



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 A. R. Garde

Shri Dharam Paul

Shri D. K. Patel

Shri V. K. Gupta

Shri Pratap Padamshi Dundh

Shri M. L. Bagaria

COMPANY SECRETARY

Shri Rahul Rawat

BANKERS

STATE BANK OF INDIA

BANK OF INDIA

IDBI LIMITED

STATE BANK OF PATIALA

PUNJAB NATIONAL BANK

EXPORT IMPORT BANK OF INDIA

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 26th 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 15th September, 2012 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, 2012.
2. To appoint a Director in place of Shri Pratap Padamshi Dundh who retires from office by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri M. L. Bagaria who retires from office by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri A R. Garde 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.

SPECIAL BUSINESS

6. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves re-appointment of Shri K. K. Patodia as Managing Director of the Company for a period of three years with effect from 1st October, 2012 to 30th September, 2015 on the terms of payment of remuneration specified hereinafter:

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

- a) **SALARY**
Salary of Rs.1,75,000/- per month, with effect from 1st October, 2012.
- b) **INCENTIVE**
Incentive upto 10% of the salary as may be

determined by the Board from time to time at its own discretion.

c) PERQUISITES AS FOLLOWS:

- i) **Housing:** Rent free accommodation will be provided to the appointee, the perquisite value of which will be considered as per Income Tax Rules. In case no accommodation is provided by the Company, House Rent Allowance subject to a ceiling of 60% of the salary per month shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- iii) All Medical Expenses incurred in India or abroad by the appointee for self and his family shall be reimbursed.
- iv) Leave Travel Concession for the appointee and his family will be allowed once in a year.
- v) Fees of the clubs: Subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.
- vi) Personal Accident Insurance and Mediclaim Insurance for self and his family: The premium of which shall not exceed Rs.40,000/- per annum.
- vii) Contribution to provident Fund and Contribution to Superannuation or Annuity Fund not exceeding in total @ 25% of the salary.
- viii) Gratuity: Gratuity at the rate of one month's salary, for each completed year of service.
- ix) Free use of Company's car for Company's work as well as for personal purpose along with driver.
- x) Telephone at residence at Company's cost.
- xi) Leave unavailed of to be allowed to be encashed as per the rules of the Company.
- xii) Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

d) COMMISSION

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

e) MINIMUM REMUNERATION

The above appointee shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of profit subject to the ceiling of remuneration as stated in part II, Section II of Schedule XIII of the Companies Act, 1956 with such modifications as may be therein from time to time, being in force."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves reappointment of Shri Narayan Patodia as Managing Director of the Company for a period of three years with effect from 1st January, 2013 to 31st December, 2015 on the terms of payment of remuneration specified hereinafter:

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

a) SALARY

Salary of Rs.1,25,000/- per month, with effect from 1st January, 2013.

b) INCENTIVE

Incentive upto 10% of the salary as may be determined by the Board from time to time at its own discretion.

c) PERQUISITES AS FOLLOWS:

- i) Housing: Rent free accommodation will be provided to the appointee, the perquisite value of which will be considered as per Income Tax Rules. In case no accommodation is provided by the Company, House Rent Allowance subject to a ceiling of 60% of the salary per month shall be paid. In addition, the appointee

shall be allowed Company owned furniture and fixtures, if required.

- ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- iii) All Medical Expenses incurred in India or abroad by the appointee for self and his family shall be reimbursed.
- iv) Leave Travel Concession for the appointee and his family will be allowed once in a year.
- v) Fees of the clubs: Subject to a maximum of two clubs will be allowed. This will not include admission and Life Membership Fees.
- vi) Personal Accident Insurance and Mediclaim Insurance for self and his family: The premium of which shall not exceed Rs.35,000/- per annum.
- vii) Contribution to provident Fund and Contribution to Superannuation or Annuity Fund not exceeding in total @ 25% of the salary.
- viii) Gratuity: Gratuity at the rate of one month's salary, for each completed year of service.
- ix) Free use of Company's car for Company's work as well as for personal purpose along with driver.
- x) Telephone at residence at Company's cost.
- xi) Leave Unavailed of to be allowed to be encashed as per the rules of the Company.
- xii) Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

d) COMMISSION

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

e) MINIMUM REMUNERATION

The above appointee shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of

profit subject to the ceiling of remuneration as stated in part II, Section II of Schedule XIII of the Companies Act, 1956 with such modifications as may be therein from time to time, being in force.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves re-appointment of Shri Rajiv Patodia as Executive Director of the Company for a period of three years with effect from 1st October, 2012 to 30th September, 2015 on the terms of payment of remuneration specified hereinafter:

Shri Rajiv Patodia shall be paid the following remuneration by way of Salary, Incentive, Perquisites and Commission during his tenure as Executive Director:

a) SALARY

Salary of Rs.75,000/- per month, with effect from 1st October, 2012.

b) INCENTIVE

Incentive upto 10% of the salary as may be determined by the Board from time to time at its own discretion.

c) PERQUISITES AS FOLLOWS:

- i) Housing: Rent free accommodation will be provided to the appointee, the perquisite value of which will be considered as per Income Tax Rules. In case no accommodation is provided by the Company, House Rent Allowance subject to a ceiling of 60% of the salary per month shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- iii) All Medical Expenses incurred in India or abroad by the appointee for self and his family shall be reimbursed.
- iv) Leave Travel Concession for the appointee and his family will be allowed once in a year.
- v) Fees of the clubs: Subject to a maximum of two clubs will be allowed. This will not

include admission and Life Membership Fees.

- vi) Personal Accident Insurance and Mediclaim Insurance for self and his family: The premium of which shall not exceed Rs.30,000/- per annum.
- vii) Contribution to provident Fund and Contribution to Superannuation or Annuity Fund not exceeding in total @ 25% of the salary.
- viii) Gratuity: Gratuity at the rate of one month's salary, for each completed year of service.
- ix) Free use of Company's car for Company's work as well as for personal purpose along with driver.
- x) Telephone at residence at Company's cost.
- xi) Leave Unavailed of to be allowed to be encashed as per the rules of the Company.
- xii) Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

d) COMMISSION

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

e) MINIMUM REMUNERATION

The above appointee shall be paid the remuneration as stated above as minimum remuneration, in the event of inadequacy of profit subject to the ceiling of remuneration as stated in part II, Section II of Schedule XIII of the Companies Act, 1956 with such modifications as may be therein from time to time, being in force.”

By Order of the Board

Place : Mumbai
Dated : 26th May, 2012

Rahul Rawat
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 THEN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business for Item No. 6, 7 & 8 is annexed hereto.
- 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 Registrar, 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 Registrar at the address as mentioned above.
- The Register of Members and Transfer Books of Equity shares will be closed from 3rd September, 2012 to 15th September, 2012 (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, 2003 and 2004 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.	31.03.2005	24.09.2005	23.10.2012
2.	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 Registrar 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 Pratap P. Dundh	Shri M. L. Bagaria	Shri A. R. Garde
Date of Birth	11.08.1937	04.04.1943	17.08.1936
Date of Appointment	30.09.2006	30.10.2009	20.03.1988
Qualification	B.Com., LLB	B. Sc. Textiles	B.Text from Mumbai University.
Expertise in specific functional area	He has a vast experience in Textile Industry in areas of Purchase, Imports and Exports.	He has sound experience in Textile Industry and associated for the last 27 years with the expansion, modernisation and project implementation in the Industry. He has instrumental in conducting PARTA (Budgetary Controls) Conference of group textile units covering 14 Indian Companies and Overseas Units.	40 years experience in R & D in textile and 20 years of consultancy in technical and managerial areas of cotton based textiles. He was Director of ATIRA and now is advisor to Textile Industries.
List of Other Directorship held	Patodia Syntex Ltd. Maharashtra Fibre and Syntex Ltd.	Shrishti Textiles Pvt. Ltd. Shrishti Tours & Travels Pvt. Ltd.	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Member Remuneration Committee.	Member Remuneration Committee.	Nil
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil
Shareholding in the Company	1,000	-	1,200

SHAREHOLDERS' 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 2012-13.

By Order of the Board

Place : Mumbai
Dated : 26th May, 2012

Rahul Rawat
Company Secretary

Registered Office :

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



EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6, 7 & 8

In terms of Govt. of India, Ministry of Law, Justice and Company Affairs, Notification No G.S.R.36 (E) dated 16th January, 2002, the provisions of Schedule XIII, Part II, Section II have been amended. As per the amended provisions wherein any financial year, during the currency of tenure of the managerial person, a Company has no profit or its profits are inadequate, it may pay remuneration to a managerial person by way of Salary, Dearness Allowance, Perquisites and any other allowance in excess of Rs. 2,00,000/- but not exceeding Rs. 4,00,000/- per month without prior approval of the Central Government provided the following conditions are taken care of;

- i) Payment of remuneration is approved by a resolution passed by the Remuneration Committee;
- ii) The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
- iii) A special resolution has been passed at the general meeting of the Company for payment of remuneration for a period not exceeding three years;
- iv) A statement along with a notice calling the general meeting referred to in clause (iii) is given to the shareholders containing certain information as required by the above said notification.

Accordingly –

- a) The Remuneration Committee has approved reappointment and payment of remuneration to Shri K. K. Patodia, Shri Narayan Patodia and Shri Rajiv Patodia in their meeting held on 26th May, 2012.
- b) The Company has not made any default in its Loan obligations.
- c) The Special Resolutions as needed by the above said notification are proposed for approval of the shareholders.
- d) The details as required by the above said notification are given hereunder.

Information required to be disclosed in terms of Notification No. G.S.R. 36 (E) dated 16th January, 2002 issued by Government of India under the provisions of the Schedule XIII of the Companies Act, 1956.

I. General Information :

- 1) *Nature of Industry :*
Manufacturer and Exporter of Yarn and Knitted Fabrics. (Government of India recognised Trading House as well as AN ISO 9001 and Oeko-Tex Standard 100 Certificate Holder)
- 2) *Date or expected date of commencement of commercial production :*
Unit already in production.

- 3) *In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:*

Not Applicable

- 4) *Financial performance based on given indicators:*

The Company started its manufacturing and exports in the year 1989-1990 and since then, the Company is continuously earning profits and paying dividends, except for financial year 2001-02, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 when the Company did not pay dividend on Equity Shares. The Company's last five years' performance is given hereunder:

(Rs. in lacs)

Particulars	07-08	08-09	09-10	10-11	11-12
Sales	13839	12447	17510	20743	24539
Other Income	559	512	1279	550	3526
PBIDT	1333	667	2237	2677	2955
Interest and					
Finance charges	904	1111	1038	1108	1211
PBDT	429	(444)	1199	1569	1744
Depreciation	929	962	996	992	1003
Profit Before Tax	(500)	(1406)	203	577	741
Profit After Tax	(343)	(1415)	203	574	834
Amount of Equity					
Dividend Paid	-	-	-	-	-
Rate of Dividend					
Declared	-	-	-	-	-

- 5) *Export performance and net foreign exchange collaborations:*

(Rs. in Crores)

Particulars	2011-12	2010-11
Export	172.91	164.02
Sales	245.39	207.43
Export as Percentage of Sales	70.46%	79.08%

- 6) *Foreign Investments or collaborators, if any:*
No Foreign Investments or firm collaboration so far.

II. Information about the appointees:

A) Shri K. K. Patodia

- 1) *Background details:*

Shri K. K. Patodia is B.Sc Textiles (Hons.) and a gold medallist from Punjab University, Chandigarh having a rich and varied experience in the Textile Industry for more than 48 years. He is the Chief Promoter of Eurotex Industries And Exports Limited and is Managing Director from the inception. Prior to this he was Managing Director in

PBM Polytex Limited for 8 years and earlier has been Managing Director of GTN Textiles Limited for 15 years. He holds rich experience in the Textile Industry in all the fields including raw material purchases, manufacturing, administration, finance, management and marketing. He has been instrumental in setting up this Export Oriented Unit in cotton spinning in private sector in India with the latest state of the art technology.

2) *Past remuneration:*

During the financial year 2011-12, Shri K. K. Patodia was paid the following remuneration:

(in Rs.)

Salary	Perqui-sites	PF/Super-annuation	Commi-ssion	Total
21,00,000	18,94,002	5,25,000	–	45,19,002

3) *Recognition or awards:*

Shri K. K. Patodia has been Vice President of Confederation of Export Units, Western Region. He was also the Managing Committee Member of The Cotton Textile Export Promotion Council. He is also a member of the Managing Committee of TITS College, Bhiwani.

4) *Job profile and his suitability:*

As Managing Director of the Company, Shri K. K. Patodia will have overall managerial responsibility and with his rich experience for more than 48 years of management at top levels in the Textile Industry, he is well suited for the post. He has been handling and monitoring all the activities of the Company including mill management, finance, administration, purchases and marketing. He has been the guiding force resulting in the good performance of the Company both in exports as well as in domestic market. In view of his increased responsibilities and working requirements the remuneration recommended is fair and justified.

5) *Remuneration proposed* has already been given in detail in Special Resolution proposed.

6) *Comparative remuneration profile with respect to industry, size of the company, profile*

of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration Committee and the Board of Directors of the Company have recognised the profile and rich, diversified experience in the industry of Shri K. K. Patodia. His remuneration is commensurate with his experience in the industry and in level with similar job in Textile industry.

7) *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.*

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the Related Parties were in the ordinary course of business and at arms length basis. Shri Gopal Patodia, Shri Narayan Patodia and Shri Rajiv Patodia, the directors of the Company are related to Shri K. K. Patodia.

B) Shri Narayan Patodia

1) *Background details:*

Shri Narayan Patodia is BE Mech. from BITS Pilani. He is one of the promoters of Eurotex Industries And Exports Limited and its Managing Director from year 1990. Prior to that he was Executive Director in PBM Polytex Limited. He holds rich experience in the Textile Industry in all the fields including raw material purchases, manufacturing, administration, finance, management and marketing.

2) *Past remuneration:*

During the financial year 2011-12, Shri Narayan Patodia was paid the following remuneration:

(in Rs.)

Salary	Perqui-sites	PF/Super-annuation	Commi-ssion	Total
15,00,000	4,35,382	3,75,000	–	23,10,382

3) *Job profile and his suitability:*

As Managing Director of the Company, Shri Narayan Patodia will have overall managerial responsibility and with his rich experience of more than 32 years of management

at top levels in the Textile Industry, he is well suited for the post. He has been handling and monitoring all the activities of the Company including mill management, finance, administration, purchases and marketing. In view of his increased responsibilities and working requirements the remuneration recommended is fair and justified.

- 4) *Remuneration proposed* has already been given in detail in Special Resolution proposed.

- 5) *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)*

The remuneration Committee and the Board of Directors of the Company have recognised the profile and rich, diversified experience in the industry of Shri Narayan Patodia. His remuneration is commensurate with his experience in the industry and in level with similar job in Textile industry.

- 6) *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.*

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the Related Parties were in the ordinary course of business and at arms length basis. Shri K. K. Patodia, Shri Gopal Patodia and Shri Rajiv Patodia, the directors of the Company are related to Shri Narayan Patodia.

C) Shri Rajiv Patodia

- 1) *Background details:*

Shri Rajiv Patodia is B.Sc. (Finance) from Babson College, U.S.A. He is having a rich and varied experience in the Textile Industry for more than 20 years. He is one of the Promoters of Eurotex Industries And Exports Limited and is Executive Director. He holds rich experience in the Textile Industry in all the fields including raw material purchases, manufacturing, administration, finance, management and marketing.

- 2) *Past remuneration:*

During the financial year 2011-12, Shri Rajiv Patodia was paid the following remuneration:

(in Rs.)

Salary	Perqui-sites	PF/Super-annuation	Commis-sion	Total
9,00,000	11,02,757	2,25,000	–	22,27,757

- 3) *Job profile and his suitability:*

As Executive Director of the Company, Shri Rajiv Patodia will have overall responsibility and with his rich experience of more than 20 years of management at top levels in the Textile Industry, he is well suited for the post. He has been handling and monitoring all the activities of the Company including mill management, finance, administration, purchases and marketing. He has been the guiding force resulting in the good performance of the Company both in exports as well as in domestic market. In view of his increased responsibilities and working requirements the remuneration recommended is fair and justified.

- 4) *Remuneration proposed* has already been given in detail in Special Resolution proposed.

- 5) *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to. the country of his origin)*

The remuneration committee and the Board of directors of the Company have recognized the profile and rich, diversified experience in the industry of Shri Rajiv Patodia. His remuneration is commensurate with his experience in the industry and in level with similar job in Textile Industry.

- 6) *Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.*

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the Related Parties were in the ordinary course of business and at arms length basis. Shri K. K. Patodia, Shri Narayan Patodia and Shri Gopal Patodia, the directors of the Company are related to Shri Rajiv Patodia.

III. Other Information:

- 1) Reasons for loss or inadequate profits:

The operational loss is mainly due to volatility in cotton prices, decline in sale prices on account of global recession and increase in power cost as well as Manpower Cost.

- 2) Steps taken or proposed to be taken for improvement:

Cost control measures including reduction in input costs, labour and other manufacturing costs.

- 3) Expected increase in productivity and profits in measurable terms:

Not possible to quantify.

IV. Disclosures:

- 1) *The shareholders of the company shall be informed of the remuneration package of the managerial person:*

The remuneration package for Shri K. K. Patodia, Shri Narayan Patodia and Shri Rajiv Patodia has been enumerated in their respective proposed Special Resolutions.

- 2) *The following disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report:*

- i. All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc., of all the directors;
- ii. Details of fixed component and performance linked incentives along with the performance criteria;
- iii. Service Contracts, notice period, severance fees;
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Shri K. K. Patodia himself, Shri Gopal Patodia, Shri Narayan Patodia and Shri Rajiv Patodia, being the relatives of Shri K. K. Patodia, are concerned or interested in the passing of the abovesaid Special Resolution at item no. 6 of the notice.

Shri Narayan Patodia himself, Shri K. K. Patodia, Shri Gopal Patodia and Shri Rajiv Patodia being the relatives of Shri Narayan Patodia are concerned or interested in the passing of the abovesaid Special Resolution at item no. 7 of the notice.

Shri Rajiv Patodia himself, Shri K. K. Patodia, Shri Gopal Patodia and Shri Narayan Patodia being the relatives of Shri Rajiv Patodia are concerned or interested in the passing of the abovesaid Special Resolution at item no. 8 of the notice.

Besides above, no other Director is concerned or interested in considering or passing the abovesaid Special Resolutions mentioned at item no. 6, 7 & 8 of the Notice.

The draft agreements containing the terms of appointment and remuneration payable to Shri K. K. Patodia, Shri Narayan Patodia, Managing Directors and Shri Rajiv Patodia, Executive Director are available for inspection by the members of the Company on any working day (except on Saturday, Sunday and any public holiday) at the registered office of the Company between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting.

The disclosure of the terms of remuneration in the above said explanatory statement may be treated as disclosure to the members and may also be treated as an abstract of Directors' interest in the contract appointing Managing Directors and Executive Director under provisions of Section 302 of the Companies Act, 1956.

By Order of the Board

Place : Mumbai
Dated : 26th May, 2012

Rahul Rawat
Company Secretary

Registered Office :

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