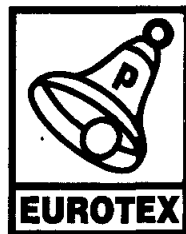


# **15<sup>TH</sup>**

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## **ANNUAL REPORT 2000-2001**

Report  Junction.com



## **EUROTEX INDUSTRIES AND EXPORTS LIMITED**



## **EUROTEX INDUSTRIES AND EXPORTS LIMITED**

**100% EXPORT ORIENTED UNIT  
and Government recognised Trading House.  
An ISO 9002 and  
Oko-Tex Standard 100 Certificates Holder**

### **BOARD OF DIRECTORS**

**Shri Krishan Kumar Patodia**

*Chairman and Managing Director*

**Shri Hariprasad Siotia**

**Shri Gopal Patodia**

**Shri Narayan Patodia**

*Managing Director*

**Shri Rajiv Patodia**

*Executive Director*

**Shri Gurmukh J. Mirchandani**

**Shri G. B. Marathe**

**Shri A. R. Garde**

**Shri M. D. Sohani**

*(SICOM Nominee)*

**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

**PRESIDENT**

**Shri S. K. Mukerjee**

**COMPANY SECRETARY**

**Shri R. K. Agrawal**

**BANKERS**

**STATE BANK OF INDIA  
BANK OF INDIA**

**AUDITORS**

**LODHA & COMPANY**  
Chartered Accountants  
Mumbai.

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**REGISTERED AND HEAD OFFICE**

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

**SHARE TRANSFER AGENT**

**DATAMATICS FINANCIAL SERVICES AND SOFTWARE LIMITED**  
Plot No.A-16/17 MIDC, Part B, Cross Lane,  
Marol, Andheri (East), Mumbai - 400 093.



## NOTICE

**NOTICE** is hereby given that the 15th Annual General Meeting of the Shareholders of EUROTEx INDUSTRIES AND EXPORTS LIMITED will be held at "The Residence", An Apartment Hotel, Saki Vihar Road, Before Nitie, Powai, Mumbai 400 087 on Saturday, the 1st September, 2001 at 9.30 A.M. to transact, with or without modification, as may be permissible, the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2001.
- 2) To declare Dividend on Equity Shares and Preference Shares.
- 3) To appoint a Director in place of Shri Gopal Patodia who retires from office by rotation and, being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri G. B. Marathe who retires from office by rotation and, being eligible, offers himself for re-appointment.
- 5) To consider and, if thought fit to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Lodha & Company, Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and are hereby authorised to fix their remuneration for the said period."

### SPECIAL BUSINESS

- 6) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the reappointment of Shri Narayan Patodia as Managing Director of the Company for a period of 5 years with effect from 1st January,

2002 to 31st December, 2006 on the terms of payment of remuneration specified hereinafter :

Shri Narayan Patodia shall be paid following remuneration by way of Salary, Perquisites and Commission during his tenure as Managing Director:

#### I. SALARY

Salary of Rs. 40,000/- per month.

#### II. PERQUISITES

Perquisites shall be restricted to an amount equal to the annual salary and to be valued as per the provision of Income Tax Rules. Perquisites are classified into three categories 'A', 'B' & 'C' and the ceiling shall apply to category 'A' only.

##### CATEGORY 'A'

##### (a) Housing :

i) Expenditure incurred by the Company on hiring furnished accommodation will be subject to the ceiling, namely 60% of the salary over and above 10% payable by him.

ii) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.

iii) In case no accommodation is provided by the Company, a house rent allowance subject to the ceiling laid down in Housing (a) above shall be paid.

##### (b) Gas, Electricity, Water and Furnishings :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules.

##### (c) Medical Reimbursement :

For self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. In addition to this he shall also be entitled to the benefit of medical treatment referred to in proviso to Section 17(2) of the Income Tax Act, 1961 or subject to such modifications as may be made from time to time.

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LIMITED**

(d) Leave Travel Concession :

For self and family once in a year.

(e) Club Fees :

Fees of clubs subject to a maximum of two clubs will be allowed. This will not include admission and Life Membership Fees.

(f) Personal Accident and Mediclaim Insurance :

Personal Accident and Mediclaim Insurance for self and family will be allowed.

For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

(g) In addition to above perquisites, the Board of Directors is hereby authorised to grant other perquisites to Shri Narayan Patodia, Managing Director from time to time as they may deem fit within the above mentioned overall ceilings.

**CATEGORY 'B'**

(a) Provident/Superannuation/Annuity Fund :

Company's contribution to Provident/Superannuation/Annuity Fund shall be as per the scheme of the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(b) Gratuity :

As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.

(c) Encashment of Leave :

Appointee shall be entitled to Encashment of Leave at the end of every year.

**CATEGORY 'C'**

(a) Car :

Provision of car for use on Company's business.

Use of car for private purpose shall be billed by the Company to the Managing Director.

(b) Telephone :

Telephone at residence. Personal long distance calls shall be billed by the Company to the Managing Director.

**III. COMMISSION**

In addition to Salary and Perquisites, Shri Narayan Patodia, Managing Director shall also be entitled to commission the amount of which will be determined by the Board from time to time based on net profits of the Company subject to the ceiling stipulated in Section 198 and 309 of the Companies Act, 1956.

**IV. OTHER TERMS**

In the event of loss or inadequacy of profits in any financial year, Shri Narayan Patodia, Managing Director shall be paid the above remuneration by way of salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the total remuneration including salary, perquisites and commission payable to Shri Narayan Patodia, Managing Director shall not exceed 5% or such percentage of the Net Profit of the Company in any financial year as prescribed in the Companies Act or in the relevant schedule thereof and the Board of Directors shall be empowered to vary/alter the terms of remuneration within the limits specified as above.

RESOLVED FURTHER THAT the draft agreement between Shri Narayan Patodia and the Company as regards the terms of remuneration submitted to this meeting and for identification, signed by the Chairman thereof, be and is hereby approved, with authority to the Board of Directors to do all such acts, deeds and things as may be necessary for this purpose."

By Order of the Board

Mumbai  
Dated : 11th July, 2001

**R. K. Agrawal**  
Company Secretary

**Registered Office :**  
Raheja Chambers, 12th Floor,  
213, Nariman Point, Mumbai - 400 021.

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**NOTES**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as per Item No. 6 is annexed hereto.
- d) Members holding more than one Share Certificate in the same name under different ledger folios are requested to apply for the consolidation of such folios and send the relevant Share Certificates to the Registrars, M/s. Datamatics Financial Software & Services Ltd., Plot No. A-16/17 MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai 400 093.
- e) Members are requested to notify immediately any change in their addresses to the Registrars at the address as mentioned above.
- f) The Register of Members and the Transfer Books of the Equity Shares will remain closed from Friday, the 17<sup>th</sup> August, 2001 to Saturday, the 1<sup>st</sup> September, 2001 (Both days inclusive).
- g) Dividend, if declared, will be paid on or before 29<sup>th</sup> September, 2001, to those members whose names appear on the Company's Register of members as on 1<sup>st</sup> September, 2001, subject however to the provisions of

Section 206A of the Companies Act, 1956. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per details furnished by NSDL and CDSL for this purpose.

- h) Pursuant to the provisions of Section 205A of the Companies Act, 1956, amended, dividends for the financial year ended 31<sup>st</sup> March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 1995, or any subsequent financial years are requested to make their claims to the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claims shall lie in respect of such amount.

- i) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form 2B prescribed by the Government can be obtained from the Registrars and Transfer Agents.
- j) Members are requested to note that the Company's Equity Shares are included in the SEBI specified scrips for settlement only in demat form for all investors, effective from 28<sup>th</sup> April, 2001. Members are requested to open Depository account in their names with a Depository participant to dematerialise their holdings. This would be necessary for facilitating the transfers of our Equity Shares in all Stock Exchanges connected to the Depository System.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**
**ITEM NO. 6**

The re-appointment of Shri Narayan Patodia as Managing Director of the Company for a period of five years commencing from 1<sup>st</sup> January, 1997, was approved by the Company in its Annual General Meeting held on 26<sup>th</sup> September, 1996. The Board of Directors of the Company at their meeting held on 11<sup>th</sup> July, 2001 has, in accordance with the provisions of the Articles of Association of the Company and subject to the approval of the Shareholders in General Meeting, sought to re-appoint Shri Narayan Patodia as Managing Director of the Company for a further period of five years from 1<sup>st</sup> January, 2002 till 31<sup>st</sup> December, 2006 on the terms and conditions specified in the draft Agreement to be placed before the meeting.

The draft of the Agreement to be entered by the Company with Shri Narayan Patodia is available for inspection by the members at the registered office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

The Board accordingly recommends the resolution at Item No. 6 Shri Narayan Patodia himself and Shri K.K. Patodia, Shri Gopal Patodia and Shri Rajiv Patodia being the relatives of Shri Narayan Patodia are interested in the above said Resolution. Besides above none of the other Directors of the Company is in any way, concerned or interested in the Resolution.

Terms and Conditions of the remuneration given in the Resolution may be treated as an abstract of the terms of contract under Section 302 of the Companies Act, 1956.

By Order of the Board

Mumbai  
Dated : 11th July, 2001

**R. K. Agrawal**  
Company Secretary

Registered Office :  
Raheja Chambers, 12<sup>th</sup> Floor  
213, Nariman Point, Mumbai 400 021

**SHAREHOLDER INFORMATION**

The Company's securities are listed at the following Stock Exchanges :

- 1) The Stock Exchange, Mumbai  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai 400 001

- 2) The Stock Exchange, Ahmedabad  
Kamdhenu Complex  
Near Polytechnic Panjara Pole  
Ahmedabad 380 015
- 3) National Stock Exchange of India Limited  
Trade World, 2<sup>nd</sup> Floor, Kamala Mill Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013

The Company has paid Annual Listing fees to each of the above Stock Exchanges for the Financial Year 2001-2002.

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LIMITED**

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 15th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2001.

|                                                  | <b>2000-2001</b><br><b>(Rs. in lacs)</b> | <b>1999-2000</b><br><b>(Rs. in lacs)</b> |
|--------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>FINANCIAL RESULTS</b>                         |                                          |                                          |
| Profit before Interest,<br>Depreciation and Tax  | <b>3089.21</b>                           | 2715.22                                  |
| Less : Interest and Finance<br>Charges           | <b>1709.12</b>                           | 1346.68                                  |
| Profit before Depreciation                       | <b>1380.09</b>                           | 1368.54                                  |
| Less : Depreciation                              | <b>732.08</b>                            | 682.85                                   |
| Profit Before Tax                                | <b>648.01</b>                            | 685.69                                   |
| Provision for Income Tax                         | <b>31.50</b>                             | 36.00                                    |
| Provision for Wealth Tax                         | <b>1.06</b>                              | 2.18                                     |
| Provision for Taxation for<br>earlier year (+)   | <b>0.16</b>                              | 0.88                                     |
| Profit for the year                              | <b>615.29</b>                            | 646.63                                   |
| Balance brought forward<br>for previous year     | <b>992.99</b>                            | 640.69                                   |
| Profit available for<br>Appropriation            | <b>1608.28</b>                           | 1287.32                                  |
| Interim Dividend Paid on<br>Preference Shares    | <b>71.42</b>                             | 168.99                                   |
| Proposed Dividend on<br>Equity Shares            | <b>78.75</b>                             | 87.50                                    |
| Corporate Dividend Tax<br>Transferred to Capital | <b>23.74</b>                             | 37.84                                    |
| Redemption Reserve                               | <b>500.00</b>                            | -                                        |
| Balance Carried to<br>Balance Sheet              | <b>934.37</b>                            | 992.99                                   |

### DIVIDEND

Your Directors recommend a Dividend @ 9% on Equity Shares for the year ended 31st March, 2001. Dividend together with Corporate dividend tax will absorb Rs.86.76 lacs. The Dividend will be tax free in the hands of Shareholders and the Company will bear the tax liability on such dividend. During the year Company paid Rs. 87.13 lacs dividend including Corporate dividend tax on preference shares at the time of redemption.

### OPERATIONS

The turnover in the year under review increased by 17% over the previous year. However, the profits are under pressure due to increase in cost of raw materials, oil price and interest cost without corresponding increase in the sale price of finished products. Our products are being well received by foreign buyers all over the world.

### AWARDS AND ACHIEVEMENTS

The Company continued to win awards and laurels. During the year the Company was awarded following trophies/awards/recognitions :

- The Cotton Textiles Export Promotion Council, Mumbai has awarded the Company TEXPROCIL Gold Trophy (first rank) for outstanding Export performance in Global Export Award category for the year 1999 - 2000 and Silver Trophy for outstanding export performance in 100% EOU category.
- This year being third year in succession Government of Maharashtra has awarded a Silver Plaque and a Certificate for outstanding Exports (first rank) in appreciation of the Company's export achievement in textile products during the year 1999 - 2000.

### PREFERENCE SHARES

During the year under review, the Company redeemed the Preference Shares of Rs.1600 lacs.

In the current year the Company has issued Preference Shares of Rs.375 lacs.

### DEBENTURES

13% Non Convertible Debentures of Rs.500 lacs were issued to UTI Bank during the year for meeting the short term working capital margin requirement and the same were redeemed during the year.

### LISTING ON AHMEDABAD STOCK EXCHANGE

The Company passed a Special Resolution in its Annual General Meeting held in September, 2000 for delisting of the Equity Shares in Ahmedabad Stock Exchange. However now the Company has decided not to pursue the matter and the shares continue to be listed on the Ahmedabad Stock Exchange.

### SUBSIDIARY

The subsidiary of the Company Eurotex Leasing and Finance Limited has made an application to the Registrar of Companies, Mumbai for striking off its name under Section 560 of the Companies Act, 1956. Hence the accounts of the subsidiary have not been prepared as on 31st March, 2001. However the accounts prepared last as on 15th November, 2000 are enclosed.

### INDUSTRIAL RELATIONS

The Company has had a cordial and harmonious Industrial Relations in the organisation in the year under review.

### PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving information regarding particulars of employees required under Section 217 (2A) of the Companies Act, 1956 and conservation of energy, technology absorption, foreign exchange earnings and outgo required under Section 217 (1) (e) of the Companies Act, 1956 are annexed and form part of this Report.

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## DIRECTORS

In terms of the provisions of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, Shri Gopal Patodia and Shri G. B. Marathe retire from office by rotation and, being eligible, offer themselves for re-appointment.

## DIRECTORS' RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2001 the Directors' confirm that :

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policy have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2001 and of the profit of the Company for the period April 1, 2000 to March 31, 2001;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement our Company falls in

the category of the Company which are presently listed with Paid-up capital of Rs. 10 crores and above or net worth of Rs.25 crores or more anytime in the history of the Company. Hence our Company is required to implement the mandatory provisions of clause 49 of the Listing Agreement within Financial Year 2001-2002 which the Company has started implementing.

The Board of Directors have set up an Audit Committee pursuant to the provisions of section 292A of the Companies Act.

## AUDITORS

The Shareholders are requested to appoint Statutory Auditors for the current year.

## ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation and thankful acknowledgment for various assistance received from the Financial Institutions viz. IDBI, EXIM Bank as well as SICOM and UTI Bank, our Bankers State Bank of India, Bank of India, the Government of Maharashtra, MSED, MIDC and Development Commissioner SEEPZ. Their utmost co-operation and assistance at all levels has contributed in the growth of the exports of the Company which has helped us in earning substantial Foreign Exchange for the country.

On behalf of the Board

Mumbai  
Dated : 11th July, 2001

**K. K. PATODIA**  
Chairman

## ANNEXURE "A" TO THE DIRECTORS' REPORT

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

### (A) CONSERVATION OF ENERGY :

#### (a) Energy Conservation Measures Taken:

The Company has been taking continuous steps to conserve the energy and minimise energy cost at all levels. The Company has started installing newly developed energy fans i.e. "SITRA EXCEL FANS" by replacing pneumafil fans of existing ring frames.

#### (b) Additional Investments and Proposal, if any, being implemented for reduction of consumption of energy:

The Company as a policy takes necessary steps for investments in energy saving devices.

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

With the above measures taken, the Company derives better quality of power resulting in better and optimum performance.

#### (d) Total energy consumption and consumption per unit of production in the prescribed Form "A" attached.

### (B) TECHNOLOGY ABSORPTION:

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

Details are provided in Form "B" annexed hereto.

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

#### (f) 1) Activity relating to Exports:

Yarn and Fabric Export.

#### 2) Initiative taken to increase Exports:

The Company regularly explores possibility of developing new qualities and new markets to enable it to increase its exports.

#### 3) Development of new export markets for products and services:

The Company keeps a close association with its traditional buyers as well as explore for new buyers and endeavours the possibility of finding new export markets as well.

#### 4) Export Plan:

The Company is endeavouring to keep its order books full.

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

|                                     | (Rs. in Lacs) |
|-------------------------------------|---------------|
| i) CIF Value of Imports             | 1170.41       |
| ii) Expenditure in Foreign Currency | 641.56        |
| iii) Foreign Exchange Earned        | 19994.23      |

On behalf of the Board

Mumbai  
Dated : 11th July, 2001.

**K. K. PATODIA**  
Chairman

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## ANNEXURE "A" TO THE DIRECTORS' REPORT (Contd.)

### REPORT OF CONSERVATION OF ENERGY ETC., Forming part of the Directors' Report

| <b>FORM A</b>                                                                    |                        |                     |                      |
|----------------------------------------------------------------------------------|------------------------|---------------------|----------------------|
| <b>Form for Disclosure of Particulars with respect to Conservation of Energy</b> |                        |                     |                      |
|                                                                                  | <u>Production Unit</u> | <u>Current Year</u> | <u>Previous Year</u> |
| <b>A) POWER AND FUEL CONSUMPTION</b>                                             |                        |                     |                      |
| <b>1) Electricity</b>                                                            |                        |                     |                      |
| a) Purchased                                                                     |                        |                     |                      |
| Units                                                                            | <b>1,228,440</b>       | 3,833,827           |                      |
| Total Amount (Rs.)                                                               | <b>13,759,120</b>      | 17,132,883          |                      |
| Rate/Unit (Rs.)                                                                  | <b>*11.20</b>          | 4.47                |                      |
| *(High due to minimum demand charges paid)                                       |                        |                     |                      |
| b) Own Generation                                                                |                        |                     |                      |
| i) Through Diesel Generator                                                      |                        |                     |                      |
| Units                                                                            | <b>44,671,520</b>      | 40,407,158          |                      |
| Units per LTR. of Diesel/Furnace Oil                                             | <b>3.89</b>            | 4.03                |                      |
| Cost/Unit (Rs.)                                                                  | <b>2.88</b>            | 2.17                |                      |
| ii) Through Steam Turbine/Generator                                              |                        |                     |                      |
| Units                                                                            | -                      | -                   |                      |
| Units per LTR. of Fuel Oil/gas                                                   | -                      | -                   |                      |
| Cost/Unit (Rs.)                                                                  | -                      | -                   |                      |
| <b>2) Coal</b>                                                                   |                        |                     |                      |
| Quantity (in tonnes)                                                             | -                      | -                   |                      |
| Total Cost                                                                       | -                      | -                   |                      |
| Average Rate (Rs.)                                                               | -                      | -                   |                      |
| <b>3) Furnace Oil/L.S.H.S.</b>                                                   |                        |                     |                      |
| Quantity (in K. Ltrs.)                                                           | -                      | -                   |                      |
| Total Amount                                                                     | -                      | -                   |                      |
| Average Rate                                                                     | -                      | -                   |                      |
| <b>4) Others/Internal</b>                                                        |                        |                     |                      |
| Generation                                                                       | -                      | -                   |                      |
| Quantity                                                                         | -                      | -                   |                      |
| Total Cost                                                                       | -                      | -                   |                      |
| Rate/Unit                                                                        | -                      | -                   |                      |
| <b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>                                     |                        |                     |                      |
| <b>1) Electricity (KWH)</b>                                                      |                        |                     |                      |
| Yarn                                                                             | Per Kg.                | <b>3.74</b>         | 3.72                 |
| <b>2) Furnace Oil/L.S.H.S.</b>                                                   |                        |                     |                      |
| <b>3) Coal (M.T.)</b>                                                            |                        |                     |                      |
| <b>4) Others</b>                                                                 |                        |                     |                      |
| On behalf of the Board                                                           |                        |                     |                      |
| Mumbai                                                                           | <b>K. K. PATODIA</b>   |                     |                      |
| Dated : 11th July, 2001                                                          | Chairman               |                     |                      |

| <b>FORM B</b>                                                                                                                                  |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Form for Disclosure of Particulars with respect to Technology Absorption</b>                                                                |                      |
| <b>RESEARCH AND DEVELOPMENT (R &amp; D)</b>                                                                                                    |                      |
| <b>1) Specific areas in which R &amp; D carried out by the Company:</b>                                                                        |                      |
| R & D activities are being carried out continuously to produce a good quality of Yarn and Fabrics for export.                                  |                      |
| <b>2) Benefits derived as a result of the above R &amp; D:</b>                                                                                 |                      |
| With the result of the R & D activity carried out, the Company has been able to produce quality Yarn and Fabrics to international standards.   |                      |
| <b>3) Future Plan of Action:</b>                                                                                                               |                      |
| The Company continues its efforts to maximise its productivity and also at the same time enhance quality of its products.                      |                      |
| <b>4) Expenditure on R &amp; D:</b>                                                                                                            |                      |
| Expenditure on R & D has been shown under respective heads of expenditure in the Profit and Loss Account as no separate account is maintained. |                      |
| <b>TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b>                                                                                        |                      |
| <b>1) Efforts, in brief, made towards technology absorption and innovation:</b>                                                                |                      |
| The Company has not utilised any imported technology.                                                                                          |                      |
| <b>2) Benefit derived as a result of the above efforts:</b>                                                                                    |                      |
| N.A.                                                                                                                                           |                      |
| <b>3) Details about import of technology during the last 5 years:</b>                                                                          |                      |
| N.A.                                                                                                                                           |                      |
| On behalf of the Board                                                                                                                         |                      |
| Mumbai                                                                                                                                         | <b>K. K. PATODIA</b> |
| Dated : 11th July, 2001                                                                                                                        | Chairman             |



## ANNEXURE "B" TO THE DIRECTORS' REPORT

**PARTICULARS OF EMPLOYEES - THE INFORMATION REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 FOR THE EMPLOYEES OF THE COMPANY IS AS UNDER:**

| Sr. No.                                                                                                                               | Name               | Designation/<br>Nature of<br>Duties  | Age<br>(Years) | Remuneration<br>received<br>(Rs.) | Qualification            | Experience<br>(Years) | Date of<br>Joining | Previous Service<br>before this and<br>designation |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------|----------------|-----------------------------------|--------------------------|-----------------------|--------------------|----------------------------------------------------|
| <b>A) Employees who worked throughout the accounting year and whose remuneration aggregating Rs. 12 lacs or more per year:</b>        |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| 1.                                                                                                                                    | Shri K. K. Patodia | Chairman<br>and Managing<br>Director | 57             | 18,60,200                         | B.Sc.Textiles<br>(Hons.) | 36                    | 1st Oct. 1988      | PBM Polytex Ltd.<br>Managing Director              |
| <b>B) Employees who worked during part of the year and whose remuneration is not less than Rs. 1 Lac or more per month</b>            |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| NIL                                                                                                                                   |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| <b>NOTE :</b>                                                                                                                         |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| 1) Remuneration as above includes salary, allowance, commission and other perquisites as approved by the Shareholders of the Company. |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| 2) Shri K.K. Patodia is related to Shri Rajiv Patodia, Shri Narayan Patodia and Shri Gopal Patodia, Directors of the Company.         |                    |                                      |                |                                   |                          |                       |                    |                                                    |
| 3) The conditions of employment of the Managing Director is contractual.                                                              |                    |                                      |                |                                   |                          |                       |                    |                                                    |
|                                                                                                                                       |                    |                                      |                |                                   |                          |                       |                    | On behalf of the Board                             |
| Mumbai<br>Dated : 11th July, 2001                                                                                                     |                    |                                      |                |                                   |                          |                       |                    | <b>K. K. PATODIA</b><br>Chairman                   |

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

#### Name of the Subsidiary Company

#### EUROTEX LEASING AND FINANCE LIMITED

- The financial year of the Subsidiary ended on
- Holding Company's interest :  
Equity Shares of Rs. 10 each fully paid up  
a) Number of Shares  
b) Extent of Holding
- Net aggregate Profits or (Losses) for the current financial years since becoming subsidiary so far as concern the Members of the Holding Company, not dealt or provided for in the accounts of the Holding Company.
- Net aggregating Profits or (Losses) for the previous financial years since becoming subsidiary so far as concern the Members of the Holding Company, not dealt with or provided for in the accounts of the Holding Company.

- The Subsidiary has filed necessary application with Registrar of Companies under Section 560 of the Companies Act, 1956 for striking off the name from the Register of Companies. The application has been filed on 12th January, 2001.

On behalf of the Board

Mumbai  
Dated : 11th July, 2001

**K.K. PATODIA**  
**H. P. SIOTIA**  
**G. J. MIRCHANDANI**  
**M. D. SOHANI**

Chairman and Managing Director  
Director  
Director  
Director