

18TH

ANNUAL REPORT

2003 - 2004

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**EUROTEX INDUSTRIES AND
EXPORTS LIMITED**



EUROTEX INDUSTRIES AND EXPORTS LIMITED

100% EXPORT ORIENTED UNIT

and Government recognised Trading House.

An ISO 9001 and Oeko-Tex Standard 100 Certificate Holder

BOARD OF DIRECTORS

Shri Krishan Kumar Patodia

Chairman and Managing Director

Shri Hariprasad Siotia

Shri Gopal Patodia

Shri Narayan Patodia

Managing Director

Shri Rajiv Patodia

Executive Director

Shri Gurmukh J. Mirchandani

Shri G. B. Marathe

Shri A. R. Garde

Shri Dharam Paul

Shri M. D. Sohani

Shri D. K. Patel

Shri V. K. Gupta

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

PRESIDENT

Shri S. K. Mukerjee

COMPANY SECRETARY AND COMPLIANCE OFFICER

Shri R. K. Agrawal

BANKERS

**STATE BANK OF INDIA
BANK OF INDIA**

AUDITORS

LODHA & COMPANY
Chartered Accountants
Mumbai.

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REGISTERED AND HEAD OFFICE

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

MILLS

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

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

SHARE TRANSFER AGENT

DATAMATICS FINANCIAL SOFTWARE AND 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 18th Annual General Meeting of the Shareholders of EUROTUX 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 4th September, 2004 at 9.30 A.M. to transact, with or without modification, as may be permissible, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2004.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri. Dharam Paul who retires from office by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. G. B. Marathe who retires from office by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri. A. R. Garde who retires from office by rotation and, being eligible, offers himself for reappointment.
6. 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

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

"RESOLVED THAT with reference to the Special Resolution passed in the 17th Annual General Meeting held on 27th September, 2003 and in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, the company hereby approves a partial modification in the terms of payment of remuneration payable to Shri. K. K. Patodia, specified in the above said special resolution as under:

Company do make contribution including initial contribution for the past periods from 1st October, 1988 onwards to the Superannuation Fund so as to be within the limits of Income Tax Laws & Rules there under & Schedule XIII and Sec.198 of the Companies Act, 1956.

FURTHER RESOLVED THAT all the other terms and conditions of the remuneration as included in the special resolution passed in the 17th Annual General Meeting held on 27th September, 2003 would remain unchanged".

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

"RESOLVED THAT in partial modification of the resolution passed in the 16th Annual General Meeting held on 28th September, 2002 and in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, the company hereby approves the modification in the terms of payment of remuneration payable to Shri Narayan Patodia, Managing Director, specified in the above said resolution as under:

Company do make contribution including initial contribution for the past period from 1st January, 1990 onwards to the Superannuation Fund so as to be within the limits of Income Tax Laws & Rules there under & Schedule XIII and Sec.198 of the Companies Act, 1956.

FURTHER RESOLVED THAT all the other terms and conditions of the remuneration as included in the resolution passed in the 16th Annual General Meeting held on 28th September, 2002 would remain unchanged."

9. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT in partial modification of the resolution passed in the 16th Annual General Meeting held on 28th September, 2002 and in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, the company hereby approves the modification in the terms of payment of remuneration payable to Shri Rajiv Patodia, Executive Director, specified in the above said resolution as under:

Company do make contribution including initial contribution for the past periods from 1st October, 1997 onwards to the Superannuation Fund so as to be within the limits of Income Tax Laws & Rules there under & Schedule XIII and Sec. 198 of the Companies Act, 1956.

FURTHER RESOLVED THAT all the other terms and conditions of the remuneration as included in the resolution passed in the 16th Annual General Meeting held on 28th September, 2002 would remain unchanged."

By Order of the Board

Mumbai
Date : 30th July, 2004

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

R. K. Agrawal
Company Secretary
and Compliance Officer

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NOTES

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER
- b. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business for Items no. 7 to item no. 9 is annexed hereto.
- d. Members holding more than one Share Certificate in the same name under different ledger folios are requested to apply for the consolidation of such folios and send the relevant Share Certificates to the Registrars, M/s. Datamatics Financial Software & Services Ltd, Plot No. A-16/17 MIDC, Part B, Cross Lane, Marol, Andheri(East), Mumbai 400 093.
- e. Members are requested to notify immediately any change in their address to the Registrars at the address as mentioned above.
- f. The Register of Members and the Transfer Books of the Equity shares will remain closed from 26th August, 2004 to 4th September, 2004 (Both days inclusive).
- g. Pursuant to section 205A of the Companies Act, 1956, all Unclaimed Dividend upto Financial Year Ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet claimed their Dividend Warrants for the said period, are requested to claim the amount from the Registrar of Companies by submitting an application in the prescribed Form.
- h. Pursuant to Section 205A(5) of the Companies Act, 1956 as amended, any money transferred to Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of such Transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and the Shareholders shall not be able to claim any unpaid Dividend from the said fund or from the Company thereafter.

The Company has already transferred the unclaimed dividend for the year ended 31st March, 1996 to the IEPF.

Members who have not yet encashed the dividend warrant(s) for the Financial Year 1996-97 and thereafter are requested to make their claims to the Company.

- i. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form 2B prescribed by the Government can be obtained from the registrars and transfer Agents.
- j. Members are requested to note that the Company's equity shares are included in the SEBI specified scrips for settlement only in demat form for all investors, effective from 28th April, 2001. Members are requested to open DEMAT account in their names with a Depository participant to dematerialise their holdings. This would be necessary for facilitating the transfers of our Equity Shares in all the Stock Exchanges connected to the Depository System.
- k. Details of the Directors retiring by rotation and being proposed for re-appointment, as well as Directors being appointed under Section 257 of the Companies Act, 1956.
 1. Shri Dharam Paul aged 60 years is a Textile Graduate and MBA from IIM, Ahmedabad. He is having four decades of experience in Textiles. He is also director in PBM Polytex Ltd.
 2. Shri G. B. Marathe Aged 73 years is ex-SICOM officer and has got wide experience in financial matters.
 3. Shri A. R. Garde aged 69 years is EX. DIRECTOR, ATIRA Ahmedabad and has got vast experience in textiles. He is also a director in Rajasthan Spinning & Weaving Mills Ltd.

SHAREHOLDER INFORMATION

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

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

The Company has paid Annual Listing fees to each of the above Stock Exchanges for the Financial Year 2004-2005.



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

ITEM NO. 7

You are aware that the Company in its Annual General Meeting held on 27th September, 2003 has passed a special Resolution approving the appointment of Shri K. K. Patodia as one of the Managing Directors of the Company for a period of three years with effect from 1st October, 2003 till 30th September, 2006 on the terms of payment of remuneration as specified in para 'B' of Section II Part II of Schedule XIII of the Companies Act, 1956 and as specified in the said resolution.

The Remuneration Committee in its meeting held on 30th July, 2004 decided to set up a Superannuation Scheme to provide retirement benefit to the Company's managerial personnel as defined in Section 2(24) and 2(26) of the Companies Act, 1956 by making annual contribution including initial contribution from the date of their first appointment in the company. The committee considering the most competent and efficient services being rendered by the said Managing Director since his appointment from 1st October, 1988, took above referred decision to provide the benefit of superannuation scheme.

The Remuneration Committee has further decided to contribute to the said superannuation scheme such sum of money by way of initial contribution as shall not exceed permissible limits provided in the Income Tax Law and Rules framed thereunder and also in Schedule XIII & Sec. 198 and other applicable provisions of the Companies Act, 1956.

For abundant caution, the proposal to set up the Superannuation Scheme and to contribute thereto from the beginning of the services of the said Managing Director is being put before the Members and it has been decided to obtain the consent of the members by way of special Resolution.

This Special Resolution providing retirement benefits to Shri K. K. Patodia Managing Director has thus been considered as in the interests of the Company. The Directors commend the same to be passed as Special Resolution by the members in the annual general meeting.

All additional information required as per Schedule XIII of the Companies Act, 1956 for the payment of remuneration under Para 'B' of Section II Part II be & are the same as specified in the Explanatory

Statement of the Annual General Meeting held on 27th September, 2003.

Shri K.K. Patodia himself and Shri Gopal Patodia, Shri Narayan Patodia and Shri Rajiv Patodia being relatives of Shri K. K. Patodia are deemed as concerned or interested in the aforesaid Special Resolution.

ITEM NO. 8

You are aware that the Company in its Annual General Meeting held on 28th September, 2002 has passed an Ordinary Resolution approving the amendment in the terms of remuneration payable to Shri Narayan Patodia Managing Director of the Company with effect from 1st October, 2002 upto 31st December, 2006 as per para 'A' of Section II Part II of Schedule XIII of the Companies Act, 1956 and as specified in the said resolution.

The Remuneration Committee in its meeting held on 30th July, 2004 decided to set up a Superannuation Scheme to provide retirement benefit to the Company's managerial personnel as defined in Section 2(24) and 2(26) of the Companies Act, 1956 by making annual contribution including initial contribution from the date of their first appointment in the company. The committee considering the most competent and efficient services being rendered by the said Managing Director since his appointment from 1st January, 1990 took above referred decision to provide the benefit of superannuation scheme.

The Remuneration Committee has further decided to contribute to the said superannuation scheme such sum of money by way of initial contribution as shall not exceed permissible limits provided in the Income Tax Law and Rules framed thereunder and also in Schedule XIII & Sec.198 and other applicable provisions of the Companies Act, 1956.

For abundant caution, the proposal to set up the Superannuation Scheme and to contribute thereto from the beginning of the services of the said Managing Director is being put before the Members and it has been decided to obtain the consent of the members by way of Ordinary Resolution.

This Resolution providing retirement benefits to the Managing Director has thus been considered as in

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the interests of the Company. The Directors commend the same for approval by the members in their annual general meeting.

Shri Narayan Patodia himself and Shri K. K. Patodia and Shri Gopal Patodia being relatives of Shri Narayan Patodia are deemed as concerned or interested in the aforesaid Resolution.

ITEM NO. 9

You are aware that the Company in its Annual General Meeting held on 28th September, 2002 has passed an ordinary Resolution approving the re-appointment of Shri Rajiv Patodia as Executive Director of the Company with effect from 1st October, 2002 upto 30th September, 2007 as per para 'A' of Section II Part II of Schedule XIII of the Companies Act, 1956 and as specified in the said resolution.

The Remuneration Committee in its meeting held on 30th July, 2004 decided to set up a Superannuation Scheme to provide retirement benefit to the Company's managerial personnel as defined in Sec 2(24) and 2(26) of the Companies Act, 1956 by making annual contribution including initial contribution from the date of their first appointment in the company. The committee considering the most competent and efficient services being rendered by the said Executive Director since his appointment from 1st October, 1997 took above referred decision to provide the benefit of superannuation scheme.

The Remuneration Committee has further decided to contribute to the said superannuation scheme such sum of money by way of initial contribution as shall

not exceed permissible limits provided in the Income Tax Law and Rules framed thereunder and also in Schedule XIII & Sec.198 and other applicable provisions of the Companies Act, 1956.

For abundant caution, the proposal to set up the Superannuation Scheme and to contribute thereto from the beginning of the services of the said Executive Director is being put before the Members and it has been decided to obtain the consent of the members by way of Ordinary Resolution.

This Resolution providing retirement benefits to the Executive Director has thus been considered as in the interests of the Company. The Directors commend the same for approval by the members in their annual general meeting.

Shri Rajiv Patodia himself and Shri K. K. Patodia being relative of Shri Rajiv Patodia are deemed as concerned or interested in the aforesaid Resolution.

Note : The above Explanatory Statement may be considered as an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board

Mumbai
Date : 30th July, 2004

R. K. Agrawal
Company Secretary
and Compliance Officer

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 18th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2004.

	2003-2004 (Rs. in lacs)	2002-2003 (Rs. in lacs)
FINANCIAL RESULTS		
Profit before Interest, Depreciation and Tax	2606.79	2610.20
Less: Interest and Finance Charges	879.82	1161.09
Profit before Depreciation	1726.97	1449.11
Less: Depreciation	806.35	782.64
Profit Before Tax	920.62	666.47
Less: Provision for Income Tax	74.50	19.00
Less: Deferred Tax	50.42	115.62
Profit for the year	795.70	531.85
Excess Provision for Taxation for earlier Years	3.92	-
Balance brought forward for previous year	291.19	760.65
Less: Deferred Tax liabilities relating to earlier years	-	873.10
Profit available for Appropriation	1090.81	419.40
Less: Interim Dividend Paid on Preference Shares	37.65	39.37
Less: Proposed Dividend on Equity Shares	87.50	78.75
Less: Corporate Dividend Tax	16.03	10.09
Transferred to General Reserve	250.00	-
Balance Carried to Balance Sheet	699.62	291.19

OPERATIONS

During the year under review the Company's sales have increased from Rs. 228.86 crores to Rs. 236.99 crores and the Net Profit has increased from Rs. 5.31 crores to Rs. 7.96 crores. The Company has been able to maintain its efficiency on all fronts.

DIVIDEND

Your Directors recommend a Dividend @10% on Equity Shares for the year ended 31st March, 2004.

AWARDS AND ACHIEVEMENTS

The time and efforts put in by us in promoting exports of our products have continued to give us encouraging results. Every year we have been honoured by our Government and various export promotion bodies for our export performance. For the year 2002-03 TEXPROCIL has awarded us two Silver Trophies in 100% EOU Category for excellence in yarn exports and in fabric exports.

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS.

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

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

The Board has also constituted Remuneration Committee and appointed Shri. Dharam Paul as Chairman.

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

INDUSTRIAL RELATIONS

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

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

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

The particulars of employees, as required under section 217(2A) of the Companies Act, 1956, are given in a separate statement attached to this report and forms 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 Dharam Paul, Shri G. B. Marathe and Shri A.R. Garde retire from office by rotation and, being eligible, offer themselves for re-appointment.

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AUDITORS' REPORT

Your Directors draw the attention of the shareholders to the auditors' report point no. 4(f) regarding loan to Eurospin Industries Ltd and also to point no. 5(b) of the part II of schedule 19 of Notes on Accounts which is self explanatory.

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 policy 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, 2004 and of the profit of the Company for the period April 1, 2003 to March 31, 2004;
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.

DELISTING OF SHARES

In line with the resolution passed at the annual general meeting of the company on 27th September, 2003, the company applied to the Ahmedabad Stock Exchange for delisting of its equity shares. The decision for delisting of shares at Ahmedabad Stock Exchange was taken after considering various aspects like compliance efforts, listing fee and no trading at Ahmedabad Stock Exchange.

After complying with the requirements of the stock exchange, the equity shares of the company have been delisted from the Ahmedabad Stock Exchange.

REDEMPTION OF PREFERENCE SHARES

The company has redeemed 3750000 - 10.5% Redeemable Cumulative Preference Shares of Rs. 10 each issued to UTI Bank Ltd. on private placement basis, on 15th March, 2004.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and thankful acknowledgement for valuable assistance, the Company received from IDBI, EXIM Bank, SICOM, UTI Bank, our Bankers State Bank of India, Bank of India, State Bank of Patiala and State Bank of Hyderabad as well as Development Commissioner SEEPZ. Their utmost co-operation and assistance has resulted in maintaining the exports of the Company, which helped us in earning substantial Foreign Exchange for the country.

On behalf of the Board

Kolhapur
Dated : 29th June, 2004

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.

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

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

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

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

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

(B) TECHNOLOGY ABSORPTION:

(e) Efforts made in technology absorption :

Details are provided in Form "B" annexed hereto.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(f) 1) Activity relating to Exports:

Yarn and Fabric Export.

2) Initiative taken to increase Exports:

The Company regularly explores possibility of developing new qualities to help increase its exports.

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

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

4) Export Plan:

The Company's order books are full till the end of the third quarter of the calendar year.

(g) Total Foreign Exchange used and earned:

	(Rs. in Lacs)
i) CIF Value of Imports	2296.08
ii) Expenditure in Foreign Currency	406.67
iii) Foreign Exchange Earned	18097.61

On behalf of the Board

Kolhapur
Dated : 29th June, 2004.

K. K. PATODIA
Chairman



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

REPORT OF 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		10,73,007	13,16,589
Total Amount (Rs.)		1,06,80,833	1,11,13,202
Rate/Unit (Rs.)		9.95	8.44
b) Own Generation			
i) Through Diesel Generator Units		4,83,75,110	4,76,46,300
Units per LTR. of Diesel/Furnace Oil		4.01	4.02
Cost/Unit (Rs.)		2.90	2.83
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		4.60	4.11
2) Furnace Oil/L.S.H.S.		-	-
3) Coal (M.T.)		-	-
4) Others		-	-

On behalf of the Board

Kolhapur
Dated : 29th June, 2004

K. K. PATODIA
Chairman

FORM B

Form for Disclosure of Particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT (R & D)

- Specific areas in which R & D carried out by the Company:**
R & D activities are being carried out continuously to produce a good quality of Yarn and Fabric for export.
- Benefits derived as a result of the above R & D:**
With the result of the R & D activity carried out, the Company has been able to produce quality Yarn and Fabric to international standards.
- Future Plan of Action:**
The Company continues its efforts to maximise its productivity and also at the same time enhance quality of its products.
- Expenditure on R & D:**
Expenditure on R & D has been shown under respective heads of expenditure in the Profit and Loss Account as no separate account is maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption and innovation:**
The Company has not utilised any imported technology.
- Benefit derived as a result of the above efforts:**
N.A.
- Details about import of technology during the last 5 years:**
N.A.

On behalf of the Board

Kolhapur
Dated : 29th June 2004

K. K. PATODIA
Chairman

ANNEXURE "B" TO THE DIRECTORS' REPORT

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

Sr. No.	Name	Designation/ Nature of Duties	Age (Years)	Remuneration received (Rs.)	Qualification	Experience (Years)	Date of Joining	Previous Service before this and designation
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A) Employees who worked throughout the accounting year and whose remuneration aggregating Rs.24 lacs or more per year:

1.	Shri K. K. Patodia	Chairman and Managing Director	59	38,17,644	B.Sc.Textiles (Hons.)	39	1st Oct. 1988	PBM Polytex Ltd. Managing Director
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B) Employees who worked during part of the year and whose remuneration is not less than Rs. 2 Lacs or more per month NIL

On behalf of the Board

Kolhapur
Dated : 29th June, 2004

K. K. PATODIA
Chairman