



EUROTEX INDUSTRIES AND EXPORTS LIMITED

An ISO 9001 and Oko-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

(Upto 21.01.2011)

Shri A. R. Garde

Shri Dharam Paul

Shri D. K. Patel

Shri V. K. Gupta

Shri Pratap Padamshi Dundh

Shri M. L. Bagaria

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

COMPANY SECRETARY

Shri G. S. Ramakrishnan

BANKERS

**STATE BANK OF INDIA
BANK OF INDIA
IDBI BANK LIMITED
STATE BANK OF PATIALA
PUNJAB NATIONAL BANK
STATE BANK OF HYDERABAD
EXPORT IMPORT BANK OF INDIA
DHANLAKSHMI BANK LIMITED**

AUDITORS

LODHA & COMPANY
Chartered Accountants
Mumbai.

REGISTERED AND HEAD OFFICE

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

MILLS

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

SHARE TRANSFER AGENTS

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



NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of EUROTEx INDUSTRIES AND EXPORTS LIMITED will be held at "The Shalimar Hotel", August Kranti Marg, Mumbai 400 036 on Saturday, the 10th September, 2011 at 9.30 A.M. to transact 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, 2011.
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 Gopal 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 : 28th May, 2011

G. S. Ramakrishnan
Company Secretary

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

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER
- 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.
- 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.
- Members are requested to notify immediately any change in their address to the Registrars at the address as mentioned above.
- The Register of Members and Transfer Books of Equity shares will be closed from Monday 29th August, 2011 to Saturday 10th September, 2011 (Both Days inclusive).
- 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.
- The unclaimed dividends for the financial years ended 31st March, 2000, 2001 and 2003 have been transferred to Investor Education and Protection Fund. 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.

Details of Unclaimed Dividend with it's due date of transfer to Investors Education and Protection Fund are as below:

Sr. No.	Year Ended	Date of Declaration	Due date of transfer to IEPF
1.	31.03.2004	04.09.2004	03.10.2011
2.	31.03.2005	24.09.2005	23.10.2012
3.	31.03.2006	30.09.2006	29.10.2013

- 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.
- Details of the Directors retiring by rotation and seeking re-appointment (in pursuance of Clause 49 of the Listing Agreement):

Name of Director	Shri H. P. Siotia	Shri Gopal Patodia	Shri Dharam Paul
Date of Birth	03.05.1934	12.12.1946	06.06.1944
Date of Appointment	16.02.1987	16.02.1987	30.01.2002
Qualification	B. Com	B. E. Chemical (Hons.)	B. Text (Hons.) & MBA
Expertise in specific functional area and years.	More than five decades of rich experience in the field of cotton & yarn trading and manufacturing activities of cotton spinning.	He has a vast experience in cotton and yarn trading. Rich experience in marketing and manufacturing activities of spinning mills.	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.	Shashank Investments Pvt. Ltd. PBM Polytex Ltd. Patodia Syntex Limited. Trikon Investments Pvt. Ltd. Vee Pee Intrades Pvt. Ltd. Patodia Company Pvt. Ltd.	PBM Polytex Ltd.
Chairman/Member of the Committee(s) of the Board of Directors of the Company.	Shareholders/Investors Grievance Committee - Chairman Audit Committee, Remuneration Committee - Member	None	Audit Committee, Remuneration Committee Chairman
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	Share Transfer and Share holders/investors Grievance Committee Member of PBM Polytex Ltd.	Member Shareholders/Investors Grievance Committee of PBM Polytex Limited	Audit Committee, Remuneration Committee Member of PBM Polytex Ltd.
Shareholding in the Company	42,218	Nil	Nil

SHAREHOLDER INFORMATION

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

- Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001.
- National Stock Exchange of India Ltd.
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 2011-12.

By Order of the Board

Mumbai
Date : 28th May, 2011

G. S. Ramakrishnan
Company Secretary

Registered Office :

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 25th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
FINANCIAL RESULTS		
Profit before Interest, Depreciation and Tax	2677.18	1954.88
Less: Interest and Finance Charges	1107.87	1038.14
Profit/(Loss) before Depreciation	1569.31	916.74
Less: Depreciation	992.36	995.68
Profit/(Loss) Before Tax	576.95	(78.94)
Add: Exceptional Item (Electri- city Duty Liability Written back relating to earlier years on recei- ving High Court order	-	281.81
Less: Provision for Income Tax	63.61	-
Add: MAT Credit Entitlement	61.01	-
Profit/(Loss) for the year	574.35	202.87
Balance brought forward from previous year	(70.09)	(272.96)
Balance of Profit/(Loss) Carried to Balance Sheet	504.26	(70.09)

OPERATIONS

During the year the turnover of the Company was Rs.207.63 Crores as compared to Rs.175.09 Crores in the previous year. Your Directors are happy to inform you that the Company has earned a Net Profit after Tax of Rs.5.74 Crores as against a Net Profit after Tax of Rs.2.03 Crores in the previous year.

The debt restructuring programme under implementation with the approval of lending banks since 1st July, 2009 has made good progress as per projections.

AWARDS

Your Directors are happy to inform you that your Company has once again secured an award for the year 2009-10 from the Government of Maharashtra, in appreciation of Company's Export performance in Textile-Large Scale Industry Category.

Your Company has also secured the GOSHIMA AWARD from Gokul Shirgaon Manufacturers Association, Kolhapur for excellence in Energy Efficiency.

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS.

The Audit Committee constituted by the Board has been

functioning over the last ten years. The Committee renders valuable services 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 the 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 Gopal 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.

Shri M. L. Bagaria who was appointed as an Additional Director on 30th October, 2009, has been appointed as Director in the Annual General Meeting held on 4th September, 2010.

Shri G. J. Mirchandani, Non-executive Director has resigned from the Board with effect from 21st January, 2011. The Directors wish to place on record their appreciation for his able guidance during his tenure as a Director.

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, 2011 and of the Net Profit of the Company for the period from April 1, 2010 to March 31, 2011;
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 conduct a 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, 2011.

INSURANCE

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and thankful acknowledgement for valuable assistance the Company received from all Lending Bankers.

Your Directors express their warm appreciation to the employees for their diligence and contribution in running the mills smoothly. Their utmost co-operation and assistance has contributed greatly in smooth conduct of the business of the Company.

On behalf of the Board

Place : Mumbai
Date : 28th May, 2011

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 is 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 SITRA (South India Textiles Research Association), 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 necessary steps for investments in energy saving devices wherever applicable. The Company has conducted a comprehensive Energy Audit for the entire plant and as a result, has improved performance and has optimised consumption of energy.

(c) Impact of measures as (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 is endeavouring reduction in energy consumption.

(d) Total energy consumption and consumption per unit of production in the prescribed Form "A" is 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 Raw cotton, Yarn and Fabric Exports.

2) Initiative taken to increase Exports:

The Company regularly explores possibility of developing new qualities to help increase its exports and find new buyers and new market for its high quality products.

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

The Company keeps a close association with its traditional and new buyers and explores continuously the possibility of finding new export 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	572.73
ii) Expenditure in Foreign Currency	316.19
iii) Foreign Exchange Earned (79% of the total sales)	16401.75

On behalf of the Board

Place : Mumbai
Date : 28th May, 2011

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		4,41,56,010	4,21,09,950
Total Amount (Rs.)		23,45,32,448	18,56,74,247
Rate/Unit (Rs.)		5.31	4.41
b) Own Generation			
i) Through Diesel Generator Units		4,93,230	3,25,180
Units per LTR. of Diesel/Furnace Oil		3.70	3.55
Cost/Unit (Rs.)		40.48	50.14
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		6.08	5.64
2) Furnace Oil/L.S.H.S.		-	-
3) Coal (M.T.)		-	-
4) Others		-	-
On behalf of the Board			
Place : Mumbai		K. K. PATODIA	
Date : 28th May, 2011		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 carried out continuously to produce good quality of Yarns and Fabrics for exports.	
2) Benefits derived as a result of the above R & D:	
With the result of the R & D activities 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 for the same.	
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	
Place : Mumbai	K. K. PATODIA
Date : 28th May, 2011	Chairman

ANNEXURE “B” TO THE DIRECTORS’ REPORT

PARTICULARS OF EMPLOYEES - THE INFORMATION REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 OF 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.60 lacs or more per year:

NIL

B) Employees who worked during the part of the year and whose remuneration is not less than Rs. 5 Lacs or more per month

NIL

On behalf of the Board

Place : Mumbai
Date : 28th May, 2011

K. K. PATODIA
Chairman

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 our website- www.eurotexgroup.com.

I declare that the Board of Directors and senior management

personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

Place : Mumbai

Date : 28th May, 2011

K. K. PATODIA

Chairman

CHIEF EXECUTIVE OFFICER'S CERTIFICATION

To,

The Board of Directors

Eurotex Industries And Exports Limited,

I, the undersigned, in my capacity as the Chief Executive Officer of Eurotex Industries And Exports Limited ("the Company"), to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of my knowledge and belief, state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) I further state that, to the best of my knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct as adopted by the Company.
- (c) I am responsible for establishing and maintaining internal

controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- (d) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai

Date : 28th May, 2011

K. K. PATODIA

Chairman

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 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 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 of our country.

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 in quality goods in post quota regime.

The exchange rate fluctuations, power cost increase due to increase in oil prices and state grid power rates are the risks and matters 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 the size of all departments.

f) Financial performance with respect to operational performance:

The financial and operational performances are as 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 organisation in the year under review.

h) Cautionary Statement

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

On behalf of the Board

K. K. PATODIA

Chairman

and Managing Director

Place : Mumbai

Date : 28th May, 2011



CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY OF THE COMPANY ON CODE OF CORPORATE 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 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 the directors and senior management executives to uphold the interest of the company and its stakeholders and endeavors to fulfill the fiduciary obligations towards them. The Code also mandates that Directors and Senior Management Executives would uphold highest standard of integrity, honesty, 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 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 the shares of the Company. The Company Secretary has been appointed as the Compliance Officer, and is responsible for adherence to the Code.

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 eight 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 (till 21.01.2011)

Non-Executive & Independent

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

Total No. of Directors = 11

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 by taking well informed decisions. To enable the Board to discharge its responsibilities effectively, the Managing Director reviews Company's overall performance. The functions performed by the Board includes, in addition to the legal matters compulsorily required to be performed by it, review of:

- Strategy and business plan
- 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
- Review of the minutes of the Audit Committee, Shareholders and Investors Grievance Committee and Board Committees
- Matters relating to Foreign Exchange Exposure.

B. Board Meetings and Attendance

During the Financial Year 2010-11 Four Board Meetings were held on 29th May, 2010; 31st July, 2010; 30th October, 2010 & 3rd February, 2011. Details of attendance at the Board Meetings, Directorship in other Companies and Membership in Committees thereof of each Director are as follows:

Name of the 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 -
Shri H. P. Siotia	3	No	6	3 1
Shri Gopal Patodia	-	No	6	- -
Shri Narayan Patodia Managing Director	1	No	5	1 -
Shri Rajiv Patodia Executive Director	4	Yes	4	2 -
Shri G.J.Mirchandani	1	No	-	- -
Shri A. R. Garde	4	No	-	- -
Shri Dharam Paul	4	Yes	1	2 2
Shri Pratap P. Dundh	4	Yes	2	- -
Shri Dilip K. Patel	4	Yes	7	- -
Shri Vinod K. Gupta	4	No	-	1 -
Shri M. L. Bagaria	4	Yes	2	- -

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.
- To oversee the Company's Financial Reporting process and the disclosure of its financial statement 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.

- f. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- g. Reviewing the Company's financial and risk management policies.
- h. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any areas of concern.

MEMBERS: Shri Dharam Paul, Shri H P Siotia and Shri V. K. Gupta.

CHAIRMAN: Shri Dharam Paul

The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Internal Auditors and Cost Auditors attend the Audit Committee Meeting by invitation.

Amongst the Board of Directors two independent Directors are members of Audit Committee Meeting. The Committee has members with sound knowledge of finance, accounting and law. The Committee deals with all matters of financial reporting, internal controls, risk management etc. The power and role of the audit committee is as per guidelines set out in the amended Listing Agreement. It meets at least four times in a year and reviews the quarterly and annual financial statements before they are submitted to the Board. The Committee monitors any proposed change in accounting policy, accounting implications of major transactions, etc. The Committee also closely reviews the adequacy of internal controls, formulates and monitors the annual audit plan.

Four Audit Committee meetings were held during the financial year 2010-11. These meetings were held on 29th May, 2010, 31st July, 2010, 30th October, 2010, and 3rd February, 2011. The attendance at the meeting is as under:

NAME OF MEMBERS	NO. OF MEETINGS ATTENDED
Shri Dharam Paul	4
Shri H. P. Siotia	3
Shri V. K. Gupta	4

Chairman of the Meeting attended the Annual General Meeting held on Saturday, 4th September 2010.

4. REMUNERATION COMMITTEE

MEMBERS : Shri Dharam Paul, Shri H P Siotia, Shri G. J. Mirchandani (till 21.01.2011) and Shri Rajiv Patodia (from 03.02.2011)

CHAIRMAN : Shri Dharam Paul

NAME OF MEMBERS	NO. OF MEETINGS ATTENDED
Shri Dharam Paul	1
Shri H. P. Siotia	1
Shri G. J. Mirchandani	–
Shri Rajiv Patodia	1

(a) Remuneration Policy :

The Remuneration Committee is responsible for devising policy for compensation and benefits for Executive Directors. The remuneration of Managing Directors and Executive Directors has been approved under Section 269 read with Schedule XIII of the Companies Act, 1956. The remuneration paid to Managing Director and Executive Directors are in line with the standards of Textile Industry.

The Executive Directors are paid remuneration in terms of resolution passed by the members at the General Meeting.

(b) Remuneration paid to Non-Executive Directors for the year ended 31st March, 2011

The Non Executive Directors have been paid sitting fees for attending Board / Committee Meetings, at the rate of Rs.5000/- per meeting. No sitting fee is paid for attending Shareholders'/ Investors' Grievance Committee Meeting.

The details of fees paid for attending Board Meeting and Audit Committee for the year ended 31st March, 2011 to the Directors are as follows:

(Amount in Rs.)

Sr.	Name of Director	Board Meeting	Audit Committee
1	Shri H. P. Siotia	15,000	15,000
2	Shri G. J. Mirchandani	5,000	–
3	Shri Dharam Paul	20,000	20,000
4	Shri D. K. Patel	20,000	–
5	Shri V. K. Gupta	20,000	20,000
6	Shri A. R. Garde	20,000	–
7	Shri P. P. Dundh	20,000	–
8	Shri M. L. Bagaria	20,000	–

(c) Remuneration paid to Executive Directors for the year ended 31st March, 2011:

Name	Shri K K Patodia Chairman and Managing Director	Shri Narayan Patodia Managing Director	Shri Rajiv Patodia Executive Director
Salary (Rs.)	21,00,000	15,00,000	9,00,000
Others (Rs.)	24,24,911	8,30,813	11,87,193
Appointment valid upto	30/09/2012	31/12/2012	30/09/2012
Stock Option Details	NIL	NIL	NIL

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

Members : Shri K. K. Patodia, Shri H. P. Siotia, Shri Narayan Patodia, Shri G. J. Mirchandani (till 21.01.2011) and Shri Rajiv Patodia (from 31.07.2010)

Chairman: Shri H. P. Siotia

The Company Secretary acts as the Secretary to the Committee. The functions of the Committee include redressal of investors' grievance pertaining to:

- Transfer/transmission of shares.
- Issue of duplicate share certificates.
- Review of shares dematerialised.
- Dividend
- All other matters related to shareholders

During the year 2010- 2011, four meetings were held.

Total number of service requests, enquiries, queries received during the year was thirty nine and all of them were resolved.

Total number of investor complaints received during the year was four and all of them have been resolved.

Total number of meetings attended by members :

Members	Meetings Attended
Shri K. K. Patodia	4
Shri H. P. Siotia	4
Shri G. J. Mirchandani	2
Shri Narayan Patodia	Nil
Shri Rajiv Patodia	2