

22ND

ANNUAL REPORT 2007 - 2008

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EUROTEX INDUSTRIES AND EXPORTS LIMITED

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

BANKERS

**STATE BANK OF INDIA
BANK OF INDIA
IDBI BANK LIMITED**

AUDITORS

LODHA & COMPANY
Chartered Accountants
Mumbai.

REGISTERED AND HEAD OFFICE

809, Raheja Chambers, 8th Floor,
213, Nariman Point, Mumbai - 400 021.

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MILLS

E-23 & E-1, MIDC, Gokul Shirgaon,
Kolhapur - 416 234,
Maharashtra.

SHARE TRANSFER AGENT

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



EUROTEX INDUSTRIES AND EXPORTS LIMITED

An ISO 9001 and Oeko-Tex Standard 100 Certificate Holder

SA 8000 Certified Company

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 A. R. Garde

Shri Dharam Paul

Shri M. D. Sohani

Shri D. K. Patel

Shri V. K. Gupta

Shri Pratap Padamshi Dundh



NOTICE

NOTICE is hereby given that the 22nd 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 27th September, 2008 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, 2008.
2. To appoint a Director in place of Shri. H. P. Siotia, who retires from office by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Rajiv Patodia, who retires from office by rotation and, being eligible, offers himself for reappointment.

4. To appoint a Director in place of Shri. Dharam Paul, who retires from office by rotation and, being eligible, offers himself for reappointment.
5. To appoint auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Mumbai
Date : 26th June, 2008

K. K. Patodia
Chairman
and Managing Director

Registered Office :
809, Raheja Chambers, 8th Floor,
213, Nariman Point, Mumbai - 400 021.

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

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. 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 Services Ltd., Plot No. A-16/17 MIDC, Part B, Cross Lane, Marol, Andheri(East), Mumbai 400 093.
- d. Members are requested to notify immediately any change in their address to the Registrars at the address as mentioned above.
- e. The Register of Members and Transfer Books of Equity shares will be closed from Tuesday 23rd September 2008 to Saturday 27th September 2008 (Both Days inclusive).
- f. Pursuant to Section 205A of the Companies Act, 1956, all Unclaimed Dividends upto Financial Year ended 31st March, 1999 have been transferred to the General Revenue Account of the Central Government.
- g. The unclaimed dividend for the year ended 31st March, 2000 has been transferred to Investor Education and Protection Fund in October 2007. The dividend for the year ended 31st March 2001 is due for transfer to the said fund in September, 2008. 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 against the company.
- h. As per the provisions of the Companies Act, 1956, facility for making nominations is 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.
- i. 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 28th April, 2001. Members are requested to open DEMAT 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 the Stock Exchanges connected to the Depository System.
- j. Details of the Directors retiring by rotation and seeking re-appointment (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	H. P. Siotia	Rajiv Patodia	Dharam Paul
Date of Birth	03.05.1934	22.07.1969	06.06.1944
Date of Appointment	16.02.1987	01.10.1997	30.01.2002
Qualification	B. Com	B. Sc. Finance	B. TEXT (Hons.) & MBA
Expertise in specific functional area	More than 5 decades of rich experience in the field of Cotton & yarn trading and manufacturing activities of cotton spinning.	More than 17 years experience in Textile Industry. Handling raw material purchases, production planning and overall sales.	More than four decades experience in Textile Industry.
List of Other Directorship held.	PBM Polytex Ltd. Patodia Syntex Ltd Mercury Gems Pvt. Ltd. Eurospin Industries Ltd. Shree Janardana Mills Ltd. Patodia Company Pvt. Ltd.	Patodia Syntex Limited. Maharashtra Fibre & Syntex Ltd. Mercury Gems Private Limited Patodia Company Private Ltd.	PBM Polytex Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company.	Shareholders/Investors Grievance Committee Chairman Audit Committee, Remuneration Committee - Member	Nil	Audit Committee and Remuneration Committee Chairman
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director.	Share Transfer and Shareholders/Investors Grievance Committee - Member (PBM Polytex Ltd.)	None	Audit Committee, and Remuneration Committee - Member (PBM Polytex Ltd)

SHAREHOLDER INFORMATION

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

- 1) The Stock Exchange, Mumbai
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001.
- 2) National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

The Company has paid Annual Listing fees to each of the above Stock Exchanges for the Financial Year 2008-2009.

By Order of the Board

Mumbai
Date : 26th June, 2008

K. K. Patodia
Chairman
and Managing Director

Registered Office :
809, Raheja Chambers, 8th Floor,
213, Nariman Point, Mumbai - 400 021.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 22nd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2008.

	2007-08 (Rs. in lacs)	2006-07 (Rs. in lacs)
FINANCIAL RESULTS		
Profit before Interest, Depreciation and Tax	1332.32	1934.87
Less: Interest and Finance Charges	903.65	806.78
Profit before Depreciation	428.67	1128.09
Less: Depreciation	928.58	866.16
Profit/(Loss) Before Tax	(499.91)	261.93
Less: Provision for Income Tax	-	29.00
Less: Fringe Benefit Tax	9.16	9.52
Less: Deferred Tax	(165.67)	131.39
Add: MAT Set off	-	29.00
Profit/(Loss) for the year	(343.40)	121.02
Balance brought forward for previous year	1272.91	1151.89
Profit available for Appropri- ation and Balance Carried to Balance Sheet	929.51	1272.91

OPERATIONS

During the year the turnover of the Company was Rs.138.38 crores as compared to Rs.165.20 Crores in the previous year. The Company has suffered a net loss after tax of Rs.3.43 crores as against a net profit of Rs.1.21 crores after tax in the previous year. The reason for decline in profitability is the steep rise in Cotton prices, high power cost and sharp appreciation of the rupee during the year.

Due to inadequacy of profits this year, your Directors have decided not to recommend any dividend for the Financial Year 2007-08.

During the year the Company has implemented a major modernization and upgradation of most of its plant and machinery under the TUFs scheme.

During the year the Company has Debonded from 100% EOU and has converted into a DTA Unit. The Company has received the final Debonding Order from the Development Commissioner (SEEPZ) on 6th November, 2007.

AWARDS

Your Directors are happy to inform you that your Company has again been conferred the highest Export performance Award for the year 2005-06 by the Export Promotion

Council for EOUs and SEZ in the 'Non-SSI' Textile Category. The award was presented by Hon'ble Shri Kamal Nath, Minister for Commerce and Industry in New Delhi. The Govt. of Maharashtra has awarded its certificate of Merit for excellence in Export performance in Textile Products other than ready made garments in the category of LSI for the year 2005-06

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS.

The Audit Committee constituted by the Board has been functioning over the last seven years. The Committee renders valuable advice to the Board on several issues particularly on Internal Controls, Accounting Policies and Corporate Governance norms. The Board of Directors appointed Shri Dharam Paul as Chairman of the Audit Committee.

Similarly, the Shareholders / Investors Grievance Committee met regularly throughout the year and overviewed the operations of the Share Transfer Registrars, Response to Investor Grievances, progress of dematerialisation and other matters.

The Company has complied with clause 49 of the Listing Agreement pursuant to SEBI guidelines. Accordingly, reports on corporate governance and Management Discussion and Analysis are enclosed and form part of this Report.

INDUSTRIAL RELATIONS

The Company continued its endeavor in maintaining peace and harmony at all levels of employment in the Organisation in the year under review.

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

Information relating to the conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo required under Section 217(1) (e) of the Companies Act, 1956, is set out in a separate statement attached to this report and forms part of it.

The particulars of employees, as required under section 217(2A) of the Companies Act, 1956, are given in a separate statement attached to this report and form part of it.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, Shri H. P. Siotia, Shri Rajiv Patodia and Shri Dharam Paul retire from office by rotation and, being eligible, offer themselves for re-appointment.

Appropriate resolutions for the reappointment of the aforesaid Directors are being moved at the ensuing Annual General Meeting which the Board recommends for your approval.

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and have 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 as at March 31, 2008 and of the net loss of the Company for the period from April 1, 2007 to March 31, 2008;
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.

AUDITORS

M/s. Lodha & Co., the statutory auditors of the company, will retire at the forthcoming Annual General Meeting of the company and, being eligible, offer themselves for re-appointment.

Your Directors request the Shareholders to appoint

Statutory Auditors for the current year.

COST AUDITORS

Pursuant to a directive of the Central Government, the Company is required to undergo Cost Audit in respect of its manufacturing operations every year. Accordingly, M/S A.G. Anikhindi & Co., qualified cost auditors have been appointed to carry out audit of the cost accounts maintained by the Company for the year ended 31st March, 2009.

INSURANCE

The Company has taken comprehensive risk cover to insure all the properties of the Company.

ACKNOWLEDGEMENT

Your Directors express their warm appreciation to the employees for their diligence and contribution in running the mills smoothly. Your Directors also wish to place on record their appreciation for the support and co-operation received from the Development Commissioner SEEPZ and all the bankers of the Company. Their utmost co-operation and assistance has contributed greatly in smooth conduct of the business of the Company.

On behalf of the Board

Mumbai
Date : 26th June, 2008

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 such as installing latest energy efficient equipments and motors in place of old ones to reduce energy consumption. The Company has taken the assistance of an expert team of the South India Textiles Research Association (SITRA), Coimbatore for energy conservation.

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

The Company as a policy takes steps for investments in energy saving devices wherever necessary. The Company underwent a comprehensive Energy Audit for the entire plant and machines and as a result, has optimized consumption of energy substantially.

(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 has derived significant reduction in energy consumption.

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

(B) TECHNOLOGY ABSORPTION:

Efforts made in technology absorption :

Details are provided in Form "B" annexed hereto.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) 1) Activity relating to Exports:

The Company is engaged in exports of Raw cotton, Yarns and Fabrics.

2) Initiative taken to increase Exports:

The Company regularly explores possibility of developing new qualities to help and find new buyers and new markets.

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

The Company keeps a close association with its traditional and new buyers and continuously explores the possibility of finding new markets.

4) Export Plan:

The order books of the Company are sufficiently full at present.

(b) Total Foreign Exchange used and earned:

	(Rs. in Lacs)
i) CIF Value of Imports	1792.79
ii) Expenditure in Foreign Currency	196.95
iii) Foreign Exchange Earned	9504.03

On behalf of the Board

Place : Mumbai
Date : 26th June, 2008

K. K. PATODIA
Chairman



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

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

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

	Production Unit	Current Year	Previous Year
A) POWER AND FUEL CONSUMPTION			
1) Electricity			
a) Purchased Units		3,97,82,100	3,46,25,850
Total Amount (Rs.)		14,38,60,838	13,45,82,581
Rate/Unit (Rs.)		3.62	3.89
b) Own Generation			
i) Through Diesel Generator Units		83,77,530	1,76,07,890
Units per LTR. of Diesel/Furnace Oil		3.08	3.70
Cost/Unit (Rs.)		8.58	4.87
ii) Through Steam Turbine/Generator Units		-	-
Units per LTR. of Fuel Oil/gas		-	-
Cost/Unit (Rs.)		-	-
2) Coal			
Quantity (in tonnes)		-	-
Total Cost		-	-
Average Rate (Rs.)		-	-
3) Furnace Oil/L.S.H.S.			
Quantity (in K. Ltrs.)		-	-
Total Amount		-	-
Average Rate		-	-
4) Others/Internal Generation			
Quantity		-	-
Total Cost		-	-
Rate/Unit		-	-
B) CONSUMPTION PER UNIT OF PRODUCTION			
	Per Kg.		
1) Electricity (KWH)			
Yarn		6.93	6.55
2) Furnace Oil/L.S.H.S.		-	-
3) Coal (M.T.)		-	-
4) Others		-	-

On behalf of the Board

Mumbai
Date : 26th June, 2008

K. K. PATODIA
Chairman

FORM B

Form for Disclosure of Particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT (R & D)

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

R & D activities are being carried out continuously to produce good quality of Yarns and Fabrics for export.

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

With the result of the R & D activity carried out, the Company has been able to produce quality Yarns and Fabrics to international standards.

3) Future Plan of Action:

The Company continues its efforts to maximise its productivity and at the same time enhance quality of its products.

4) Expenditure on R & D:

Expenditure on R & D has been shown under respective heads of expenditure in the Profit and Loss Account as no separate account is maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1) Efforts, in brief, made towards technology absorption and innovation:

The Company has not utilised any imported technology.

2) Benefit derived as a result of the above efforts:

N.A.

3) Details about import of technology during the last 5 years:

N.A.

On behalf of the Board

Mumbai
Date : 26th June, 2008

K. K. PATODIA
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/ Nature of Duties	Age (Years)	Remuneration received (Rs.)	Qualification	Experience (Years)	Date of Joining	Previous Service before this and designation
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A) Employees who worked throughout the accounting year and whose remuneration aggregating Rs.24 lacs or more per year:

1.	Shri K. K. Patodia	Chairman and Managing Director	63	* 53,18,654	B.Sc.Textiles (Hons.)	43	01.10.1988	PBM Polytex Ltd. Managing Director
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B) Employees who worked during part of the year and whose remuneration is not less than Rs. 2 Lacs or more per month

NIL

* Remuneration includes contribution to Provident Fund and superannuation funds.

On behalf of the Board

Mumbai
Date : 26th June, 2008

K. K. PATODIA
Chairman

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

Declaration regarding compliance with the code of conduct and ethics policy of the Company by Board members and senior management personnel

This is to confirm that the Company has adopted Code of Conduct and Ethics Policy for the Board of Directors and Associates of the Company, which is available at www.eurotexgroup.com.

Conduct and Ethics policy of the Company.

I declare that the Board of Directors and senior management personnel have affirmed compliance with the Code of

Mumbai
Date : 26th June, 2008

K. K. PATODIA
Chairman
and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Development:

The Company is having cotton spinning and knitted fabrics manufacturing unit. Textile is the oldest and most important industry with a high employment potential. The textile industry provides jobs for semi-skilled and unskilled labourers, women in particular, on a large scale in the country.

Eurotex has a state of art modern spinning mills manufacturing and exporting the cotton yarn all over the world.

b) Opportunities and Threats:

In the post quota regime, the Indian textile exporters have got very good opportunity for increasing their export of cotton yarn and value added products. Due to very good demand from domestic export oriented garment manufacturers, the cotton yarn manufacturers have got good opportunities in local markets also.

At the same time the Indian textile industry is facing threat from other textile exporting countries due to high power cost, cost of Raw materials and rigid labour laws in our country.

The Company is experiencing pressure on margins due to severe competition from other low cost countries and stronger Indian Rupee vis-a-vis the US Dollar. There is also pressure from rising manpower costs, power costs and cost of Raw Material. The high inflationary pressures and rising interest costs are also affecting the profitability by increasing the operating costs.

c) Segment or productwise performance:

The Company operates primarily in one business segment viz cotton yarn and knitted fabric and has its production facilities and assets located in India. Hence segment-wise or product-wise performance is not given.

d) Outlook, Risks and Concern:

The Company has invested substantially in modernization and upgradation of its production facilities and the Company is poised to take maximum

advantage of demand of quality goods in post quota regime.

The exchange rate fluctuations and power cost increase due to increase in oil prices and state grid power rates are the risks and the matter of concern and may adversely affect its profitability.

e) Internal control systems and their adequacy:

The Company has got adequate internal control systems commensurate with its size in all the departments.

f) Financial performance with respect to operational performance:

The financial and operational performances are already elaborated in the Directors' Report.

g) Development in Human Resources / Industrial Relations Front:

The Company continued its endeavour in maintaining peace and harmony at all levels of employment in the organization in the year under review.

h) Cautionary Statement

The statement in this report may be forward looking within the meaning of applicable laws or regulations. These statements are made on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors.

The Company and its Board of Directors assume no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY OF COMPANY ON CODE OF GOVERNANCE

The Company believes in highest standards of corporate governance and has put in place the systems to comply with all the rules, regulations and requirements mentioned in clause 49 of Listing Agreement. For us effective corporate governance is about commitment to values and ethical business conduct which alone can guarantee the business success in the long run.

We understand that Corporate Governance is a continuous journey and not a destination. The Company endeavors to achieve transparency, accountability, integrity and responsibility and continues to focus on good corporate governance.

Corporate Ethics:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

a. Code of Conduct for Board Members and Senior Management:

The Board of Directors has adopted the Code of Conduct for its members and senior management. The Board highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride in its business dealings.

The Code is applicable to all the directors and specified senior management executives. The Code impresses upon directors and senior management executives to uphold the interest of the company and its stakeholders and endeavors to fulfill all the fiduciary obligations towards them. The Code also mandates that directors and senior management executives would uphold highest standards of integrity, honesty and ethical conduct and fairness in their dealings and shall exercise utmost good faith, due care and integrity in performing their duties. The Code of Conduct is posted at the company's website at www.eurotexgroup.com

b. Code of Conduct for prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its directors and senior management personnel. The Code lays down the guidelines and procedures to be followed, disclosures to be made while dealing with shares in the Company.

2. BOARD OF DIRECTORS

The business of the Company is managed by the Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors and the Executive Director manage the day to day operations of the Company.

The Board of Directors comprises of three Executive Directors and nine Non-Executive Directors. Six of the Directors are independent Directors.

Name of the Director Position

Executive

Shri Krishan Kumar Patodia	Chairman and Managing Director
Shri Narayan Patodia	Managing Director
Shri Rajiv Patodia	Executive Director

Non Executive

Shri H. P. Siotia
Shri Gopal Patodia
Shri Gurmukh J. Mirchandani

Non-Executive & Independent

Shri A. R. Garde
Shri Dharam Paul
Shri M. D. Sohani
Shri Pratap Padamshi Dundh
Shri D. K. Patel
Shri V. K. Gupta

Total No. of Directors = 12

A. Board Procedure

Board members are given appropriate documents and information in advance of each Board and Committee meeting. To enable the Board to discharge its responsibilities effectively, the Managing Directors review the Company's overall performance. The functions performed by the Board includes review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Compliance with statutory/regulatory requirements and review of major legal issues
- Approval of quarterly results/annual results
- Matters relating to Foreign Exchange Exposure.

B. Board Meetings and Attendance

During the Financial Year 2007-08 five Board meetings were held on 19th May, 2007; 23rd June, 2007; 28th July, 2007; 31st October, 2007 and on 31st January, 2008. The maximum time gap between any two meetings was not more than three calendar months. Details of attendance at the Board Meetings, Directorship in other Companies and Membership in Committees thereof of each Director are as follows:

Name of Director	Attendance at the Board Meeting	Attendance at last AGM	Directorship of other Companies	Committee Memberships *Mem-ber	*Chairman
Shri K. K. Patodia Chairman & Managing Director	4	No	10	1	1
Shri H. P. Siotia	5	Yes	6	3	1
Shri Gopal Patodia	-	No	6	1	0
Shri Narayan Patodia Managing Director	1	No	5	1	0
Shri Rajiv Patodia Executive Director	3	Yes	4	0	0
Shri G.J.Mirchandani	5	Yes	-	2	0
Shri A. R. Garde	5	No	-	0	0
Shri Dharam Paul	4	Yes	1	2	2
Shri M. D. Sohani	4	No	-	1	0
Shri Dilip K. Patel	5	No	4	1	2
Shri Vinod K. Gupta	4	No	-	1	0
Shri Pratap Padamshi Dundh	5	Yes	2	0	0

3. AUDIT COMMITTEE

Board of Directors has formed an Audit Committee which has the following powers:

- To investigate into any matter referred to it by the Board and for that purpose to have full access to the information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- Reviewing with management the annual financial statements before submission to the Board.