

27TH

ANNUAL REPORT
2012 - 2013



**EUROTEX INDUSTRIES AND
EXPORTS LIMITED**



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 V. K. Gupta

Shri Dharam Paul

Shri D. K. Patel

Shri M. L. Bagaria

Shri P. P. Dundh

Shri A. R. Garde

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.B-5, Part B, Cross Lane, MIDC,
Marol, Andheri (East), Mumbai - 400 093.

Tel.: 022-66712156 E-mail: investorsqry@dfssl.com



EUROTEX INDUSTRIES AND EXPORTS LIMITED

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

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th 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 7th September, 2013 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, 2013.
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 V. K. Gupta who retires from office by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri D. K. Patel 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 : 25th May, 2013

Rahul Rawat
Company Secretary

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

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. B-5, Part B, Cross Lane, MIDC, 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 26th August, 2013 to 7th September, 2013 (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, 2004 and 2005 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.	31.03.2006	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 V. K. Gupta	Shri D. K. Patel
Date of Birth	03.05.1934	14.02.1943	20.10.1947
Date of Appointment	16.02.1987	29.07.2003	29.07.2003
Qualification	B. Com	B. Text and TEP from Darden University of Virginia.	B. E. Chemical, Engineering from IIT, Kanpur.

Expertise in specific functional area.	More than five decades of rich experience in the field of cotton & yarn trading and manufacturing activities of cotton spinning.	47 Years association with various Textile and Synthetic Fibre Industries at Senior level positions.	He was General Manager SICOM Limited and now is Financial Advisor to various Companies.
List of Other Directorship held.	PBM Polytex Ltd. Patodia Syntex Ltd. Eurospin Industries Ltd. Shree Janardana Mills Ltd. Mercury Gems Pvt. Ltd. Patodia Company Pvt. Ltd.	Nil	Malladi Drugs and Pharmaceuticals Ltd. Godavari Drugs Ltd. Celestial Biologicals Ltd. Incube Advisors Pvt. Ltd. Minex Metallurgical Company Ltd. Polyset Plastics Pvt. Ltd. Solar Industries Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company.	Remuneration Committee-Chairman. Shareholders/Investors' Grievance Committee-Chairman. Audit Committee - Member.	Audit Committee - Member	Nil
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Share Holders/Investors Grievance Committee Member of PBM Polytex Ltd.	Nil	Malladi Drugs and Pharmaceuticals Ltd.: Audit Committee-Member, Remuneration Committee - Member. Godavari Drugs Ltd.: Audit Committee-Chairman, Shareholders/Investors Grievance Committee - Member. Celestial Biologicals Ltd.: Audit Committee - Member. Minex Metallurgical Company Ltd.: Audit Committee-Member. Solar Industries Ltd.: Audit Committee-Member.
Shareholding in the Company	42,218	Nil	Nil

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 2013-14.

By Order of the Board

Mumbai
Date : 25th May, 2013

Rahul Rawat
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 27th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2013.

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
FINANCIAL RESULTS		
Profit before Finance Cost, Depreciation, Tax (excluding profit on sale of Assets at Calicut)	1994.90	775.28
Less: Finance Costs	1049.16	1211.22
Profit/(Loss) before Depreciation	945.74	(435.94)
Less: Depreciation	987.50	1002.51
	(41.76)	(1438.45)
Add: Profit on Sale of Assets at Calicut	—	2179.27
	(41.76)	740.82
Less: Provision for Income Tax	176.50	154.85
Less: Prior Years' Tax Adjustments (Net)	201.49	—
Add: Deferred Tax Assets	240.13	220.56
Add: MAT Credit Entitlement	—	27.13
Profit/(Loss) for the year	(179.62)	833.66
Balance brought forward from previous year	1337.92	504.26
Balance of Profit/(Loss) Carried to Balance Sheet	1158.30	1337.92

OPERATIONS

During the year the turnover of the Company was Rs.272.83 Crores as compared to Rs.245.39 Crores in the previous year.

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS.

The Audit Committee constituted by the Board has been functioning over the last twelve 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 overruled the operations of the Share Transfer Registrars, response to Investors 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 across 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 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 V. K. Gupta and Shri D. K. Patel retire from office by rotation and, being eligible, offer themselves for re-appointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of 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, 2013 and of the Net Profit of the Company for the period from April 1, 2012 to March 31, 2013;
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 of the Company for the Current Year.

COST AUDITORS

Pursuant to a directive of the Central Government, the Company is required to subject its Cost Records to 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, 2013.

The details of the Cost Auditors are as under:

Name : M/s. A. G. Anikhindi & Co.

Address : 1730, Raja Ram Puri,
6th Lane, Kolhapur,
Maharashtra-416008.

Actual date of filing
Cost Audit Report in
XBRL Format for
F. Y. ended 31.03.2012 : 25/12/2012

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.

On behalf of the Board

K. K. PATODIA

Chairman

and Managing Director

Place : Mumbai
Date : 25th May, 2013

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 minimize energy cost at all levels. The Company is installing latest energy efficient equipment 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 Textile 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 investment in energy saving devices wherever applicable.

(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 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 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 penetration into 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	2108.27
ii) Expenditure in Foreign Currency	372.32
iii) Foreign Exchange Earned	17456.29

On behalf of the Board

K. K. PATODIA

Chairman

and Managing Director

Place : Mumbai
Date : 25th May, 2013



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		
	Current Year	Previous Year
A) POWER AND FUEL CONSUMPTION		
1) Electricity		
a) Purchased Units	4,39,45,645	4,36,82,790
Total Amount (Rs.)	31,74,76,545	26,79,54,659
Rate/Unit (Rs.)	7.22	6.13
b) Own Generation		
i) Through Diesel Generator Units	3,45,500	3,63,650
Units per LTR. of Diesel/Furnace Oil	3.48	3.65
Cost/Unit (Rs.)	54.27	47.54
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	5.88	6.26
2) Furnace Oil/L.S.H.S.		
3) Coal (M.T.)		
4) Others		
On behalf of the Board		
Place : Mumbai	K. K. PATODIA	
Date : 25th May, 2013	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:	
N.A.	
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 : 25th May, 2013	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
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 : 25th May, 2013

K. K. PATODIA
 Chairman
 and Managing Director

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.

K. K. PATODIA

*Chairman
and Managing Director*

Place : Mumbai

Date : 25th May, 2013

CHIEF EXECUTIVE OFFICER'S CERTIFICATION

To,
The Board of Directors
Eurotex Industries And Exports Limited

I, the undersigned, in my capacity as 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, 2013 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.

K. K. PATODIA

*Chairman
and Managing Director*

Place : Mumbai

Date : 25th May, 2013

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 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 the 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 its size of all departments.

f) Financial Performance with respect to Operational Performance:

The financial and operational performance 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 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.

K. K. PATODIA

*Chairman
and Managing Director*

Place : Mumbai

Date : 25th May, 2013



CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY OF THE COMPANY ON THE 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 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 the 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 obligation 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 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 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

Non-Executive & Independent

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

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 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/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 2012-13 Four Board Meetings were held on 26th May, 2012; 11th August, 2012; 3rd November, 2012 & 2nd February, 2013. 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-Char-irman
Shri K. K. Patodia Chairman & Managing Director	4	No	10	1 -
Shri H. P. Siotia	4	Yes	6	2 -
Shri Gopal Patodia	-	No	7	1 -
Shri Narayan Patodia Managing Director	2	No	5	- -
Shri Rajiv Patodia Executive Director	3	Yes	4	- -
Shri A. R. Garde	-	No	-	- -
Shri Dharam Paul	4	No	1	1 -
Shri P. P. Dundh	4	No	2	- -
Shri D. K. Patel	4	Yes	7	6 1
Shri V. K. Gupta	3	No	-	- -
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 fees and also approval for payment of any other services.
- Reviewing with the Management the annual financial statements before submission to the Board.
- Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.