34

The requirement of impairment of trade receivable is analysed as each reporting date. Based on historic default rates and overall credit worthiness of customers, management believes that no impairment allowance is required in respect of outstanding trade receivables as on 31st March, 2022.

44.2 Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Borrowings including interest obligations	Trade Payables	Other Financial Liabilities	Total
As at 31st March, 2022				
Less than 1 year	30.48	1,375.23	315.04	1,720.75
1 to 5 years	-	-	27.60	27.60
Total	30.48	1,375.23	342.64	1,748.35
As at 31st March, 2021				
Less than 1 year	20.53	269.16	356.33	646.02
1 to 5 years	-	-	12.74	12.74
Total	20.53	269.16	369.08	658.77

44.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

44.4 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		2021-22	2020-21
Working Capital Facilities from Bank	(0.50)	0.11	0.08
	0.50	(0.11)	(0.08)

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

44.5 Foreign currency risk

The company operates internationally and is exposed to currency risk on account of its receivables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company does not use derivative financial instruments for trading or speculative purposes.

I. Foreign Currency Exposure

Particulars	As at 31/03/2022		As at 31/03/2021	
	USD	Euro	USD	Euro
Financial Assets				
Trade & Other Receivables	6.68	-	3.57	-
Less : Forward Contract for selling foreign currency	(6.68)	-	(3.57)	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Net Exposure	-	-	-	-

44.6 Price Risk

--> Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

Particulars	Movement in Rate	Impact on PAT	
		2021-22	2020-21
Equity Shares (Quoted)	3%	6.66	3.51
Equity Shares (Quoted)	-3%	(6.66)	(3.51)

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

--> Commodity Price Risk

Principal Raw Material for company's products is cotton. Company sources its raw material requirements from domestic markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of cotton by Rs. 1 per kg on profit for the period.

Particulars	Impact on PAT	
	2021-22	2020-21
Rs. 1 decrease in price of cotton	72.56	67.18
Rs. 1 increase in price of cotton	(72.56)	(67.18)

45 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

Particulars	As at 31/03/2022	As at 31/03/2021
Borrowings	30.48	20.53
Less : Cash & Cash Equivalents	543.14	765.63
Net Debt (A)	-	-
Total Equity	12,793.37	10,556.91
Equity and Net Debt (B)	12,793.37	10,556.91
Gearing Ratio (A/B)	-	-

46 In terms of Ind AS 36 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

47 Key Ratios

Sr. No	Ratio	Ratio as on 31st March 2022	Ratio as on 31st March 2021	% Deviation	Reason for variance
1	Current Ratio				
	Current Assets	3.87	3.46	11.71%	No major variance
	Current Liabilities				
2	Debt-to-equity Ratio				
	Total Borrowing plus Lease Liability	0.005	0.004	27.71%	Increase in ratio mainly on account of increase in Lease Liability as compared to previous year.
	Shareholder's Equity				
3	Debt Service Coverage Ratio				
	Earnings Available for Debt Servicing	24.65	9.24	166.73%	Increase in ratio mainly on account of increase in EBITDA margin in current year as compared to previous year.
	Interest and Lease Payment Installments				
4	Return on Equity Ratio				
	Net Profit After Tax	19.70%	3.24%	507.89%	Increase in net profits due to better operating margins in line with revenue growth.
	Average Shareholder's Equity				
5	Inventory Turnover Ratio				
	Sale of Products	3.66	2.88	26.94%	Revenue growth due to substantially higher prices of cotton and cotton yarn.
	Average Inventory				
6	Receivables Turnover Ratio				
	Net Sales	20.82	15.43	34.87%	Sales proceeds due to higher prices was little slower
	Average Accounts Receivable				
7	Payables Turnover Ratio				
	Net Credit Purchases plus Other Expenses	25.27	27.91	-9.44%	No major variance
	Average Trade Payables				
8	Net Capital Turnover Ratio				
	Net Sales	3.26	2.57	27.01%	Increase is on account of the significant increase in sales in current year as compared to previous year, where sales were affected due to Covid-19 restrictions.
	Working Capital				
9	Net Profit Ratio				
	Profit After Tax	9.21%	2.05%	348.42%	Due to very good demand of cotton yarn, the company could enjoy better prices including the profit margin .
	Net Sales				
10	Return on Capital employed Ratio				
	EBIT	23.82%	4.44%	436.26%	Because of high realization of cotton yarn, return on net worth increased substantially.
	Capital Employed				
11	Return on investment Ratio				
(a)	Mutual Fund Investments				
	Gain on sale / fair valuation of Mutual Fund	3.13%	3.65%	-14.39%	No major variance
	Average investment in Mutual Funds				
(b)	Fixed Income Investments (FD, Bonds, Debentures & Preference Shares)				
	Interest Income + Profit on redemption	5.00%	5.26%	-4.99%	No major variance
	Average investment in Fixed Income investment				
(c)	Quoted Equity Instruments Investments				
	Fair valuation of quoted investment + Dividend Income	62.07%	28.95%	114.42%	Increase in return on investment from quoted equity instruments are on account of fluctuation in market prices.
	Average investment in Quoted Equity Instrumen				

PBM POLYTEX LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

48. Ageing of Trade Receivable

48.1 Ageing of Trade Receivables outstanding as at 31/03/2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue/ Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	994.89	398.60	-	0.08	8.89	0.10	1,402.55
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	994.89	398.60	-	0.08	8.89	0.10	1,402.55

48.2 Ageing of Trade Receivables outstanding as at 31/03/2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue/ Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	939.62	48.78	-	8.89	0.10	-	997.38
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	939.62	48.78	-	8.89	0.10	-	997.38

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

49.1 Details as required under MSMED Act are given below :

Particulars	As at	As at
	31/03/2022	31/03/2021
	TOTAL	TOTAL
Principal amount due to any supplier registered under MSMED Act and remaining unpaid as at the end of accounting year	135.59	20.81
Interest due to any supplier registered under MSMED Act and remaining unpaid as at the end of accounting year	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

49.2 Ageing of Trade Payables

Ageing of Trade Payables outstanding as on 31/03/2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
MSME	132.49	3.10	-	-	-	135.59
Others	894.63	344.48	0.24	0.30	-	1,239.64
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	1,027.11	347.58	0.24	0.30	-	1,375.23

Ageing of Trade Payables outstanding as on 31/03/2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
MSME	20.81	-	-	-	-	20.81
Others	233.70	14.54	0.06	0.05	-	248.35
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	254.51	14.54	0.06	0.05	-	269.16

PBM POLYTEX LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

50. Loans granted to Promoters, Directors, KMPs and Related Parties

Details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment :

Type of Borrower	As at 31/03/2022		As at 31/03/2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related Parties	308.85	95.30%	-	0.00%

50.1 Disclosures pursuant to Section 186(4) of the Companies Act, 2013 :

Name of the Company	Purpose of Loan	Amount outstanding As at 31/03/2022	Maximum Outstanding during the year
Eurotex Industries and Exports Limited	Working Capital	308.85	308.85

51. Borrowing based on security of current assets

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return/statement	Amount of difference	Reason for material discrepancies
June, 2021	State Bank of India	Trade Receivable	679.57	1,345.55	(665.98)	Refer Note Below
June, 2021	State Bank of India	Inventory - Raw Material	3,403.04	3,403.00	0.04	
June, 2021	State Bank of India	Inventory - Finished Goods	1,722.34	1,228.00	494.34	
June, 2021	State Bank of India	Inventory - Work in Progress	230.99	247.00	(16.01)	
June, 2021	State Bank of India	Inventory - Stores and Spares	158.48	161.36	(2.88)	
September, 2021	State Bank of India	Trade Receivable	1,720.80	1,720.31	0.49	
September, 2021	State Bank of India	Inventory - Raw Material	686.00	686.00	-	
September, 2021	State Bank of India	Inventory - Finished Goods	914.39	926.00	(11.61)	
September, 2021	State Bank of India	Inventory - Work in Progress	261.14	282.00	(20.86)	
September, 2021	State Bank of India	Inventory - Stores and Spares	157.00	161.36	(4.36)	
December, 2021	State Bank of India	Trade Receivable	1,422.02	1,634.41	(212.39)	
December, 2021	State Bank of India	Inventory - Raw Material	3,494.52	3,495.00	(0.48)	
December, 2021	State Bank of India	Inventory - Finished Goods	461.48	463.00	(1.52)	
December, 2021	State Bank of India	Inventory - Work in Progress	297.00	325.00	(28.00)	
December, 2021	State Bank of India	Inventory - Stores and Spares	261.00	166.36	94.64	
March, 2022	State Bank of India	Trade Receivable	1,402.55	1,640.94	(238.39)	
March, 2022	State Bank of India	Inventory - Raw Material	5,941.61	5,922.00	19.61	
March, 2022	State Bank of India	Inventory - Finished Goods	904.04	682.00	222.04	
March, 2022	State Bank of India	Inventory - Work in Progress	334.10	408.00	(73.90)	
March, 2022	State Bank of India	Inventory - Stores and Spares	160.88	148.27	12.61	

Note- 'Reason for material discrepancies'

-The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends.

- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.

- There are other differences on account of regrouping and reclassification of trade receivable balances . The Company has filed provisional return with banks for the quarter ended March 31 2022, as per the due date and subsequently filed final return with respective banks where amounts as per return matches with underlying books of accounts as at March 31, 2022.

52. Other Statutory Information

(a) The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Hence any proceeding has not been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) The Company does not have any transactions with companies struck off.

(c) As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(d) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(e) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(f) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

(g) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

53. Previous year's figures have been regrouped/re-arranged/recasted, wherever necessary, so as to make them comparable with current year's figures.

**For and behalf of the Board of Directors of
PBM Polytex Limited**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

**As per our attached Report of even Date
For, Rinkesh Shah & Co.
Chartered Accountants**

FRN : 129690W

CA Rinkesh Shah

Partner

Membership No: 131783

Place: Vadodara
Date: 27th May, 2022

Place: Ahmedabad
Date: 27th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
PBM Polytex Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **PBM Polytex Limited** (the 'Company') and its associate company M/s. Eurotex Industries and Exports Limited (hereinafter referred to as "Associate Company" and together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including statement of other comprehensive income), Consolidated Statement of changes in equity and Consolidated Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.(herein after referred as "Consolidated Financial Statements")

2. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Companies Act,2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31,2022, and their consolidated profit, their consolidated total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

4. Attention is drawn to Note No. 53 of accompanying consolidated financial statements, which explains that financial statements of Eurotex Industries and Exports Limited (associate company) have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business though the said Company has incurred cash loss during the current year, losses during earlier periods/years, having eroded its entire net worth, that the operations of the manufacturing plants at Kolhapur have continued grinding halt since 25th March, 2019 and announcement of their closure on 30th March, 2022. The management of the said Company has settled dues of lender banks (by borrowing from promoter group companies), is studying ways to restart manufacturing activity, exploring for source of additional funds to restructure the operations on proper evaluation, and in view of such positivities, the financial statements of the said Company have been prepared on a going concern basis.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response
<p><u>Measurement of provisions for employee emoluments and benefits</u></p> <p>The company has made provisions for employee benefits and revision of wages. The estimates made by the management regarding the existence of an obligation as well as the forecast of future cash outflows in connection with these obligations directly impact the recognition and measurement of provisions. The management also make use of their judgements for provisions concerning the legal disputes under negotiations.</p>	<p><u>Principal Audit Procedures</u></p> <p>We examined the processes and controls set up to prevent or detect and correct errors relating to the complete recognition and measurements of provisions involving the use of judgement. External actuaries were engaged to determine the amounts of provisions of gratuity and leave encashment. We examined the data made available to actuaries for completeness and accuracy. We reviewed the assumptions including the discount rate, expected return on plan assets, escalation rate, etc.</p> <p>In respect of provision for wage revision, we conducted a critical review of internal analysis notes for the likelihood and potential impact, examining the available documents</p>

Information other than Consolidated Financial Statements & Auditors Report thereon.

6. The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion and Analysis Report (but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon).

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of associate company audited by the other auditor, to the extent to it relates to associate company and, in doing so, place reliance on work of other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. Other information so far as its relates to the associate company is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. 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 judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:-

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The Consolidated financial statements also include the Group's share of net profit of Rs. Nil for the year ended March 31, 2022, as considered in the consolidated financial statements in respect of an associate company, 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 above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. 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 are 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income and the Consolidated Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2021 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 the company and its associate company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in **“Annexure A”**.

(g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 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 financial position of the Group and its associate company – Refer Note 37 to the Consolidated Financial Statements;

ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on

behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) & (b) above contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company has not declared and paid any interim dividend during the year and until the date of this report.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members in the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

17. With respect to matter specified in paragraph 3(xxi) and 4 of Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, there are no qualification or adverse remarks by respective auditor in the Companies (Auditors Report) Order (CARO) reports of the associate company included in consolidated financial statements except for the following:

No.	Name of the Company	CIN	Nature of Relationship	Clause Number of CARO report with qualification or adverse remarks
1	Eurotex Industries and Exports Limited	L70200MH1987PLC042598	Associate Company	vii(a), vii(b), ix(d), xiv, xvii.

**For RINKESH SHAH & Co.
Chartered Accountants
FRN 129690W**

**Date: May 27, 2022
Place: Ahmedabad**

**CA RINKESH SHAH
Partner
M.No. 131783
UDIN: 22131783AJRYSH3443**

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 16(f) of Independent Auditor’s report of even date to the members of the Company on Standalone Financial Statements for the year ended March 31, 2022:

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, 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.

Opinion

2. In our opinion, to the best of our information and according to explanations given to us, the Company and its associate, which are incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

3. 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 accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

4. 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.

5. 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 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 Judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. 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 with reference to Consolidated Financial statements

7. 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 consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Consolidated Financial statements

8. 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.

Other Matters

9. Our aforesaid reports under Clause (i) of Sub-section 3 of Section 143 of the Act on the adequacy and reporting 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 RINKESH SHAH & Co.
Chartered Accountants
FRN 129690W**

**Date: May 27, 2022
Place: Ahmedabad**

**CA RINKESH SHAH
Partner
M.No. 131783
UDIN: 22131783AJRYSH3443**

PBM POLYTEX LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	As at 31/03/2022	As at 31/03/2021
I	ASSETS			
1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	4,971.95	4,758.09
	(b) Capital work-in-progress	3	77.18	0.56
	(c) Right of Use Assets	36.4	33.74	20.27
	(d) Intangible assets	4	9.12	10.18
	(e) Financial Assets			
	(i) Investments	5	147.79	136.84
	(ii) Other Financial Assets	6	89.84	95.10
	(f) Other non-current assets	7	146.06	50.15
	Total Non-current Assets		5,475.68	5,071.19
2)	Current Assets			
	(a) Inventories	8	7,340.64	6,107.20
	(b) Financial Assets			
	(i) Trade receivables	9	1,402.55	997.38
	(ii) Cash and cash equivalents	10	543.14	765.63
	(iii) Bank balances other than (ii) above	11	57.69	121.28
	(iv) Loans	12	315.24	22.84
	(v) Other Financial Assets	13	10.31	0.11
	(c) Current tax assets (Net)	14	14.64	-
	(d) Other current assets	15	650.78	373.54
	Total Current Assets		10,334.99	8,387.98
	TOTAL ASSETS		15,810.67	13,459.17
II	EQUITY AND LIABILITIES			
1)	Equity			
	(a) Equity Share Capital	16	687.90	687.96
	(b) Other Equity	17	11,883.35	9,752.04
	Total Equity		12,571.25	10,440.00
2)	Liabilities			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Lease Liabilities	36.1	26.57	11.61
	(ii) Other financial liabilities	18	1.03	1.13
	(b) Provisions	19	86.85	82.81
	(c) Deferred tax liabilities (Net)	20	452.42	500.50
	Total Non-current Liabilities		566.87	596.05
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	30.48	20.53
	(ii) Lease Liabilities	36.1	8.30	10.07
	(iii) Trade payables			
	- Total outstanding dues of micro & small enterprises	22	135.59	20.81
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,239.64	248.35
	(iv) Other financial liabilities	23	306.75	346.27

PBM POLYTEX LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	As at 31/03/2022	As at 31/03/2021
(b)	Other current liabilities	24	746.31	1,630.14
(c)	Provisions	25	205.48	108.94
(d)	Current Tax Liabilities (net)	26	-	38.02
	Total Current Liabilities		2,672.53	2,423.12
	TOTAL EQUITY AND LIABILITIES		15,810.67	13,459.17
	Significant Accounting Policies and	1 - 54		
	Notes to the Financial Statements			

**For and behalf of the Board of Directors of
PBM Polytex Limited**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO
(DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara

Date: 27th May, 2022

As per our attached Report of even Date

For, Rinkesh Shah & Co.

Chartered Accountants

FRN : 129690W

CA Rinkesh Shah

Partner

Membership No: 131783

Place: Ahmedabad

Date: 27th May, 2022

PBM POLYTEX LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	2021-22	2020-21
I	INCOME			
	Revenue from operations	27	25,537.55	15,402.11
	Other income	28	147.69	196.87
	Total Income		25,685.24	15,598.98
II	EXPENSES			
	Cost of materials consumed	29	14,910.09	9,867.17
	Purchase of stock in trade		339.02	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	30	32.73	(431.18)
	Employee benefits expense	31	2,424.32	1,921.34
	Finance costs	32	91.78	60.47
	Depreciation and amortization expense	33	328.54	352.97
	Other expenses	34	4,611.58	3,434.47
	Total Expenses		22,738.07	15,205.24
III	Profit/(loss) before share of profit / (loss) of associates, exceptional items and tax		2,947.17	393.74
IV	Share of profit/(loss) of an associate		-	(90.60)
V	Exceptional Items		-	-
VI	Profit before tax		2,947.17	303.14
VI	Tax Expenses			
	Current Tax		835.95	161.60
	Deferred Tax Provision / (Reversal)		(61.56)	(60.55)
	Excess Provision of Income Tax of Earlier Years		(21.58)	(14.86)
			752.81	86.19
VII	Profit for the year		2,194.36	216.95
VIII	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		53.57	30.03
	Income tax relating to above items		(13.48)	(7.56)
IX	Total Comprehensive Income for the year		2,234.45	239.42
X	Net Profit attributable to:			
	Owners of the company		2,194.36	216.95
	Non controlling Interest		-	-
XI	Other Comprehensive Income attributable to:			
	Owners of the company		40.09	22.47
	Non controlling Interest		-	-

PBM POLYTEX LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		Notes	2021-22	2020-21
XII	Total Comprehensive Income attributable to:			
	Owners of the company		2,234.45	239.42
	Non controlling Interest		-	-
XIII	Earning per Equity Share of face value of Rs. 10 each			
	Basic	35	31.90	3.15
	Diluted	35	31.90	3.15
	Significant Accounting Policies and			
	Notes to the Financial Statements	1 - 54		

**For and behalf of the Board of Directors of
PBM Polytex Limited**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

**As per our attached Report of even Date
For, Rinkesh Shah & Co.**

Chartered Accountants

FRN : 129690W

CA Rinkesh Shah

Partner

Membership No: 131783

Place: Vadodara

Date: 27th May, 2022

Place: Ahmedabad

Date: 27th May, 2022

PBM POLYTEX LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs)

Particulars		For the Year Ended 31/03/2022	For the Year Ended 31/03/2021
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before taxation	2,947.17	303.14
	Adjustments to reconcile profit before tax to net cash flows:		
	Share of Profit or Loss from Associate	-	90.60
	Depreciation /Amortization	328.54	352.97
	Interest Income	(58.27)	(56.37)
	Interest and Other Borrowing Cost	91.78	60.47
	(Profit) / Loss on Sale of Tangible assets	7.81	3.73
	(Profit) / Loss on Sale of Investment	(64.04)	(48.41)
	Excess provision/sundry balances written back	(14.03)	(4.83)
	Effect of fair valuation of investments	-	4.13
	Other Comprehensive Income for gratuity	53.57	30.03
	Operating Profit before Working Capital Changes	3,292.55	735.44
	Working Capital Changes:		
	Changes in Inventories	(1,233.43)	(1,599.18)
	Changes in trade and other receivables	(1,065.45)	(12.51)
	Changes in trade and other payables	300.46	782.28
	Net Changes in Working Capital	(1,998.43)	(829.41)
	Cash Generated from Operations	1,294.12	(93.97)
	Direct Taxes paid (Net of Income Tax refund)	(867.02)	(94.97)
	Net Cash flow from Operating Activities	427.10	(188.94)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant & equipment/intangible assets	(701.70)	(72.47)
	Sale of property, plant & equipment	86.19	4.40
	Proceeds from Sale/Redemption of Investment (Net)	53.09	1,045.94
	Movement in Other Bank Balances	63.58	(57.49)
	Interest Income	48.07	56.46
	Net Cash flow from Investing Activities	(450.77)	976.84
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend Paid	(106.41)	(4.30)
	Proceeds from/(Repayments) of Short Term Borrowings	9.94	(5.39)
	Interest and Other Borrowing Cost Paid	(91.78)	(61.19)
	Payment of Lease Liability	(10.55)	(9.61)
	Net Cash flow from Financing Activities	(198.80)	(80.50)
	Net Increase/(Decrease) in cash & cash equivalents	(222.49)	707.41
	Cash & Cash equivalent at the beginning of the year	765.63	58.22
	Cash & Cash equivalent at the end of the year	543.14	765.63

For and behalf of the Board of Directors of
PBM Polytex Limited

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara
Date: 27th May, 2022

As per our attached Report of even Date
For, Rinkesh Shah & Co.
Chartered Accountants

FRN : 129690W

CA Rinkesh Shah

Partner

Membership No: 131783

Place: Ahmedabad
Date: 27th May, 2022

PBM POLYTEX LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

a. Equity Share capital

PARTICULARS	Rs. In Lakhs
As at April 1, 2020	687.96
Changes due to prior period errors	-
Restated Balance as April 1, 2021	687.96
Changes during the year 2020 - 2021	-
As at March 31, 2021	687.96
Changes due to prior period errors	(0.06)
Restated Balance as April 1, 2021	687.90
Changes during the year 2021 - 2022	-
As at March 31, 2022	687.90

b. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus					Total
	Share Capital Forfeiture	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings	
Balance at 1st April, 2020	0.17	125.00	6,842.62	1,483.39	1,061.45	9,512.63
Profit for the year	-	-	-	-	216.95	216.95
Other Comprehensive Income for the year (Including tax thereon)	-	-	-	-	22.47	22.47
Transferred to General Reserve	-	-	200.00	-	(200.00)	-
Balance at 31st March, 2021	0.17	125.00	7,042.62	1,483.39	1,100.87	9,752.04
Balance at 1st April, 2021	0.17	125.00	7,042.62	1,483.39	1,100.87	9,752.04
Transferred to General Reserve	0.06	-	3,200.00	-	(3,200.00)	0.06
Profit for the year	-	-	-	-	2,194.36	2,194.36
Other Comprehensive Income for the year (Including tax thereon)	-	-	-	-	40.09	40.09
Dividend	-	-	-	-	(103.19)	(103.19)
Balance at 31st March, 2022	0.23	125.00	10,242.62	1,483.39	32.13	11,883.35

Gain of Rs. 40.09 Lakhs and Rs. 22.47 Lakhs on remeasurement of defined employee benefit plan (net of tax) is recognized as a part of retained earnings for the year ended March 31, 2022 and 2021 respectively.

For and behalf of the Board of Directors of
PBM Polytex Limited

As per our attached Report of even Date
For, Rinkesh Shah & Co.
Chartered Accountants

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

FRN : 129690W

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN: 00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

CA Rinkesh Shah

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Partner

Shri Amit Patodia, CEO

Membership No: 131783

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

Place: Vadodara
Date: 27th May, 2022

Place: Ahmedabad
Date: 27th May, 2022

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1A – CORPORATE INFORMATION

PBM Polytex Limited is a public company incorporated in India. Its shares are listed on the BSE limited. The company is engaged in manufacture and processing of yarn.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 27, 2022.

1B - SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Preparation:

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Historical cost convention

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

Principles of consolidation and equity accounting

The Consolidated Financial Statements present the consolidated accounts of PBM Polytex Limited with its associate company (Eurotex Industries & Exports Limited). Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Functional currency:

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(2) Key accounting estimates & judgements:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(3) Property, Plant & Equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Leasehold land is amortized over the period of lease.

(4) Intangible Assets

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 6 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(5) Inventories:

Items of inventories of Raw Material, Finished goods, Spares and Stores, Packing Material, etc. are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost is computed on a weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

(6) Financial Instruments

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

De-recognition

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Revenue recognition

Revenue is measured at the value of the consideration received or receivable, after deduction of any trade discount, volume rebates and any taxes or duties collected on behalf of Government such as Goods and Services Tax, etc.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Other revenue:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.

Dividends are generally recognised in the Statement of Profit and Loss only when the right to receive is established.

(8) Foreign Currency Transactions:

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using exchange rate at the date of the transaction. Foreign exchange gains and losses from the settlement of these transactions are recognized in the statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at the exchange rates in effect at the balance sheet date, the gain or loss arising on such translations are recognized in the statement of profit and loss.

(9) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(c) **Minimum Alternate Tax (MAT):**

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

(10) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(11) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity liability of employees is funded with the approved gratuity trusts.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc., are charged to the Statement of Profit and Loss as incurred. The Company contributes to Superannuation Trust for the Managerial Personnel of the Company as per the rules of the Trust.

(12) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(13) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(14) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

(15) Leases :

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019).

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

As a Lessor

The company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(16) Cash Flow Statements

The Cash Flow statement is prepared by the "Indirect method" set out in Ind AS-7 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash Equivalent presented in the cash flow statement consist of cash on hand and demand deposits with banks.

(17) Events occurring after the balance sheet date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

(18) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

PBM POLYTEX LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1C - RECENT PRONOUNCEMENT

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

2. Property, plant and equipment

Particular	Leasehold Land	*Freehold Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross Value										
Balance as at 31st March, 2020	25.36	137.25	2,204.37	11,643.15	519.61	205.62	343.80	66.47	51.63	15,197.26
Additions	-	-	1.89	24.16	5.80	0.62	23.95	6.89	6.65	69.96
Deduction & Adjustment	-	-	-	17.28	-	0.70	2.72	-	-	20.71
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	25.36	137.25	2,206.26	11,650.03	525.41	205.54	365.03	73.36	58.28	15,246.52
Additions	-	-	64.74	467.29	8.41	6.75	62.06	11.38	4.10	624.72
Deduction & Adjustment	-	-	-	483.54	0.79	37.25	27.55	23.77	20.39	593.29
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	25.36	137.25	2,270.99	11,633.78	533.03	175.03	399.54	60.98	41.99	15,277.95
Accumulated Depreciation										
Balance as at 31st March, 2020	-	-	1,080.98	8,108.29	484.24	157.28	234.55	52.86	41.52	10,159.72
Depreciaton for the year	0.36	-	50.46	239.01	2.16	9.81	26.39	4.25	8.86	341.29
Deduction & Adjustment	-	-	-	10.26	-	0.67	1.65	(0.54)	0.54	12.58
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	0.36	-	1,131.44	8,337.03	486.39	166.42	259.29	57.64	49.85	10,488.43
Depreciaton for the year	0.36	-	42.19	230.27	2.76	7.64	20.03	5.35	8.62	317.22
Deduction & Adjustment	-	-	-	398.01	0.75	32.99	25.95	22.58	19.37	499.64
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	0.72	-	1,173.62	8,169.30	488.41	141.07	253.37	40.40	39.10	10,306.00
Net carrying amount										
Balance as at 31st March, 2021	25.00	137.25	1,074.82	3,313.00	39.02	39.11	105.74	15.72	8.43	4,758.09
Balance as at 31st March, 2022	24.64	137.25	1,097.37	3,464.48	44.63	33.96	146.17	20.57	2.89	4,971.95

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

2.1 All the title deeds for the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

2.2 The Company has not done revaluation of PPE / Intangible assets.

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

3 Capital Work in Progress

Particulars	31/03/2022	31/03/2021
Project in Progress	77.18	0.56
Total	77.18	0.56

3.1 Details of Capital work in progress Ageing

Ageing of Capital work-in-progress as at 31/03/2022 is as follows

Particulars	Amount in Capital work-in-progress for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Project in Progress	77.18	-	-	-	77.18

Ageing of Capital work-in-progress as at 31/03/2021 is as follows

Particulars	Amount in Capital work-in-progress for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Project in Progress	0.56	-	-	-	0.56

PBM POLYTEX LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED ON 31ST MARCH, 2022**

(Rs. in Lakhs)

4. Intangible Assets

Particular	Computer Software
Gross Value	
Balance as at 31st March, 2020	21.85
Additions	6.50
Deduction & Adjustment	-
Balance as at 31st March, 2021	28.35
Additions	-
Deduction & Adjustment	-
Balance as at 31st March, 2022	28.35
Amortization	
Balance as at 31st March, 2020	16.61
Deduction & Adjustment	-
Amortization for the year	1.57
Balance as at 31st March, 2021	18.18
Deduction & Adjustment	-
Amortization for the year	1.06
Balance as at 31st March, 2022	19.24
Net carrying amount	
Balance as at 31st March, 2021	10.18
Balance as at 31st March, 2022	9.12

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

5. Investments (Non-Current)

PARTICULARS	As at 31/03/2022		As at 31/03/2021	
	Nos.	Rs. In Lakhs	Nos.	Rs. In Lakhs
Investments measured at Amortized Cost				
In Preference Shares of Associate Companies				
Unquoted, Fully Paid Up				
6% Non- Cumulative Non- convertible Redeemable Preference Shares of Rs. 10/- each of M/s Eurotex Industries and Exports Limited	46,00,000	147.79	46,00,000	136.84
Total of Investments measured at Amortized Cost		147.79		136.84
Total Non Current Investments		147.79		136.84
Aggregage amount of unquoted Investments		147.79	-	136.84

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. In Lakhs)

6. Other financial assets (Non Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Security Deposits (Considered good - Unsecured)		
Deposits with Related Parties	2.00	8.00
Deposits with Others	87.76	87.02
Bank Deposit*	0.08	0.08
Total	89.84	95.10

*given as security deposit to sales tax authorities

7. Other Non current Assets

Particulars	As at 31/03/2022	As at 31/03/2021
Capital Advances (considered good - unsecured)	145.34	49.44
Other Non Current Assets	0.71	0.71
Total	146.06	50.15

8. Inventories

Particulars	As at 31/03/2022	As at 31/03/2021
Raw materials (including GIT of Rs. 14.78 Lakhs , PY Rs. Nil)	5,941.61	4,670.20
Stores, Spares & Fuel (including GIT of Rs. 14.04 Lakhs, PY Rs. 7.08 Lakhs)	160.88	166.13
Finished goods	885.00	946.77
Stock in Process	334.10	262.02
Cotton Waste	19.04	62.09
Total	7,340.64	6,107.20

9. Trade receivables (current)

Particulars	As at 31/03/2022	As at 31/03/2021
Considered good - Unsecured	1,402.55	997.38
Total	1,402.55	997.38

(Refer Note No. 48 for ageing of trade receivables)

10. Cash and cash equivalents

Particulars	As at 31/03/2022	As at 31/03/2021
Balances with banks		
-In current accounts	114.34	760.06
-In deposit accounts (with original maturity of less than 3 months)	415.00	-
Cash on hand	13.80	5.57
Total	543.14	765.63

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. In Lakhs)

11. Bank balances other than mentioned in cash and cash equivalents

Particulars	As at 31/03/2022	As at 31/03/2021
Unclaimed Dividend	37.47	40.69
Fixed Deposits with Banks*	20.22	80.59
Total	57.69	121.28

* includes bank FD under lien for margin money amounting to Rs. 19.72 Lakh (PY Rs. 28.64 Lakh)

12. Loans (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Considered good - Unsecured		
Loans & Advances to Employees	15.24	22.84
Considered good - Secured		
Loans to Related Parties		
-Inter Corporate Deposit with Associate Company	300.00	-
Total	315.24	22.84

13. Other financial assets (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Interest receivable	10.31	0.11
Total	10.31	0.11

14. Current tax asset (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Advance tax (net off provision of income tax)	14.64	-
Total	14.64	-

15. Other Current Assets

Particulars	As at 31/03/2022	As at 31/03/2021
Balance with Govt. Agencies	409.78	174.90
Advances to Suppliers & Others	165.69	126.93
Prepaid Expenses	75.31	71.71
Total	650.78	373.54

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

16 Share capital (Rs. in Lakhs)

PARTICULARS	As at 31/03/2022		As at 31/03/2021	
	Units	Rs.	Units	Rs.
Authorised Share Capital :				
Equity Shares of Rs. 10 each	100.00	1,000.00	100.00	1,000.00
Issued & Subscribed :				
Equity Shares of Rs. 10 each	68,80,000	688.00	68,80,000	688.00
Subscribed and Fully Paid Up				
Equity Shares of Rs. 10 each	68,79,020	687.90	68,79,020	687.90
		-	-	-
Forfeited Shares				
Equity Shares of Rs. 10 each	-	-	980	0.06
Total	68,79,020	687.90	68,80,000	687.96

16.1 The reconciliation of the no. of shares outstanding is set out below :

Particulars	As at 31/03/2022	As at 31/03/2021
Equity shares		
At Beginning of the period	68,80,000	68,80,000
Add : Issued during the year	-	-
Less : Changes due to prior period errors	980	-
At End of the period	68,79,020	68,80,000

16.2 Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31/03/2022		As at 31/03/2021	
	Units	Rs.	Units	Rs.
M/s Eurotex Industries & Exports Ltd.	3,58,345	5.21%	3,58,345	5.21%
M/s Sambhu Investments Pvt Ltd	7,79,320	11.33%	7,79,320	11.33%
M/s Patodia Syntex Ltd.	7,12,957	10.36%	7,12,957	10.36%
M/s Trikon Inv. Pvt. Ltd.	5,57,834	8.11%	5,57,834	8.11%

16.3 The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

16.4 In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

16.5 Subsequent to Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 4 per share to be paid on fully paid equity shares in respect of financial year ended on March 31, 2022. The equity dividend is subject to approval by shareholders at the ensuing annual general meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 275.16 Lakhs.

16.6 Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows

Promoter Name	As at 31/03/2022		As at 31/03/2021		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Sambhu Investments Pvt Ltd	7,79,320	11.33	7,79,320	11.33	0.00
Patodia Syntex Ltd	7,12,957	10.36	7,12,957	10.36	0.00
Trikon Investments Pvt Ltd	5,57,834	8.11	5,57,834	8.11	0.00
Eurotex Industries and Exports Limited	3,58,345	5.21	3,58,345	5.21	0.00
Rajiv Agencies Private Limited	2,22,848	3.24	2,22,848	3.24	0.00
Manju Patodia	2,16,744	3.15	2,16,744	3.15	0.00
Madhu Patodia	2,12,594	3.09	2,12,594	3.09	0.00
Rani Krishan Kumar Patodia	2,10,511	3.06	2,10,511	3.06	0.00
Hari Prasad Siotia	1,99,280	2.90	1,99,280	2.90	0.00
Anita Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Nandini Narayan Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Krishan Kumar Patodia	1,41,028	2.05	1,41,028	2.05	0.00
Shashank Investments Private Limited	89,512	1.30	89,512	1.30	0.00
Amit Patodia	78,980	1.15	78,980	1.15	0.00
Shakuntala Devi Patodia	74,386	1.08	74,386	1.08	0.00
Siddharth krishan kumar patodia	69,007	1.00	69,007	1.00	0.00
Narayan Patodia	68,849	1.00	68,849	1.00	0.00
Mohankumar patodia	67,998	0.99	67,998	0.99	0.00
Aditi Jussawalla	63,467	0.92	63,467	0.92	0.00
Priya gopal patodia	56,553	0.82	56,553	0.82	0.00
Chandramauli Investment Pvt Ltd	56,314	0.82	56,314	0.82	0.00

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

Vikash patodia	49,518	0.72	49,518	0.72	0.00
Kirti patodia	47,173	0.69	47,173	0.69	0.00
Yashvardhan narayan patodia	47,173	0.69	47,173	0.69	0.00
Devan Patodia	45,917	0.67	45,917	0.67	0.00
Gaurav Narayan Patodia	44,995	0.65	44,995	0.65	0.00
Gopal Patodia	27,369	0.40	27,369	0.40	0.00
Thrust Invstment and Management Consultants Pvt Ltd.	6,473	0.09	6,473	0.09	0.00
Shailja Patodia	3,125	0.05	3,125	0.05	0.00
Maharashtra Fibre and Syntex Ltd.	447	0.01	447	0.01	0.00

Disclosure of shareholding of promoters as at March 31, 2021 is as follows

Promoter Name	As at 31/03/2021		As at 31/03/2020		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Sambhu Investments Pvt Ltd	7,79,320	11.33	7,79,320	11.33	0.00
Patodia Syntex Ltd	7,12,957	10.36	7,12,957	10.36	0.00
Trikon Investments Pvt Ltd	5,57,834	8.11	5,57,834	8.11	0.00
Eurotex Industries and Exports Limited	3,58,345	5.21	3,58,345	5.21	0.00
Rajiv Agencies Private Limited	2,22,848	3.24	2,22,848	3.24	0.00
Manju Patodia	2,16,744	3.15	2,16,744	3.15	0.00
Madhu Patodia	2,12,594	3.09	2,12,594	3.09	0.00
Rani Krishan Kumar Patodia	2,10,511	3.06	2,10,511	3.06	0.00
Hari Prasad Siotia	1,99,280	2.90	1,99,280	2.90	0.00
Anita Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Nandini Narayan Patodia	1,48,194	2.15	1,48,194	2.15	0.00
Krishan Kumar Patodia	1,41,028	2.05	1,41,028	2.05	0.00
Shashank Investments Private Limited	89,512	1.30	89,512	1.30	0.00
Amit Patodia	78,980	1.15	78,980	1.15	0.00
Shakuntala Devi Patodia	74,386	1.08	74,386	1.08	0.00
Siddharth krishan kumar patodia	69,007	1.00	69,007	1.00	0.00
Narayan Patodia	68,849	1.00	68,849	1.00	0.00
Mohankumar patodia	67,998	0.99	67,998	0.99	0.00
Aditi Jussawalla	63,467	0.92	63,467	0.92	0.00
Priya gopal patodia	56,553	0.82	56,553	0.82	0.00
Chandramauli Investment Pvt Ltd	56,314	0.82	56,314	0.82	0.00
Vikash Patodia	49,518	0.72	49,518	0.72	0.00
Kirti Patodia	47,173	0.69	47,173	0.69	0.00
Yashvardhan narayan patodia	47,173	0.69	-	-	0.69
Devan Patodia	45,917	0.67	45,917	0.67	0.00
Gaurav Narayan Patodia	44,995	0.65	44,995	0.65	0.00
Gopal Patodia	27,369	0.40	27,369	0.40	0.00
Thrust Invstment and Management Consultants Pvt Ltd.	6,473	0.09	6,473	0.09	0.00
Shailja Patodia	3,125	0.05	3,125	0.05	0.00
Maharashtra Fibre and Syntex Ltd.	447	0.01	447	0.01	0.00

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. In Lakhs)

17. Other Equity

Particulars	As at 31/03/2022	As at 31/03/2021
SHARE CAPITAL FORFEITURE	0.23	0.17
CAPITAL RESERVE:		
Balance as per last year	1,483.39	1,483.39
Add: Appropriations From Current year's Profit	-	-
Balance at the end of the Year	1,483.39	1,483.39
GENERAL RESERVE:		
Balance as per last year	7,042.62	6,842.62
Add: Appropriations From Current year's Profit	3,200.00	200.00
Less : utilise for buy back	-	-
Balance at the end of the Year	10,242.62	7,042.62
SHARE CAPITAL REDEMPTION RESERVE	125.00	125.00
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance at the beginning of the Year	1,100.87	1,061.45
Add: Total Comprehensive Income for the year	2,234.45	239.42
Amount available for Appropriation (A)	3,335.32	1,300.87
<u>Less: Appropriations</u>		
Dividend	103.19	-
Transferred to General Reserves	3,200.00	200.00
Total Appropriation (B)	3,303.19	200.00
Balance at the end of the Year (A - B)	32.13	1,100.87
Total	11,883.35	9,752.04

Share Capital Redemption Reserve

Capital Redemption Reserve represents reserve created during buy back of Equity Shares and it is a non-distributable reserve.

General Reserve

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. In Lakhs)

18. Other financial liabilities (Non Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Security Deposits (From Debtors, Employees and Contractors)	1.03	1.13
Total	1.03	1.13

19. Provisions (Non Current)

Particulars	31/03/2022	31/03/2021
Provision for employee benefits		
- Leave Encashment (unfunded)	82.60	78.56
- Gratuity	4.25	4.25
Total	86.85	82.81

20. Deferred Tax Liabilities (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Liability Relating to earlier years	500.50	553.49
Add/(Less): Liability/(Assest) for the year		
- Charged/(Credited) to P & L	(61.56)	(60.55)
- Charged/(Credited) to OCI	13.48	7.56
TOTAL	452.42	500.50

20.1 Component of Deferred Tax Liabilities (Net)

Particulars	As at 31/03/2022	As at 31/03/2021
Depreciation	732.83	765.39
Employee Benefits	(64.41)	(46.16)
Other Timing Differences	(215.99)	(218.73)
TOTAL	452.42	500.50

21. Borrowings (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Current Interest-bearing loans and borrowings		
Working Capital Loans		
From banks		
Secured*	30.48	20.53
Total	30.48	20.53

* Secured by first pari passu charge (favouring SBI and IDBI Bank) by way of hypothecation of current assets and also by mortgage of immovable properties of the company.

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. In Lakhs)

22. Trade Payables (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Total outstanding dues of micro & small Enterprises (Refer Note No. 49.1)	135.59	20.81
Total outstanding dues of creditors other than micro & small enterprises	1,239.64	248.35
Total	1,375.23	269.16

(Refer Note No. 49.2 For ageing of trade payables)

23. Other Financial Liabilities (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Unpaid dividends	37.47	40.69
Dues to Employees and others	269.28	305.57
Total	306.75	346.27

24. Other Current liabilities

Particulars	As at 31/03/2022	As at 31/03/2021
Credit Balances of Customers	391.21	1,283.95
Statutory Dues	42.87	31.61
Other Current Liabilities	312.23	314.57
Total	746.31	1,630.14

25. Provisions (Current)

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for employee benefits		
- Leave Encashment (unfunded)	34.46	29.74
- Bonus	171.01	79.20
Total	205.48	108.94

26. Current Tax Liabilities

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for taxation (net of advance tax paid)	-	38.02
Total	-	38.02

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

27. Revenue from Operations

Particulars	2021-22	2020-21
Sale of products	24,607.10	15,302.01
Sale of Services (Job Work Charges)	370.88	7.18
Other Operating Revenue		
-Sale of Scrap	21.64	7.33
-Export Incentive Income	537.93	85.59
Total	25,537.55	15,402.11

27.1 Sale of Products

Name of Products	2021-22	2020-21
Yarn sales	23,495.42	14,507.03
Cotton/Yarn Waste Sales	964.61	675.63
Sale of Electricity Units	147.07	119.34
Total	24,607.10	15,302.01

28. Other income

Particulars	2021-22	2020-21
Interest income	58.27	56.37
Net Gain on sale of Investments	64.04	48.41
Insurance claims Received	11.24	31.02
Gain on sale of property, plant and equipments	-	1.27
Foreign Exchange Fluctuation Gain	-	54.85
Excess Provision/Sundry Balances written back	14.03	4.83
Other Miscellaneous Income	0.12	0.12
Total	147.69	196.87

29. Cost of materials consumed

Particulars	2021-22	2020-21
Opening Stock	4,670.20	3,504.69
Add : Purchases	16,166.71	11,032.68
Sub Total	20,836.91	14,537.38
Less : Closing Stock	5,926.82	4,670.20
Total	14,910.09	9,867.18

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

30. Changes in Inventories of Finished goods, WIP and Waste

Particulars	2021-22	2020-21
Inventories at the beginning of the year		
Finished Goods	946.77	515.15
WIP	262.02	284.64
Waste	62.09	39.90
Sub Total	1,270.88	839.70
Less : Inventories at the end of the year		
Finished Goods	885.00	946.77
WIP	334.10	262.02
Waste	19.04	62.09
Sub Total	1,238.14	1,270.88
Net Decrease / (Increase) in Inventories	32.73	(431.18)

31. Employee benefit expense

Particulars	2021-22	2020-21
Salaries and wages	2,140.39	1,672.87
Contribution to provident and other funds	197.27	177.93
Staff welfare expenses	86.66	70.54
Total	2,424.32	1,921.34

32. Finance costs

Particulars	2021-22	2020-21
Interest Expenses	2.53	6.58
Finance and Bank Charges	89.25	53.89
Total	91.78	60.47

33. Depreciation and Amortization Expenses

Particulars	2021-22	2020-21
Depreciation on Property, Plant & Equipment	317.22	341.29
Amortization of Intangible Assets	1.06	1.57
Amortization of Right-of-Use Assets	10.27	10.11
Total	328.54	352.97

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

34. Other expenses

Particulars	2021-22	2020-21
Consumption of stores and packing material	479.02	330.94
Power and fuel	2,490.25	2,108.28
Rent	41.62	35.14
<u>Repairs:-</u>		
- Machinery (including spares)	368.10	239.08
- Building	73.93	27.32
- Others	60.62	28.02
Insurance	66.87	68.39
Rates and Taxes	14.50	12.64
Licence Fees, Legal & Professional Charges	86.66	60.51
Sales and Distribution Expenses	630.52	312.79
Travelling and conveyance	152.23	117.30
Directors Sitting Fees	7.80	5.55
Audit Fees and Expenses (Refer Note No. 34.1)	4.79	4.19
Donation	9.34	9.05
Foreign Exchange Fluctuation Loss	26.26	-
CSR Expenses (Refer Note No. 39)	25.00	17.33
Loss on sale of Property, Plant & Equipment	7.81	4.99
Effect of fair valuation of Investments	-	4.13
Other Miscellaneous Expenses	66.25	48.81
Total	4,611.58	3,434.47

34.1 Auditor's Remuneration

Particulars	2021-22	2020-21
As auditor :		
Audit fee	4.00	4.00
Reimbursement of expenses	0.79	0.19
Total	4.79	4.19

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

35. Earning Per Share

Particulars	2021-22	2020-21
Net Profit/(Loss) for the year attributable to Equity Shareholders (Rs. In Lakhs)	2,194.36	216.95
Weighted Average number of Equity Shares outstanding of Face Value of Rs. 10 each (Nos.)	68,79,020	68,80,000
Number of Equity Shares for Basic EPS (Nos.)	68,79,020	68,80,000
Add : Diluted Potential Equity Shares (Nos.)	-	-
Number of Equity Shares for Diluted EPS (Nos.)	68,79,020	68,80,000
Basic Earning Per Share (Rs.)	31.90	3.15
Diluted Earning Per Share (Rs.)	31.90	3.15
Nominal Value Per Share (Rs.)	10.00	10.00

36. Disclosure under Ind As 116 - Leases

36.1 Lease liabilities included in financial statements

Particulars	As at 31/03/2022	As at 31/03/2021
Current	8.30	10.07
Non-Current	26.57	11.61
Total	34.86	21.69

36.2 Movement in Lease Liability during the year

Particulars	2021-22	2020-21
Balance at the beginning of the year	21.69	31.29
Additions	23.74	-
Finance Cost accrued during the year	2.08	2.70
Payment of Lease Liabilities (including interest)	(12.63)	(12.30)
Balance at the end of the year	34.86	21.69

36.3 Maturity Analysis of Undiscounted cash flow of the lease liability

Particulars	As at 31/03/2022	As at 31/03/2021
Less than one year	11.33	11.75
one to five years	26.96	7.92
More than 5 years	41.62	42.27

36.4 Movement in Right to Use of Assets during the year

Particulars	2021-22	2020-21
Balance at the beginning of the year	20.27	30.39
Addition during the year	23.74	-
Amortisation during the year	(10.27)	(10.11)
Balance at the end of the year	33.74	20.27

36.5 Expense relating to short-term leases are disclosed under the head rent expense in other expenses (Refer Note 34)

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

37. Contingent Liabilities and Commitments

Particulars	As at 31/03/2022	As at 31/03/2021
Contingent Liabilities		
Entry tax demands for different years against which company has preferred appeals before appropriate authorities	2.16	2.16
Disputed VAT matters	1.44	1.44
Claim by Director of Industries, Gujarat in Gujarat High Court for non-delivery of yarn in the year 1978	1.09	1.09
Bills discounted under Export/Inland Letters of Credit	-	861.22
Commitments		
Estimated amount of contracts remaining unexecuted on capital account and not provided for in Books (net of advances)	320.95	688.99
Other commitments	-	-

38. Segment Information

The company manufactures and deals in single product, i.e. manufacturing of cotton yarn. Therefore no separate

38.1 Geographical Information

Revenue from external customers	2021-22	2020-21
India	14,819.56	10,036.80
Outside India	10,717.99	5,365.31
Total	25,537.55	15,402.11

38.2 There are no Non Current Assets other than in India.

39. Corporate Social Responsibility

Particulars	2021-22	2020-21
1. Gross amount required to be spent by the Company	11.35	13.66
2. Amount spent during the year		
(i) construction/acquisition of any asset	-	-
(ii) on purposes other than (i) above	25.00	17.33
3. Shortfall at the end of the year	-	-
4. Total of previous years' shortfall	-	-
5. Reasons for shortfall	-	-
6. The nature of CSR activities undertaken by the Company		
- Promoting Healthcare	25.00	12.95
- Promoting Education	-	1.88
- Research and Development Activities	-	2.50
7. CSR transactions with related parties	-	-

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

40. Income Taxes

Particulars	2021-22	2020-21
The major components of income tax expense for the year as under:		
Current tax	835.95	161.60
Deferred tax		
In respect of Accumulated Depreciation	(32.56)	(33.48)
In respect of Investments, employee benefits and other timing differences	(15.52)	(19.51)
Total deferred tax	(48.08)	(52.99)
Adjustment of tax for earlier years	(21.58)	(14.86)
Total tax expenses charged to statement of Profit and Loss	766.28	93.75

40.1 Reconciliation of Effective Tax Rate

Particulars	2021-22	2020-21
Applicable Tax Rate	25.17%	25.17%
Profit before tax	2,947.17	303.14
Income tax expense at tax rates applicable to individual entities	777.13	76.30
Income exempt from tax	-	-
Expenses that are not decuctible	8.64	7.89
Adjustment of tax for earlier years	(21.58)	(14.86)
Others	2.10	24.43
Income Tax Expenses recognised in Statement of Profit and Loss	766.28	93.75

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

41. Related Party Disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

41.1 Name of the Related Parties and Nature of Relationship:

Associates & Enterprises owned or significantly influenced by key management personnel (with

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
M/s Shashank Investment Pvt. Limited	M/s Chandramauli Investment Pvt. Limited
M/s Veepee Intrades Pvt. Limited	M/s Suragini Investment Pvt. Limited
M/s.Star Silk Exports Pvt.Limited	M/s Mercury Gem Pvt. Ltd.

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
Smt. Swati sharda	company secretary

41.2 Transactions with Related Parties :

Transactions	Associates & Enterprises owned or Significantly influenced by KMP		Key Managerial Personnel	
	2021-22	2020-21	2021-22	2020-21
Purchase of Goods (Net of GST)				
- M/s Eurotex Industries and Exports Limited	17.91	8.60	-	-
Purchase of Property, Plant and Equipments (Net of GST)				
- M/s Eurotex Industries and Exports Limited	11.76	-	-	-
Sale of Goods (Net of GST)				
- M/s Eurotex Industries and Exports Limited	101.82	341.07	-	-
- M/s Patodia Syntex Limited		-		
Sale of Services (Net of GST)				
- M/s Eurotex Industries and Exports Limited	-	7.16	-	-
Rent Paid				
- M/s Patodia Syntex Limited	1.20	1.20	-	-
- M/s Trikon Investments Pvt. Limited	0.90	1.20	-	-
- M/s Sambhu Investments Pt. Limited	7.80	7.80	-	-
- M/s B.L.Patodia Family Trust	2.88	2.88	-	-
- M/s Murarilal Mahendrakumar	4.50	3.60	-	-
- M/s Brijlal Purushottamdas	1.80	1.80	-	-
- M/s Dharamchand Keshardeo	1.80	1.80	-	-
- M/s Eurotex Industries and Exports Limited	1.80	1.80	-	-
Rent Received				
- M/s Shashank Investment Pvt. Limited	0.03	0.03	-	-
- M/s Veepee Intrades Pvt. Limited	0.03	0.03	-	-
- M/s Chandramauli Investment Pvt. Limited	0.03	0.03	-	-
- M/s Suragini Investment Pvt. Limited	0.03	0.03	-	-
Dividend Paid				
- M/s Sambhu Investments Pt. Limited	11.69	-	-	-
- M/s Patodia Syntex Limited	10.69	-	-	-
- M/s Trikon Investments Pvt. Limited	8.37	-	-	-
- M/s Eurotex Industries and Exports Limited	5.38	-	-	-
- M/s Shashank Investment Pvt. Limited	1.34	-	-	-
- M/s Chandramauli Investment Pvt. Limited	0.84	-	-	-
- Shri Gopal Patodia	-	-	0.41	-
- Shri Amit Patodia	-	-	1.18	-
- Shri Mohankumar Patodia	-	-	1.02	-
Loan Given				
- M/s Eurotex Industries and Exports Limited	300.00	-	-	-

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

Interest Income				
- M/s Eurotex Industries and Exports Limited	9.84	-	-	-
Remuneration to KMP				
- Managing Directors	-	-	144.33	123.54
- Senior President cum Chief Executive Officer	-	-	47.80	47.73
- Company Secretary	-	-	3.33	4.32

41.3 Outstanding Balances:

Transactions	Associates & Enterprises owned or Significantly influenced by KMP		Key Managerial Personnel	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Security deposits given				
- M/s Trikon Investments Pvt. Limited	-	6.00	-	-
- M/s Sambhu Investments Pt. Limited	2.00	2.00	-	-
- M/s Murarilal Mahendrakumar	0.03	0.03		
Investments				
Investments in 46,00,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.10/- each of M/s. Eurotex Industries and Exports Limited. (Stated at Amortized Cost) (Purchase Value Rs. 460 Lakhs)	147.79	136.84	-	-
Loan Given				
- M/s Eurotex Industries and Exports Limited	300.00	-	-	-
Interest Accrued				
- M/s Eurotex Industries and Exports Limited	8.85	-	-	-
Trade Receivables				
- M/s Eurotex Industries and Exports Limited	-	90.24	-	-
Remuneration Payable to				
- Managing Director	-	-	24.18	21.76
- Senior President	-	-	1.50	2.25

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free (except loan to Associate Company) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

42 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 "EMPLOYEE BENEFITS"

(a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	2021-22	2020-21
Employer's contribution to Provident Fund	48.37	39.58
Employer's contribution to Superannuation Fund	21.58	20.16
Employer's contribution to Pension Scheme	70.19	62.67

(b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

i) Reconciliation of opening and closing balances of defined benefit obligation

Particulars	2021-22	2020-21
Present value of obligation as at the beginning of the year	1,299.37	1,255.29
Interest Cost	69.58	72.96
Current Service Cost	60.04	60.05
Benefits Paid	(62.21)	(70.65)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(32.35)	13.33
Actuarial (Gain)/Loss on arising from Change Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	(4.43)	(31.61)
Present value of obligation as at the end of the year	1,330.00	1,299.37

ii) Reconciliation of opening and closing balances of fair value of plan assets

Particulars	2021-22	2020-21
Fair Value of plan assets at the beginning of the year	1,315.30	1,296.72
Interest Income	72.48	77.49
Contributions by the employer	24.88	-
Benefits paid	(62.21)	(70.65)
Return on plan assets	16.79	11.74
Fair Value of plan assets at the end of the year	1,367.25	1,315.30

iii) Reconciliation of fair value of assets and obligations

Particulars	As at 31/03/2022	As at 31/03/2021
Fair Value of plan assets	1,367.25	1,315.30
Present value of obligation	1,330.00	1,299.37
Amount recognised in Balance Sheet [Surplus/(Deficit)]	37.25	15.93

iv) Expenses recognised during the year

Particulars	2021-22	2020-21
(A) In the Statement of Profit & Loss		
Interest Cost	(2.90)	(4.53)
Current Service Cost	60.04	60.05
Net Cost	57.14	55.52
(B) In Other Comprehensive Income		
Actuarial (Gain)/Loss	(36.78)	(18.29)
Return on Plan Assets	(16.79)	(11.74)
Net Expense/(Income) recognized in Other Comprehensive Income	(53.57)	(30.03)

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

v) Investment Details :

Particulars	As at 31/03/2022	As at 31/03/2021
Insurance Plan	100%	100%

vi) Actuarial Assumptions

Particulars	As at 31/03/2022	As at 31/03/2021
Mortality Table	IALM(2012-14)	IALM(2012-14)
Discount Rate	6.40%	6.05%
Expected rate of return on plan assets	6.40%	6.05%
Rate of escalation in salary	7.00%	7.00%

vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As at 31/03/2022	As at 31/03/2021
Sensitivity Level - Discount Rate		
0.5% Increase	1,286.18	1,275.20
0.5% Decrease	1,376.66	1,375.02
Sensitivity Level - Salary Escalation	-	-
0.5% Increase	1,373.86	1,374.36
0.5% Decrease	1,288.39	1,275.34
Sensitivity Level - Withdrawal Rate	-	-
W.R. X 110%	1,329.79	1,321.73
W.R. X 90%	1,330.21	1,325.20

viii) Expected contribution to the defined benefit plan for the next reporting period - Rs. 63.99 Lakhs

ix) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31/03/2022	As at 31/03/2021
Within the next 12 months (next annual reporting period)	342.14	298.54
Between 2 to 5 years	308.21	302.52
Beyond 5 years	490.26	411.54
Total Expected Payment	1,140.61	1,012.60

x) Weighted Average duration of Defined Plan Obligation

Particulars	As at 31/03/2022	As at 31/03/2021
Gratuity	7.89 Years	8.53 Years

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

43 Financial Instruments - Fair Values & Risk Management

43.1 Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1. The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
3. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4. The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The company uses the following hierarchy for determining and disclosing the fair values of financial

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

I. Figures as at March 31, 2022

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	147.79	-	147.79
Other Non Current Financial Assets	89.84	-	89.84
Trade Receivables	1,402.55	-	1,402.55
Cash and Cash Equivalents	543.14	-	543.14
Bank Balances Other than Cash and Cash Equivalents	57.69	-	57.69
Other Current Financial Assets	325.54	-	325.54
TOTAL	2,566.56	-	2,566.56
Financial assets at fair value through profit or loss:	-	-	-
TOTAL	-	-	-
Financial liabilities at amortised cost:			
Lease Liabilities	34.86	-	34.86
Borrowings (Current)	30.48	-	30.48
Trade Payables	1,375.23	-	1,375.23
Other Financial Liabilities	307.77	-	307.77
TOTAL	1,748.35	-	1,748.35
Financial liabilities at fair value through profit or loss:	-	-	-
TOTAL	-	-	-

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

II. Figures as at March 31, 2021

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	136.84	-	136.84
Other Non Current Financial Assets	95.09	-	95.09
Trade Receivables	997.38	-	997.38
Cash and Cash Equivalents	765.63	-	765.63
Bank Balances Other than Cash and Cash Equivalents	121.28	-	121.28
Other Current Financial Assets	22.95	-	22.95
TOTAL	2,139.17	-	2,139.17
Financial assets at fair value through profit or loss:	-	-	-
TOTAL	-	-	-
Financial liabilities at amortised cost:			
Lease Liabilities	21.69	-	21.69
Borrowings (Current)	20.53	-	20.53
Trade Payables	269.16	-	269.16
Other financial liabilities	347.39	-	347.39
TOTAL	658.77	-	658.77
Financial liabilities at fair value through profit or loss:	-	-	-
TOTAL	-	-	-

No financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure

There have been no transfers between Level 1 and Level 2 during the year ended March 21, 2022 and March 31, 2021.

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

44 Financial Risk Management

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

44.1 Credit Risk Management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

Trade Receivables

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. The Company performs impairment analysis at each reporting date using expected credit loss model. The Company does not hold collateral as security.

Details of single customer accounted for more than 10% of the accounts receivables as at 31st March 2022 and 31st March 2021 :

Name of Customer	As at 31/03/2022	As at 31/03/2021
BYC Co. Ltd	167.37	123.33
Tai Zeus International Corporation	-	212.93
Latin Textiles and Trade DMCC	-	221.21
Shovon Knitwear Limited	164.56	-

Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2022 and 31st March 2021 :

Name of Customer	As at 31/03/2022	As at 31/03/2021
BYC Co. Ltd.	3,706.37	1,824.34

The requirement of impairment of trade receivable is analysed as each reporting date. Based on historic default rates and overall credit worthiness of customers, management believes that no impairment allowance is required in respect of outstanding trade receivables as on 31st March, 2022.

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

44.2 Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Borrowings including interest	Trade Payables	Other Financial Liabilities	Total
As at 31st March, 2022				
Less than 1 year	30.48	1,375	315	1,721
1 to 5 years	-	-	27.60	27.60
Total	30.48	1,375.23	342.64	1,748.35
As at 31st March, 2021				
Less than 1 year	20.53	269.16	356.33	646.02
1 to 5 years	-	-	12.74	12.74
Total	20.53	269.16	369.08	658.77

44.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

44.4 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at 31/03/2022	As at 31/03/2021
Working Capital Facilities from Bank	(0.50)	0.11	0.08
	0.50	(0.11)	(0.08)

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

44.5 Foreign currency risk

The company operates internationally and is exposed to currency risk on account of its receivables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company does not use derivative financial instruments for trading or speculative purposes.

I. Foreign Currency Exposure

Particulars	As at 31/03/2022		As at 31/03/2021	
	USD	Euro	USD	Euro
Financial Assets				
Trade & Other Receivables	6.68	-	3.57	-
Less : Forward Contract for selling foreign currency	(6.68)	-	(3.57)	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Net Exposure	-	-	-	-

44.6 Price Risk

Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Commodity Price Risk

Principal Raw Material for company's products is cotton. Company sources its raw material requirements from domestic markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

Sensitivity Analysis

--> The table below summarises the impact of increase/decrease in prices of cotton by Rs. 1 per kg on profit for the period.

Particulars	Impact on PAT	
	2021-22	2020-21
Rs. 1 decrease in price of cotton	72.56	67.18
Rs. 1 increase in price of cotton	(72.56)	(67.18)

PBM POLYTEX LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

45 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

Particulars	As at 31/03/2022	As at 31/03/2021
Borrowings	30.48	20.53
Less : Cash & Cash Equivalentents	543.14	765.63
Net Debt (A)	-	-
Total Equity	12,793.37	10,556.91
Equity and Net Debt (B)	12,793.37	10,556.91
Gearing Ratio (A/B)	-	-

- 46 In terms of Ind AS 36 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

47 Key Ratios

Sr. No	Ratio	Ratio as on 31st March 2022	Ratio as on 31st March 2021	% Deviation	Reason for variance
1	Current Ratio				
	Current Assets	3.87	3.46	11.71%	No major variance
	Current Liabilities				
2	Debt-to-equity Ratio				
	Total Borrowing plus Lease Liability	0.005	0.004	28.53%	Increase in ratio mainly on account of increase in Lease Liability as compared to previous year.
	Shareholder's Equity				
3	Debt Service Coverage Ratio				
	Earnings Available for Debt Servicing	25.00	8.42	197.00%	Increase in ratio mainly on account of increase in EBITDA margin in current year as compared to previous year.
	Interest and Lease Payment Installments				
4	Return on Equity Ratio				
	Net Profit After Tax	19.07%	2.17%	777.03%	Increase in net profits due to better operating margins in line with revenue growth.
	Average Shareholder's Equity				
5	Inventory Turnover Ratio				
	Sale of Products	3.66	2.88	26.94%	Revenue growth due to substantially higher prices of cotton and cotton yarn.
	Average Inventory				
6	Receivables Turnover Ratio				
	Net Sales	20.82	15.43	34.87%	Sales proceeds due to higher prices was little slower.
	Average Accounts Receivable				
7	Payables Turnover Ratio				
	Net Credit Purchases plus Other Expenses	25.27	27.91	-9.47%	No major variance
	Average Trade Payables				
8	Net Capital Turnover Ratio				
	Net Sales	3.26	2.57	27.01%	Increase is on account of the significant increase in sales in current year as compared to previous year, where sales were affected due to Covid-19 restrictions.
	Working Capital				
9	Net Profit Ratio				
	Profit After Tax	8.79%	1.42%	519.94%	Because of high realization of cotton yarn, return on net worth increased substantially.
	Net Sales				
10	Return on Capital employed Ratio				
	EBIT	23.28%	3.32%	601.78%	Increase in earnings due to better operating margins in line with revenue growth.
	Capital Employed				
11	Return on investment Ratio				
(a)	Mutual Fund Investments				
	Gain on sale / fair valuation of Mutual Fund	3.13%	3.65%	-14.39%	No major variance
	Average investment in Mutual Funds				
(b)	Fixed Income Investments (FD, Bonds, Debentures & Preference Shares)				
	Interest Income + Profit on redemption	5.00%	5.26%	-4.99%	No major variance
	Average investment in Fixed Income investments				
(c)	Quoted Equity Instruments Investments				
	Fair valuation of quoted investment + Dividend Income	62.07%	28.95%	114.42%	Increase in return on investment from quoted equity instruments are on account of fluctuation in market prices.
	Average investment in Quoted Equity Instruments				

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

48. Ageing of Trade Receivable

48.1 Ageing of Trade Receivables outstanding as at 31/03/2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue/ Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	994.89	398.60	-	0.08	8.89	0.10	1,402.55
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	994.89	398.60	-	0.08	8.89	0.10	1,402.55

48.2 Ageing of Trade Receivables outstanding as at 31/03/2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue/ Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	939.62	48.78	-	8.89	0.10	-	997.38
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
	939.62	48.78	-	8.89	0.10	-	997.38

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

49.1 Details as required under MSMED Act are given below :

Particulars	As at	As at
	31/03/2022	31/03/2022
	TOTAL	TOTAL
Principal amount due to any supplier registered under MSMED Act and remaining unpaid as at the end of accounting year	135.59	20.81
Interest due to any supplier registered under MSMED Act and remaining unpaid as at the end of accounting year	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

49.2 Ageing of Trade Payables

Ageing of Trade Payables outstanding as on 31/03/2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
MSME	132.49	3.10	-	-	-	135.59
Others	894.63	344.48	0.24	0.30	-	1,239.64
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	1,027.11	347.58	0.24	0.30	-	1,375.23

Ageing of Trade Payables outstanding as on 31/03/2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
MSME	20.81	-	-	-	-	20.81
Others	233.70	14.54	0.06	0.05	-	248.35
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	254.51	14.54	0.06	0.05	-	269.16

PBM POLYTEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

50. Loans granted to Promoters, Directors, KMPs and Related Parties

Details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment

Type of Borrower	As at 31/03/2022		As at 31/03/2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related Parties	308.85	95.30%	-	0.00%

50.1 Disclosures pursuant to Section 186(4) of the Companies Act, 2013 :

Name of the Company	Purpose of Loan	Amount outstanding As at 31/03/2022	Maximum Outstanding during the year
Eurotex Industries and Exports Limited	Working Capital	308.85	308.85

51. Borrowing based on security of current assets

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return/statement	Amount of difference	Reason for material discrepancies
June, 2021	State Bank of India	Trade Receivable	679.57	1,345.55	(665.98)	Refer Note Below
June, 2021	State Bank of India	Inventory - Raw Material	3,403.04	3,403.00	0.04	
June, 2021	State Bank of India	Inventory - Finished Goods	1,722.34	1,228.00	494.34	
June, 2021	State Bank of India	Inventory - Work in Progress	230.99	247.00	(16.01)	
June, 2021	State Bank of India	Inventory - Stores and Spares	158.48	161.36	(2.88)	
September, 2021	State Bank of India	Trade Receivable	1,720.80	1,720.31	0.49	
September, 2021	State Bank of India	Inventory - Raw Material	686.00	686.00	-	
September, 2021	State Bank of India	Inventory - Finished Goods	914.39	926.00	(11.61)	
September, 2021	State Bank of India	Inventory - Work in Progress	261.14	282.00	(20.86)	
September, 2021	State Bank of India	Inventory - Stores and Spares	157.00	161.36	(4.36)	
December, 2021	State Bank of India	Trade Receivable	1,422.02	1,634.41	(212.39)	
December, 2021	State Bank of India	Inventory - Raw Material	3,494.52	3,495.00	(0.48)	
December, 2021	State Bank of India	Inventory - Finished Goods	461.48	463.00	(1.52)	
December, 2021	State Bank of India	Inventory - Work in Progress	297.00	325.00	(28.00)	
December, 2021	State Bank of India	Inventory - Stores and Spares	261.00	166.36	94.64	
March, 2022	State Bank of India	Trade Receivable	1,402.55	1,640.94	(238.39)	
March, 2022	State Bank of India	Inventory - Raw Material	5,941.61	5,922.00	19.61	
March, 2022	State Bank of India	Inventory - Finished Goods	904.04	682.00	222.04	
March, 2022	State Bank of India	Inventory - Work in Progress	334.10	408.00	(73.90)	
March, 2022	State Bank of India	Inventory - Stores and Spares	160.88	148.27	12.61	

Note- 'Reason for material discrepancies'

-The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends.

- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.

- There are other differences on account of regrouping and reclassification of trade receivable balances . The Company has filed provisional return with banks for the quarter ended March 31 2022, as per the due date and subsequently filed final return with respective banks where amounts as per return matches with underlying books of accounts as at March 31, 2022.

52. Other Statutory Information

(a) The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Hence any

(b) The Company does not have any transactions with companies struck off.

(c) As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed

(d) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(e) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(f) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

(g) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

53. In respect of Eurotex Industries & Exports Limited (associate company) -

The Board of Directors in their meeting held on 26th March, 2022, has decided for closure of its manufacturing plants situated at Kolhapur under Industrial Disputes Act, 1947, due to continuous grinding halt of operations of plants at Kolhapur since 25th March, 2019 arising out of persistent, unfair and illegal activities of labour including severe inter-union rivalry and disconnection of power. The Notice of Closure of the manufacturing plants at Kolhapur has been displayed on 30th March, 2022 at the main gate of the Plants and a copy of said Notice has been sent to concerned workers and authorities. The Company has sent termination letters to all the remaining 38 workers individually by Registered Post.

The matter in respect of labour dues for lay off of workers which was subjudice, has been disposed off by the Hon'ble Supreme Court mentioning that the remedy has to be sought in the Hon'ble High court. Accordingly, the Company has filed a writ petition before Hon'ble High Court, Mumbai. In view of expert legal advice taken in the matter, the Company expects a favourable decision. The management has settled all the dues of lender banks, studying ways to revive the operations of the Company, exploring for sources of additional funds and in view of such positivities, the financial statements have been prepared on a going concern basis.

54. Previous year's figures have been regrouped/re-arranged/recasted, wherever necessary, so as to make them comparable with current year's figures.

**For and behalf of the Board of Directors of
PBM Polytex Limited**

Shri Krishan Kumar Patodia, Chairman (DIN: 00027335)

Shri Gopal Patodia, Managing Director (DIN: 00014247)

Shri Mohan Kumar Patodia, Managing Director cum CFO (DIN:
00035381)

Shri Ashok Pandit, Independent Director (DIN: 08132980)

Shri Chirayush Patel, Independent Director (DIN: 08690998)

Shri Rakesh Todi, Independent Director (DIN: 08476512)

Shri Amit Patodia, CEO

Shri Sunil Somani, Finance Controller

Ms. Swati Sharda, Company Secretary

**As per our attached Report of even Date
For, Rinkesh Shah & Co.
Chartered Accountants**

FRN : 129690W

CA Rinkesh Shah

Partner

Membership No: 131783

Place: Vadodara

Date: 27th May, 2022

Place: Ahmedabad

Date: 27th May, 2022

PBM Polytex Limited

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