

28TH

**ANNUAL REPORT
2013 - 2014**



**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 D. K. Patel

Shri M. L. Bagaria

Shri P. P. Dundh

Shri A. R. Garde

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

COMPANY SECRETARY

Shri Rahul Rawat

BANKERS

**STATE BANK OF INDIA
BANK OF INDIA
IDBI BANK 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 – 400021
Tel : 91 22 6630 1400 Fax : 91 22 2204 4139 E-mail : eurotex@eurotexgroup.com
Website : www.eurotexgroup.com CIN : L17120MH1987PLC042598

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th 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 6th September, 2014 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, 2014.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Gopal Patodia (DIN: 00014247), who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of Auditor

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

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s Lodha & Co., Chartered Accountants (Firm’s Reg. No. 301051E) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the Calendar year 2017 at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To appoint Shri V. K. Gupta (DIN: 00021560) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 & 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri V. K. Gupta (DIN: 00021560), who was appointed as a Director liable to retire by rotation and in respect of whom

the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.”

6. To appoint Shri D. K. Patel (DIN: 00013150) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 & 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri D. K. Patel (DIN: 00013150), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.”

7. To appoint Shri M. L. Bagaria (DIN: 01213323) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 & 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri M. L. Bagaria (DIN: 01213323), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.”

8. To appoint Shri P. P. Dundh (DIN: 00023482) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 & 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri P. P. Dundh (DIN: 00023482), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.”

9. To appoint Shri A. R. Garde (DIN: 00015853) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 & 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri A. R. Garde (DIN: 00015853), who was appointed as a Director

liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.”

10. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration of Rs. 1,00,000 (Rupees One Lakh Only) plus applicable taxes.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

Rahul Rawat

Company Secretary

M.No. A27891

Place: Kolhapur
Date : 30th May, 2014

NOTES

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 25th August, 2014 to 31st August, 2014 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.



7. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispensed between 19th September, 2014 to 30th September, 2014; in respect to those Members whose names shall appear on the Company's Register of Members on 25th August, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to the Members whose name are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on date.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrars and Transfer Agents, Datamatics Financial Services Limited, cannot act on any request received directly from the Members holding shares in electronic form for any change of Bank particulars or Bank mandates. Such changes are to be advised only to the Depository Participant by the Members.
9. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their Address or Bank mandates immediately to the Company / Datamatics Financial Services Limited.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2006 and all earlier years from time to time on due dates, to the Investor Education and Protection Fund.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Datamatics Financial Services Limited.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Datamatics Financial Services Limited, for consolidation into a single folio.

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

| Name of Director | Shri Gopal Patodia |
|---|---|
| Date of Birth | 12.12.1946 |
| Date of Appointment | 16.02.1987 |
| Qualification | B. E. Chemical (Hons.) |
| Expertise in Specific functional area and years. | He has a vast experience in cotton and yarn trading. Rich experience in marketing and manufacturing activities of spinning mills. |
| List of other Directorship held. | PBM Polytex Limited Shashank Investments Pvt. Ltd. Patodia Syntex Limited. Trikon Investments Pvt. Ltd. Vee Pee Intradex Pvt. Ltd. Patodia Company Pvt. Ltd. Sambhu Investments Pvt. Ltd. |
| Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director. | Member Shareholders / Investors Grievance Committee of PBM Polytex Limited |
| Shareholding in the Company | 195 Equity Shares |

15. Please carefully read and follow the instructions on E-voting given on Page No.40 of the Annual Report.

16. Members may also note that the notice of 28th Annual General Meeting and the Annual Report for the Financial Year 2013-14 will also be available on Company's Website www.eurotexgroup.com for download.

17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

By Order of the Board

Rahul Rawat
Company Secretary
M.No. A27891

Place: Kolhapur
Date : 30th May, 2014

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

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 5, 6 & 7

Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) are Independent Directors of the Company and have held the positions before the commencement of Companies Act, 2013.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for appointment of Independent Directors by a Listed Company.

It is proposed to appoint Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold their office for 5 (Five) consecutive years for a term upto 31st March, 2019.

Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received Notices in writing from Members of the Company along with deposit of requisite amount proposing the candidatures of each Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) for office of Directors of the Company.

The Company has also received declaration from Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Brief resume of Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) are provided in the Corporate

Governance Report forming Part of the Annual Report.

A copy of draft letters for respective appointments of Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) are interested in the Resolutions set out respectively at Item Nos. 5, 6 & 7 of the Notice with regard to their respective appointments.

The relatives of Shri V. K. Gupta (DIN: 00021560), Shri D. K. Patel (DIN: 00013150) and Shri M. L. Bagaria (DIN: 01213323) may be deemed to be interested in the Resolutions set out respectively at Item Nos. 5, 6 & 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions set out at Item Nos. 5, 6 & 7 of the Notice.

The Board commends the Ordinary Resolutions set out at Item Nos. 5, 6 & 7 of the Notice for approval of the shareholders.

ITEM NO. 8 & 9

Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) are Independent Directors of the Company and have held the positions before the commencement of Companies Act, 2013.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for appointment of Independent Directors by a Listed Company.

It is proposed to appoint Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) as



Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold their office for 5 (Five) consecutive years for a term upto 31st March, 2019.

Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received Notices in writing from Members of the Company along with deposit of requisite amount proposing the candidatures of each Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) for office of Directors of the Company.

The Company has also received declaration from Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Brief resume of Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) are provided in the Corporate Governance Report forming Part of the Annual Report.

A copy of draft letters for respective appointments of Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) are interested in the Resolutions set out respectively at Item Nos. 8 & 9 of the Notice with regard to their respective appointments.

The relatives of Shri P. P. Dundh (DIN: 00023482) and Shri A. R. Garde (DIN: 00015853) may be deemed to be interested in the Resolutions set out respectively at

Item Nos. 8 & 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions set out at Item Nos. 8 & 9 of the Notice.

The Board commends the Ordinary Resolutions set out at Item Nos. 8 & 9 of the Notice for approval of the shareholders.

ITEM NO. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be determined by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2015.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution set out at Item Nos. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item Nos. 10 of the Notice for approval of the shareholders.

By Order of the Board

Rahul Rawat
Company Secretary
M.No. A27891

Place: Kolhapur
Date : 30th May, 2014

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 28th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2014.

| | 2013-14 | 2012-13 |
|---|-----------------|-------------|
| | (₹ in lacs) | (₹ in lacs) |
| FINANCIAL RESULTS | | |
| Profit before Finance Cost, Depreciation, Tax | 2,896.49 | 1,857.78 |
| Less: Finance Costs | 911.52 | 912.05 |
| Profit before Depreciation | 1,984.97 | 945.73 |
| Less: Depreciation | 960.10 | 987.49 |
| | 1,024.87 | (41.76) |
| Less: Provision for Income Tax | 475.84 | 176.50 |
| Less: Prior Years' Tax Adjustment (Net) | 13.26 | 201.49 |
| Add: Deferred Tax Asset | 21.45 | 240.14 |
| Profit/(Loss) for the year | 557.22 | (179.61) |
| Balance brought forward from previous year | 1,158.31 | 1,337.92 |
| Amount available for appropriation | 1715.53 | 1158.31 |
| Less: Appropriations during the year | | |
| Proposed Dividend | 43.75 | - |
| Corporate Dividend Tax | 7.43 | - |
| Balance Carried to Balance Sheet | 1,664.35 | 1,158.31 |

OPERATIONS

During the year the turnover of the Company was Rs.332.44 Crores as compared to Rs.272.94 Crores in the previous year.

DIVIDEND

Your Directors recommend a Dividend @5% on Equity Shares of the Company for the year ended 31st March, 2014. The Dividend payout is subject to approval of Members at the ensuing Annual General Meeting.

AWARDS

Your Directors are pleased to inform you that your Company has been awarded by TEXPROCIL with the Silver Plaque, the second highest Exports of Cotton Yarn during the year 2012-13.

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS.

The Audit Committee constituted by the Board has been functioning over the last thirteen 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 V. K. Gupta 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 Investors Grievances, progress of dematerialisation and other matters.

Pursuant to Section 178 of the Companies Act, 2013, the Shareholders' and Investors' Grievances Committee nomenclature has been changed into Stakeholders Relationship Committee.

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the existing Remuneration Committee nomenclature has been changed into Nomination and Remuneration Committee.

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

Shri Dharam Paul has submitted his resignation from Directorship on 19th July, 2013 which has been accepted by the Board of Directors. The Board of Directors expresses their sincere appreciation for the valuable services rendered by him to the Company during his tenure.

In terms of the provisions of the Companies Act, 1956 and article 104 of the Articles of Association of the Company, Shri Gopal Patodia retire from office by rotation and, being eligible, offer himself for re-appointment.

Appropriate resolution for the re-appointment of the aforesaid Director is 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, 2014 and of the Net Profit of the Company for the period from April 1, 2013 to March 31, 2014;
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.

In view of the provisions of Section 139 of the Companies Act, 2013, your Directors request the shareholders to appoint Statutory Auditors of the Company for a period of 3 years i.e. till the conclusion of Annual General Meeting to be held in the year 2017.

COST AUDITORS

Pursuant to a directives 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, 2014.

The details of the Cost Auditors are as under:

Name : M/s. A. G. Anikhindi & Co.
Address : 1730, Rajarampuri,
6th Lane, Kolhapur,
Maharashtra-416008.

Actual date for filing

Cost Audit Report in

XBRL Format for

F. Y. ended 31.03.2013 : 10/09/2013

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 : Kolhapur

Date : 30th May, 2014

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" 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 penetration into 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 | 1342.18 |
| ii) Expenditure in Foreign Currency | 457.75 |
| iii) Foreign Exchange Earned | 24488.54 |

On behalf of the Board

K. K. PATODIA

Chairman

and Managing Director

Place : Kolhapur

Date : 30th May, 2014



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 : Kolhapur

Date : 30th May, 2014

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, 2014 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 : Kolhapur

Date : 30th May, 2014

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 : Kolhapur

Date : 30th May, 2014

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 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 Executive Director manage the day to day operations of the Company.

The Board of Directors comprises of three Executive Directors and seven Non-Executive Directors. Five 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 D. K. Patel
Shri V. K. Gupta
Shri P. P. Dundh
Shri M. L. Bagaria
Shri A. R. Garde

Total No. of Directors = 10

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 2013-14 Four Board Meetings were held on 25th May, 2013, 3rd August, 2013, 9th November, 2013 & 14th February, 2014. Details of attendance at the Board Meetings, Directorship in other Companies and Membership in Committees thereof of each Director are as follows:

| Name of Director | Attendance at the Board Meeting | Attendance at last AGM | Directorship of other Companies | Committee Memberships *Mem-ber | Chairman |
|---|---------------------------------|------------------------|---------------------------------|--------------------------------|----------|
| Shri K. K. Patodia Chairman & Managing Director | 4 | No | 10 | 1 | - |
| Shri H. P. Siotia | 4 | Yes | 6 | 2 | - |
| Shri Gopal Patodia | - | No | 7 | 1 | - |
| Shri Narayan Patodia Managing Director | 3 | No | 5 | - | - |
| Shri Rajiv Patodia Executive Director | 4 | Yes | 5 | - | - |
| Shri A. R. Garde | 4 | No | - | - | - |
| Shri P. P. Dundh | 4 | No | 2 | - | - |
| Shri D. K. Patel | 3 | Yes | 7 | 6 | 1 |
| Shri V. K. Gupta | 4 | Yes | - | - | - |
| Shri M. L. Bagaria | 4 | No | 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.



- b. To investigate any activity within its terms of reference.
- c. 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.
- d. To recommend the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other services.
- e. Reviewing with the Management the annual financial statements before submission to the Board.
- f. Reviewing with the 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 V. K. Gupta, H. P. Siotia, Shri M. L. Bagaria (from 25.05.2013) Dharam Paul (upto 25.05.2013)

CHAIRMAN: Shri V. K. Gupta (From 25.05.2013)

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 Audit Committee is as per guidelines set out in the 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 2013-14. These meetings were held on 25th May, 2013, 3rd August, 2013, 9th November, 2013 and 14th February, 2014.

The attendance at the meeting is as under:

| Name of the Member | No. of Meetings Attended |
|--------------------|--------------------------|
| Shri V. K. Gupta | 4 |
| Shri H. P. Siotia | 4 |
| Shri M. L. Bagaria | 3 |
| Shri Dharam Paul | Nil |

4. REMUNERATION COMMITTEE

MEMBERS : Shri H P Siotia, Shri D. K. Patel (from 25.05.2013), Shri Rajiv Patodia, Shri P. P. Dundh, Shri M. L. Bagaria and Shri Dharam Paul (Upto 25.05.2013).

CHAIRMAN : Shri H. P. Siotia

The Company Secretary acts as the Secretary to the Committee.

| Name of the Member | No. of Meetings Attended |
|--------------------|--------------------------|
| Shri H. P. Siotia | 1 |
| Shri Rajiv Patodia | 1 |
| Shri P. P. Dundh | 1 |
| Shri M. L. Bagaria | 1 |
| Shri D. K. Patel | Nil |
| Shri Dharam Paul | Nil |

(a) Remuneration Policy :

The Remuneration Committee is responsible for devising policy for compensation and benefits of Executive Directors. The remuneration of Managing Directors and Executive Director has been approved under Section 269 read with Schedule XIII of the Companies Act, 1956. The remuneration paid to the Managing Directors and Executive Director 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, 2014 :

The Non-Executive Directors have been paid sitting fees for attending Board/Committee Meetings, at the rate of Rs.7000/- per meeting. No sitting fee is paid for attending Shareholders'/ Investors' Grievance Committee Meeting.

The details of fees paid for attending Board Meeting, Audit Committee Meeting and Remuneration Committee Meeting for the year ended 31st March, 2014 to the Directors are as follows:

(Amount in Rs.)

| Sr. No. | Name of the Director | Board Meeting | Audit Committee | Remuneration Committee |
|---------|----------------------|---------------|-----------------|------------------------|
| 1 | Shri H. P. Siotia | 26,000/- | 26,000/- | 5,000/- |
| 2 | Shri D. K. Patel | 19,000/- | - | - |
| 3 | Shri V. K. Gupta | 26,000/- | 26,000/- | - |
| 4 | Shri P. P. Dundh | 26,000/- | - | 5,000/- |
| 5 | Shri M. L. Bagaria | 26,000/- | 21,000/- | 5,000/- |
| 6 | Shri A. R. Garde | 26,000/- | - | - |

(c) Remuneration paid to Executive Directors for the year ended 31st March, 2014 :

| 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.) | 25,71,387 | 8,12,913 | 18,12,377 |
| Appointment valid upto | 30/09/2015 | 31/12/2015 | 30/09/2015 |
| Stock Option Details | NIL | NIL | NIL |

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Members : Shri K. K. Patodia, Shri H. P. Siotia, Shri Narayan Patodia and Shri Rajiv Patodia.

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 relating to shareholders

During the year 2013- 14, four meetings were held.

Total number of service requests, enquiries, queries received during the year were thirteen and all of them were resolved. Total number of investor complaints received during the year was nil

SEBI by its circular has mandated all the Listed Companies to get their SCORES Registration done. Accordingly, the Company has obtained the same. However, no complaints have been received during the year.

Total number of meetings attended by members:

| Name of the Member | No. of Meetings Attended |
|----------------------|--------------------------|
| Shri K. K. Patodia | 4 |
| Shri H. P. Siotia | 4 |
| Shri Narayan Patodia | Nil |
| Shri Rajiv Patodia | 4 |

6. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three years:

| Year | AGM/EGM | Location | Date | Time |
|------|---------|--|----------|---------|
| 2013 | AGM | "The Residence" An Apartment Hotel Saki Vihar Road Before Nitie, Powai, Mumbai-400 087 | 07.09.13 | 9.30 AM |
| 2012 | AGM | "The Residence" An Apartment Hotel Saki Vihar Road Before Nitie, Powai, Mumbai-400 087 | 15.09.12 | 9.30 AM |
| 2011 | AGM | "The Shalimar Hotel" August Kranti Marg, Mumbai-400 036 | 10.09.11 | 9.30 AM |

Whether Special Resolutions :

- | | |
|---|-------|
| (a) Were put through postal ballot last year - | No |
| (b) Details of voting pattern - | N. A. |
| (c) Person who conducted the postal ballot exercise- | N. A. |
| (d) Are proposed to be conducted through postal ballot- | No |
| (e) Procedure for postal ballot - | N. A. |

7. DISCLOSURES

There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management having potential conflict with the interests of Company at large.

There has not been any non-compliance by the Company and no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, or any matter related to Capital Markets, during the last three years.

Compliance with Clause 49 of the Listing Agreement:

Pursuant to sub-clause VII of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement. As regards non mandatory requirement the Company has complied with the requirement of Remuneration Committee.

8. MEANS OF COMMUNICATION

The Company generally publishes the quarterly, half yearly, nine months and annual audited financial results in FREE PRESS JOURNAL (*National*) and NAV SHAKTI (*Regional - Marathi*) Newspapers.

The Company's website (www.eurotexgroup.com) contains a separate dedicated section 'Investor Information' which contains relevant information for shareholders. Further, the Annual Report and Financials are also available on the website.

All periodical compliance like Announcements, Shareholding Pattern, Corporate Governance Report, Book Closure Dates, etc. are electronically filed in NSE and BSE through 'NSE NEAPS' and 'BSE LISTING CENTRE'.

All material information about the Company is promptly sent through facsimile to Stock Exchanges where the Company's shares are listed and released to the press.

9. SHAREHOLDERS' INFORMATION

1. Annual General Meeting:

- Day, Date and Time : Saturday, 6th September, 2014 at 9.30 a.m.
- Venue 'The Residence', An Apartment Hotel, Saki Vihar Road, Before Nitie, Powai, Mumbai - 400 087.

2. Financial Calendar (tentative)

- Annual General Meeting: 6th September, 2014
- Results for quarter ending 30th June, 2014: First week of August, 2014
- Results for quarter ending 30th September, 2014: First week of November, 2014
- Results for quarter ending 31st December, 2014: First week of February, 2015
- Results for year ending 31st March, 2015: Last week of May, 2015

3. Book closure Date :

25th August, 2014 to 31st August, 2014 (Both days inclusive)

4. Registered Office :

EUROTEX INDUSTRIES AND EXPORTS LTD.
809, Raheja Chambers, 8th Floor
213, Nariman Point,
Mumbai-400 021.

5. Listing Details of Equity Shares :

- a) Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.
- b) National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E),
Mumbai-400 051.

Listing fees for the Financial Year 2014-15 has been paid to the Stock Exchanges where the shares of the Company are listed.



6. Stock Code 1) 521014 at Bombay Stock Exchange Ltd.
2) EUROTEXIND at National Stock Exchange of India Ltd.

7. Depositories for Equity Shares :
National Securities
Depository Ltd. : ISIN
Central Depository
Services (India) Ltd. : INE022C01012

8. Stock Performance Stock price Data:
Bombay Stock Exchange Ltd. (BSE) (In Rs.)

| Year | High | Low |
|----------------|-------|-------|
| April 2013 | 15.95 | 11.25 |
| May 2013 | 13.65 | 11.55 |
| June 2013 | 14.59 | 13.60 |
| July 2013 | 13.50 | 10.86 |
| August 2013 | 12.30 | 9.85 |
| September 2013 | 14.00 | 11.00 |
| October 2013 | 16.00 | 13.10 |
| November 2013 | 19.95 | 15.20 |
| December 2013 | 20.65 | 16.65 |
| January 2014 | 26.00 | 19.50 |
| February 2014 | 23.85 | 17.75 |
| March 2014 | 19.10 | 16.00 |

National Stock Exchange of India Ltd. (NSE) (In Rs.)

| Year | High | Low |
|----------------|-------|-------|
| April 2013 | 15.50 | 11.05 |
| May 2013 | 13.20 | 12.00 |
| June 2013 | 12.75 | 12.15 |
| July 2013 | 12.50 | 10.60 |
| August 2013 | 11.00 | 9.10 |
| September 2013 | 13.00 | 10.00 |
| October 2013 | 15.40 | 12.10 |
| November 2013 | 18.75 | 14.20 |
| December 2013 | 18.10 | 16.50 |
| January 2014 | 24.80 | 17.90 |
| February 2014 | 23.25 | 17.60 |
| March 2014 | 18.90 | 15.65 |

9. Comparison of share prices with broad based index like BSE SENSEX: Since the company is in the Textile Industry which does not have proper representation in the BSE SENSEX, the comparison of share prices with BSE SENSEX movement is not given.

10. Registrars & Transfer Agents: Datamatics Financial Services Ltd.
Plot No.B-5, Part B, Cross Lane,
MIDC, Marol, Andheri (East)
Mumbai-400 093
Phone No.: 022 - 66712156
Fax No.: 022 - 66712161

11. Share Transfer System:
Shares sent for transfer in physical form are registered by the Registrars and Share Transfer Agents within 15 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

12. Distribution of shareholding as on March 31, 2014:

| No. of Equity Shares | No. of Shareholders | No. of Shares held | % of Share holding |
|----------------------|---------------------|--------------------|--------------------|
| Upto 500 | 6,759 | 9,14,478 | 10.45 |
| 501 to 1000 | 346 | 2,83,215 | 3.24 |
| 1001 to 2000 | 148 | 2,21,289 | 2.53 |
| 2001 to 3000 | 67 | 1,69,057 | 1.93 |
| 3001 to 4000 | 25 | 87,936 | 1.01 |
| 4001 to 5000 | 20 | 92,911 | 1.05 |
| 5001 to 10,000 | 24 | 1,79,882 | 2.06 |
| 10,001 to 50,000 | 25 | 5,30,758 | 6.07 |
| 50,001 and above | 6 | 62,70,339 | 71.66 |
| Total | 7,420 | 87,49,865 | 100.00 |

13. Categories of shareholding as on March 31, 2014:

| Category | No. of Shares held | % of Shareholding |
|--|--------------------|-------------------|
| Promoters | 61,24,087 | 69.99 |
| Indian Financial Institutions, Banks, Mutual Funds | 53,880 | 00.62 |
| NRIs/OCBs | 60,824 | 00.69 |
| Others | 25,11,074 | 28.70 |
| Total | 87,49,865 | 100.00 |

14. Dematerialisation of shares and liquidity:
94.82% of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2014. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. April 28, 2001 as per notification issued by Securities and Exchange Board of India (SEBI)

15. The Company promotes ethical behaviour in all business activities and has put in place Whistle Blower Policy.

16. The CEO of the Company has given certification on financial reporting and internal controls to the Board in terms of Clause 49.

17. Plant Locations : Plot E-23 and Plot E-1, MIDC, Gokul Shirgaon, Taluka - Karveer, Kolhapur-416 234, Maharashtra.

18. Address for correspondence : Eurotex Industries And Exports Ltd.
Raheja Chambers, 12th Floor
213, Nariman Point,
Mumbai-400 021
Phone : 022-22041408
Fax : 022-22044139
Email: eurotex@bom3.vsnl.net.in

19. Compliance Officer : Rahul Rawat
Company Secretary
Raheja Chambers, 12th Floor
213, Nariman Point,
Mumbai-400 021
Phone : 022-22041408
Fax : 022-22044139

For and on behalf of the Board of Directors

Place: Kolhapur
Date : 30th May, 2014

K. K. Patodia
Chairman
and Managing Director

DIRECTORS' PROFILE

Shri V. K. Gupta (DIN: 00021560) is a Degree holder in Textiles Technology from T.I.T. Bhiwani. He has also done specialized education in General Management from Darden (USA), Quality Management from AOTS (Japan) and Marketing from NUS (Singapore).

He has professional experience of 48 years in Textiles, Manmade fibres and yarns with Companies like J. K. Synthetics, Modipon, Swadeshi Polytex, Baroda Rayon and JCT. He was also a Consultant to Century Enka, Century Rayon and JCT (Nylon).

He was the President of Kota Chapter of Textile Association of India.

Shri D. K. Patel (DIN: 00013150) is a Chemical Engineer from IIT, Kanpur. He has also completed Masters Degree in Financial Management from Bajaj Institute, Mumbai.

He has the experience of setting up of two (2) projects, one at Baroda for bulk drugs and the other at Nagpur for explosives in collaboration with Chematur (BOFORS), Sweden.

He has worked with SICOM, a State Level Financial Institution for about 30 years in various capacities including as General Manager. He had also sound experience in Merchant Banking area.

He is presently engaged as Management Consultant with several Companies and involved in enhancing operating performance in manufacturing and service sector.

He has been a Member of the Board of several Companies.

Shri M. L. Bagaria (DIN: 01213323) is a Degree holder in Textiles Technology from T.I.T. Bhiwani.

He has a sound experience in Textile Industry for nearly

47 years. He was a Senior Vice-President in Bhiwani Textiles Mills, Bhiwani (A Unit of Grasim Industries Limited). He was also a Director in Harshit/Takshila Private Limited, Birlanagar, Gwalior and Shrishti Textiles Private Limited.

He has the sound experience in the areas of expansion, modernization and project implementation in Indian and Overseas Companies for nearly 25 years.

Shri P. P. Dundh (DIN: 00023482) is a Commerce Graduate from Mumbai University and also has done his Law Degree from Mumbai University.

He has sound experience of over 50 years in Textile Industry in areas of raw cotton, fibres, yarns and mainly in exports and imports trade.

He was working for about 40 years with Mitsubishi Corporation of Japan as their Business Head/Consultant in Mumbai.

Shri A. R. Garde (DIN: 00015853) is a B.Text from Mumbai University and also F.T.I. from Manchester.

He has about 15 years of research experience in spinning and related areas including quality control systems and productivity measurement. Further he has about 18 years of experience in consultancy, training and research in general management, areas of profitability.

He was a Director in Ahmedabad Textile Industries Research Association for period of 7 years. He had also worked at German Research Institute for Textile Industry as Project Leader.

He has published over 270 papers in journals and conferences, including 20 papers in foreign journals. He is the author of 9 books and also editor of the journal of the Textile Association for a period of 21 years.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE

To The Members of

M/s. Eurotex Industries And Exports Ltd.

We have examined the compliance of the conditions of Corporate Governance by **M/s. Eurotex Industries And Exports Limited ("The Company")**, for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on

the representation given by the management of the Company, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & CO
Chartered Accountants

(R. P. BARADIYA)
Partner

(M. No. 44101)

Place : Mumbai
Date : 30th May, 2014

Firm Regn. No. 301051E



INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
EUROTEX INDUSTRIES AND EXPORTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EUROTEX INDUSTRIES & EXPORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and

according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) on the basis of the written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.

For **LODHA & COMPANY**
Chartered Accountants

(R. P. BARADIYA)
Partner

(M. No. 44101)

Firm Regn. No. 301051E

Place: Mumbai

Date: 30th May, 2014

**ANNEXURE REFERRED TO IN PARAGRAPH 1
UNDER THE HEADING “REPORT ON OTHER
LEGAL AND REGULATORY REQUIREMENTS”
OF OUR REPORT OF EVEN DATE TO THE
MEMBERS OF THE EUROTEX INDUSTRIES
AND EXPORTS LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) No Substantial part of the fixed assets has been disposed off during the year.
2.
 - a) The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified by the management with reference to the confirmation received from them and/or subsequent receipt of goods.
 - b) The procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. During the year, the Company has not granted / taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased and sold are of the special nature and suitable alternative source does not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. There are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
6. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 58A and 58AA or any other relevant provisions of the Act and Rules framed there under have been accepted by the company.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 209(1) (d) of the Act have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.
9. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee’s State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.



- (b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

| Name of the Statute | Nature of Dues | Forum where the dispute is pending | Financial Year | Amount in Rs. |
|--|-----------------------|---|--------------------|--------------------------|
| The Custom Act, 1962 | Cenvat Duty & Penalty | Custom, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai. | 2003-04 | 1,74,367 |
| | | | 2004-05 | 3,56,890 |
| | | | 2006-07 | 1,31,07,968 |
| The Central Excise Act, 1944 | Excise Duty & Penalty | Custom, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai. | 2001-02 | 31,75,351 |
| | | | 2005-06 | 13,39,07,368 |
| The Bombay Sales Tax Act, 1959 / Central Sales Tax Act, 1956 | Sales Tax | Deputy Commissioner of Sales Tax (Appeal), Kolhapur | 2001-02 | 51,22,933 |
| | | Joint Commissioner of Sales Tax (Appeal) Kolhapur | 2006-07 2009-10 | 2,10,18,767 59,00,594 |

10. The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Cash Flow Statements and Balance Sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered and recorded in the Register maintained under Section 301 of the Act.
19. The Company has not raised any money by way of issue of debentures during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or in the recent past..
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & COMPANY**
Chartered Accountants

(R. P. BARADIYA)

Partner

(M. No. 44101)

Firm Regn. No. 301051E

Place : Mumbai

Date : 30th May, 2014.

BALANCE SHEET

As at 31st March, 2014

| | <u>Note No.</u> | As at 31st March, 2014 (₹ in Lacs) | As at 31st March, 2013 (₹ in Lacs) |
|------------------------------------|-----------------|---|---|
| I EQUITY AND LIABILITIES | | | |
| 1 SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 1 | 874.02 | 874.02 |
| (b) Reserves and Surplus | 2 | 6,056.98 | 5,558.03 |
| | | 6,931.00 | 6,432.05 |
| 2 NON-CURRENT LIABILITIES | | | |
| (a) Long Term Borrowings | 3 | 1,410.21 | 1,778.00 |
| (b) Deferred Tax Liabilities (Net) | | 1,335.65 | 1,357.10 |
| 3 CURRENT LIABILITIES | | | |
| (a) Short-Term Borrowings | 4 | 4,281.16 | 5,375.12 |
| (b) Trade payables | | 3,486.49 | 2,853.32 |
| (c) Other Current Liabilities | 5 | 1,204.74 | 1,161.87 |
| (d) Short-Term Provisions | 6 | 629.89 | 260.27 |
| TOTAL | | 19,279.14 | 19,217.73 |
| II ASSETS | | | |
| 1 NON-CURRENT ASSETS | | | |
| (a) Fixed Assets: | 7 | | |
| (i) Tangible Assets | | 7,580.33 | 7,840.64 |
| (ii) Capital Work-in-Progress | | 166.30 | 1.37 |
| (b) Non-Current Investments | 8 | 318.27 | 318.27 |
| (c) Long-Term Loans and Advances | 9 | 116.55 | 43.03 |
| (d) Other Non-Current Assets | 10 | 733.42 | 591.78 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 11 | 7,429.78 | 7,628.71 |
| (b) Trade Receivables | 12 | 1,565.98 | 1,582.69 |
| (c) Cash and Bank Balances | 13 | 80.53 | 180.06 |
| (d) Short-Term Loans and Advances | 14 | 79.12 | 86.96 |
| (e) Other Current Assets | 15 | 1,208.86 | 944.22 |
| TOTAL | | 19,279.14 | 19,217.73 |

SIGNIFICANT ACCOUNTING POLICIES AND
OTHER NOTES TO FINANCIAL STATEMENTS

25 & 26

Notes referred to above form an integral
part of the Financial Statements

As per our attached report of even date

For LODHA & COMPANY

Chartered Accountants

(R. P. BARADIYA)

Partner

(M. No. 44101)

(Firm No. 301051E)

Mumbai, 30th May, 2014

RAHUL RAWAT

Company Secretary

K. K. PATODIA

NARAYAN PATODIA

RAJIV PATODIA

V. K. GUPTA

M. L. BAGARIA

A. R. GARDE

Chairman and Managing Director (CEO)

Managing Director

Executive Director

Director

Director

Director

Kolhapur, 30th May, 2014



PROFIT AND LOSS STATEMENT

For the year ended 31st March, 2014

| | Note No. | For the Year ended 31st March, 2014 (₹ in Lacs) | For the Year ended 31st March, 2013 (₹ in Lacs) |
|--|----------|---|---|
| I REVENUE FROM OPERATIONS | 16 | 34,430.11 | 28,314.25 |
| LESS : EXCISE DUTY | | 0.63 | - |
| REVENUE FROM OPERATIONS (NET OF EXCISE DUTY) | | 34,429.48 | 28,314.25 |
| II OTHER INCOME | 17 | 47.31 | 42.04 |
| III TOTAL REVENUE (I + II) | | 34,476.79 | 28,356.29 |
| IV EXPENSES : | | | |
| Cost of Materials Consumed | 18 | 14,719.47 | 11,353.60 |
| Purchase of Stock-in-Trade | 19 | 9,651.44 | 6,035.18 |
| Manufacturing and Operating Costs | 20 | 4,585.36 | 4,782.41 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 21 | (873.78) | 1,242.47 |
| Employee Benefits Expense | 22 | 2,247.66 | 2,014.87 |
| Finance Costs | 23 | 911.52 | 912.05 |
| Depreciation and Amortisation Expense | | 967.19 | 994.58 |
| Amount Withdrawn from Revaluation Reserve | | (7.09) | (7.09) |
| Other Expenses | 24 | 1,250.15 | 1,069.98 |
| TOTAL EXPENSES | | 33,451.92 | 28,398.05 |
| V PROFIT / (LOSS) FOR THE YEAR | | 1,024.87 | (41.76) |
| VI PROFIT / (LOSS) FOR THE YEAR BEFORE TAX | | | |
| Tax Expenses: | | | |
| Provision for Taxation | | 475.84 | 176.50 |
| Deferred Tax | | (21.45) | (240.14) |
| Prior Years' Tax Adjustments | | 13.26 | 201.49 |
| Net Tax Expenses | | 467.65 | 137.85 |
| VII NET PROFIT / (LOSS) FOR THE YEAR AFTER TAX | | 557.22 | (179.61) |
| VIII Earnings per Share (of the face value of Rs.10 per equity share) | | | |
| Basic and Diluted earnings per share | | 6.37 | (2.05) |

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS 25 & 26
Notes referred to above form an integral part of the Financial Statements

As per our attached report of even date
For LODHA & COMPANY
Chartered Accountants

(R. P. BARADIYA)
Partner

(M. No. 44101)
(Firm No. 301051E)

Mumbai, 30th May, 2014

RAHUL RAWAT
Company Secretary

K. K. PATODIA
NARAYAN PATODIA
RAJIV PATODIA
V. K. GUPTA
M. L. BAGARIA
A. R. GARDE

Chairman and Managing Director (CEO)
Managing Director
Executive Director
Director
Director
Director

Kolhapur, 30th May, 2014

CASH FLOW STATEMENT

For the year ended 31st March, 2014

(₹ in Lacs)

| | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2013 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit / (Loss) before Tax | 1024.87 | (41.76) |
| Adjustments for: | | |
| - Depreciation | 960.10 | 987.49 |
| - Interest on Delay Payment of Income Tax | 35.88 | - |
| - Interest and Other Borrowing Costs | 911.52 | 912.04 |
| - (Profit)/Loss on disposal of Fixed Assets | (13.23) | 0.32 |
| - Dividend Received | (32.10) | (23.90) |
| - Provision for wealth-tax | 1.90 | 1.81 |
| Operating Profit before working capital changes | 2888.94 | 1836.00 |
| Adjustments for: | | |
| - Decrease/(Increase) in Trade and other receivables | (350.07) | 388.59 |
| - Decrease/(Increase) in Inventories | 198.93 | (1619.76) |
| - Increase/(Decrease) in Trade and other payables | 375.45 | 98.54 |
| Cash generated from operations | 3113.25 | 703.37 |
| Direct Taxes paid | (80.18) | (129.43) |
| NET CASH FROM OPERATING ACTIVITIES | 3033.07 | 573.94 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (883.35) | (221.06) |
| Disposal of Fixed Assets | 61.90 | 0.28 |
| Dividend Received | 32.10 | 23.90 |
| NET CASH USED IN INVESTING ACTIVITIES | (789.35) | (196.88) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| - (Repayment) of Long-Term Borrowings (Net) | (232.57) | (644.21) |
| - (Repayment) / Proceeds of Short-Term Borrowings (Net) | (1093.96) | 1141.75 |
| - Interest and Other Borrowing Costs | (911.52) | (912.04) |
| NET CASH USED IN FINANCING ACTIVITIES | (2238.05) | (414.50) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 5.67 | (37.44) |
| Cash and cash equivalents (Opening) | 12.83 | 50.27 |
| Cash and cash equivalents (Closing) | 18.50 | 12.83 |

Note:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped / rearranged wherever necessary.

SIGNIFICANT ACCOUNTING POLICIES AND

OTHER NOTES TO FINANCIAL STATEMENTS 25 & 26

Notes referred to above form an integral part of the Financial Statements

As per our attached report of even date

For LODHA & COMPANY

Chartered Accountants

(R. P. BARADIYA)

Partner

(M. No. 44101)

(Firm No. 301051E)

Mumbai, 30th May, 2014

RAHUL RAWAT

Company Secretary

K. K. PATODIA

NARAYAN PATODIA

RAJIV PATODIA

V. K. GUPTA

M. L. BAGARIA

A. R. GARDE

Chairman and Managing Director (CEO)

Managing Director

Executive Director

Director

Director

Director

Kolhapur, 30th May, 2014



NOTES TO FINANCIAL STATEMENTS

Forming Part of the Balance Sheet as at 31st March, 2014

As at
31st March, 2014 As at
31st March, 2013

(₹ in Lacs) (₹ in Lacs)

SHAREHOLDERS' FUND:

NOTE - 1

SHARE CAPITAL

| Share Capital | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|----------------|------------------------|-----------|
| | Number | ₹ in Lacs | Number | ₹ in Lacs |
| Authorised : | | | | |
| Equity Shares of Rs.10 each | 100.00 | 1000.00 | 100.00 | 1000.00 |
| Preference Shares of Rs.10 each | 300.00 | 3000.00 | 300.00 | 3000.00 |
| | 400.00 | 4000.00 | 400.00 | 4000.00 |
| Issued, Subscribed and Paid-up : | | | | |
| Equity Shares of Rs. 10 each | 87.50 | 874.99 | 87.50 | 874.99 |
| Less : Allotment money receivable (Other than from Directors) | - | 0.97 | - | 0.97 |
| | 87.50 | 874.02 | 87.50 | 874.02 |

Right of Equity Shareholders:

Company has only one class of equity shares of par value Rs.10. The holder of this equity share is entitled to one vote per share. In the event of liquidation of the Company the holder of equity share will be entitled to receive any of the remaining assets of the Company after distribution of the preferential payments. However, no such preferential amounts exist currently. The distribution will be in proportion to the nos. of equity shares held by the shareholders.

Reconciliation of Shares outstanding at the beginning and at the end of the year

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|------------------------|---------------|------------------------|-----------|
| | Number | ₹ in Lacs | Number | ₹ in Lacs |
| Shares outstanding at the beginning of the year | 87.50 | 875.00 | 87.50 | 875.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 87.50 | 875.00 | 87.50 | 875.00 |

Shareholders holding more than 5% Shareholding

| Name of Shareholder | As at 31st March, 2014 | | As at 31st March, 2013 | |
|------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Patodia Syntex Limited | 37.07 | 42.37 | 37.07 | 42.37 |
| PBM Polytex Limited | 22.32 | 25.51 | 22.32 | 25.51 |

Note:

During previous five years, the Company has not issued bonus shares/bought back shares/issued shares for consideration other than cash

NOTES TO FINANCIAL STATEMENTS
Forming Part of the Balance Sheet as at 31st March, 2014

| | As at 31st March, 2014 (₹ in Lacs) | As at 31st March, 2013 (₹ in Lacs) |
|---|--|--|
| NOTE - 2 | | |
| RESERVES AND SURPLUS | | |
| a) Capital Reserve (Special Capital Incentive) As per last Balance Sheet | 40.00 | 40.00 |
| b) Capital Redemption Reserve As per last Balance Sheet | 3,275.10 | 3,275.10 |
| c) Securities Premium Account As per last Balance Sheet | 1,005.07 | 1,005.07 |
| d) Revaluation Reserve As per last Balance Sheet | 79.55 | 86.64 |
| Less : Adjustment on account of revalued assets sold Transferred to Profit and Loss Statement on account of depreciation on revalued amount | 7.09 | 7.09 |
| | 7.09 | 7.09 |
| e) Surplus | 72.46 | 79.55 |
| Opening Balance | 1,158.31 | 1,337.92 |
| Add: Profit/(Loss) for the year | 557.22 | (179.61) |
| Balance Available for Appropriations | 1,715.53 | 1,158.31 |
| Less: Appropriations during the year | | |
| Proposed Dividend | 43.75 | - |
| Corporate Dividend Tax | 7.43 | - |
| | 51.18 | - |
| Closing Balance | 1,664.35 | 1,158.31 |
| | 6,056.98 | 5,558.03 |
| NOTE - 3 | | |
| LONG TERM BORROWINGS | | |
| a) Secured Loans: | | |
| i) Term Loan from a Financial Institution | - | 47.00 |
| ii) Term Loans from Banks | 1,380.00 | 1,728.00 |
| iii) Vehicle Loan from a Bank and a Financial Institution | 27.21 | - |
| b) Unsecured Loans: | | |
| Promoter's Contribution | 3.00 | 3.00 |
| | 1,410.21 | 1,778.00 |

Notes:

- Term Loans in (a) (i) and (ii) above are secured by way of first mortgage on immovable properties of the Company, both present and future and a first charge by way of hypothecation of all movable properties of the Company (save and except book debts), both present and future, ranking pari passu inter se, and second charge created on some immovable properties of the Company at Kolhapur, subject to prior charges created in respect of borrowings from banks.
- Loans in (a)(iii) above are secured by way of hypothecation of Vehicles purchased there against.
- Maturity Profile and Rate of interest on Loans are Set out below:

| | 2013-14 | 2014-15 | 2015-16 | 2016-21 |
|---|---------|---------|---------|---------|
| Maturity Profile | | | | |
| Term Loans - From Financial Institutions: | | | | |
| Carrying interest rate @3.50% below BPLR | 40.00 | - | - | - |
| Carrying interest rate @2.70% above LTMLR | - | 47.00 | - | - |
| Term Loans - From Banks: | | | | |
| Interest Rate @ 1.50% below BPLR | 239.91 | 279.85 | 195.00 | - |
| Interest Rate @ 3.50% above Base rate | 159.92 | 239.83 | 320.00 | 216.56 |
| Interest Rate @ 4.00% above Base rate | - | - | 24.00 | 308.00 |
| Interest Rate @ 0.75% below BPLR | 160.00 | 160.00 | 160.00 | 156.45 |
| Total | 559.83 | 679.68 | 699.00 | 681.01 |
| Vehicle Loans from a Bank & Financial Institution | - | 8.37 | 9.42 | 17.79 |
| Grand Total | 599.83 | 735.05 | 708.42 | 698.80 |



NOTES TO FINANCIAL STATEMENTS

Forming Part of the Balance Sheet as at 31st March, 2014

| | As at 31st March, 2014 (₹ in Lacs) | As at 31st March, 2013 (₹ in Lacs) |
|---------------------------------------|---|--|
| CURRENT LIABILITIES: | | |
| NOTE - 4 | | |
| SHORT TERM BORROWINGS | | |
| Working Capital Facilities from Banks | 4,281.16 | 5,375.12 |
| | 4,281.16 | 5,375.12 |

Notes:

Working Capital Facilities and non-fund limits of Rs.5 lacs (Previous Year Rs.149.22 lacs) are secured by way of hypothecation of, both present and future, inventories and book debts as well as by way of mortgage of some immovable properties of the Company at Kolhapur and second charge created on Company's immovable and other movable assets.

The above Working Capital Facilities carries interest @ 9.70% p.a. to 17% p.a. (Previous Year 9.70% p.a. to 14.25% p.a.)

NOTE - 5

OTHER CURRENT LIABILITIES

| | | |
|--|-----------------|----------|
| a) Current Maturities of Long-Term Debts | 735.05 | 599.83 |
| b) Unclaimed Dividend | - | 1.07 |
| c) Interest accrued but not due on loans | 12.87 | 1.27 |
| d) Advance received from Customers | 383.04 | 510.13 |
| e) Payable towards Capital Expenditure | 37.13 | 12.83 |
| f) Statutory Dues Payable | 32.23 | 36.30 |
| g) Others | 4.42 | 0.44 |
| | 1,204.74 | 1,161.87 |

NOTE - 6

SHORT TERM PROVISIONS

a) Provision for Employees Benefits:

| | | |
|----------------------|--------------|--------|
| i) Leave Entitlement | 80.09 | 74.98 |
| ii) Gratuity | 28.32 | 161.67 |

b) Others:

| | | |
|--|---------------|--------|
| i) Provision for Wealth Tax (Net of Taxes paid Rs.5.39 lacs; Previous Year Rs.3.58 lacs) | 1.90 | 1.81 |
| ii) Provision for Income Tax (Net of Advance Taxes and TDS Rs.337.71 lacs; Previous Rs.412.09 lacs) | 468.40 | 21.81 |
| iii) Proposed Dividend | 43.75 | - |
| iv) Corporate Dividend Tax | 7.43 | - |
| | 629.89 | 260.27 |

NOTES TO FINANCIAL STATEMENTS
Forming Part of the Balance Sheet as at 31st March, 2014

As at
31st March, 2014 As at
31st March, 2013
(₹ in Lacs) (₹ in Lacs)

NOTE - 7

FIXED ASSETS

(₹ in Lacs)

| PARTICULARS | GROSS BLOCK (At Book Value) | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK |
|--|-----------------------------|---------------------------------|---------------------------------|---------------------|---------------------------|---------------------------------|---------------------------------|--------------------|---------------------|
| | As at 1.4.2013 | Add./Adj. during the year | Ded./Adj. during the year | As at 31.03.2014 | Upto 01.04.2013 | Add./Adj. during the year | Ded./Adj. during the year | Upto 31.03.2014 | As at 31.03.2014 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| (1) Tangible Assets: | | | | | | | | | |
| Land : Freehold | 123.63 | - | - | 123.63 | - | - | - | - | 123.63 |
| Land : Leasehold | 200.67 | - | - | 200.67 | 21.27 | 2.09 | - | 23.36 | 177.31 |
| Buildings | 4,047.66 | 173.35 | - | 4,221.01 | 1,670.09 | 112.55 | - | 1,782.64 | 2,438.37 |
| Plant & Equipment | 15,845.29 | 512.64 | 308.14 | 16,049.79 | 11,146.05 | 779.71 | 264.61 | 11,661.15 | 4,388.64 |
| Furniture & Fittings | 295.07 | 3.36 | 0.48 | 297.95 | 244.89 | 9.34 | 0.48 | 253.75 | 44.20 |
| Electrical Installations | 1,163.47 | 3.07 | 13.02 | 1,153.52 | 808.74 | 50.79 | 8.43 | 851.10 | 302.42 |
| Office Equipment | 182.22 | 2.70 | 1.31 | 183.61 | 147.76 | 5.89 | 0.76 | 152.89 | 30.72 |
| Vehicles | 95.08 | 60.43 | - | 155.51 | 73.65 | 6.82 | - | 80.47 | 75.04 |
| Total of Tangible Assets | 21,953.09 | 755.55 | 322.95 | 22,385.69 | 14,112.45 | 967.19 | 274.28 | 14,805.36 | 7,580.33 |
| (2) Capital Work-in-Progress for Tangible Assets: Building under Constructions. | | | | | | | | | 166.30 |

(₹ in Lacs)

| PARTICULARS | GROSS BLOCK (At Book Value) | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK |
|--|-----------------------------|---------------------------------|---------------------------------|---------------------|---------------------------|---------------------------------|---------------------------------|--------------------|---------------------|
| | As at 1.4.2012 | Add./Adj. during the year | Ded./Adj. during the year | As at 31.03.2013 | Upto 01.04.2012 | Add./Adj. during the year | Ded./Adj. during the year | Upto 31.03.2013 | As at 31.03.2013 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| (1) Tangible Assets: | | | | | | | | | |
| Land : Freehold | 123.63 | - | - | 123.63 | - | - | - | - | 123.63 |
| Land : Leasehold | 200.67 | - | - | 200.67 | 19.18 | 2.09 | - | 21.27 | 179.40 |
| Buildings | 3,794.06 | 253.60 | - | 4,047.66 | 1,566.25 | 103.84 | - | 1,670.09 | 2,377.57 |
| Plant & Equipment | 15,841.40 | 3.89 | - | 15,845.29 | 10,331.67 | 814.38 | - | 11,146.05 | 4,699.24 |
| Furniture & Fittings | 291.60 | 4.07 | 0.60 | 295.07 | 234.84 | 10.50 | 0.45 | 244.89 | 50.18 |
| Electrical Installations | 1,164.55 | 0.87 | 1.95 | 1,163.47 | 758.98 | 51.26 | 1.50 | 808.74 | 354.73 |
| Office Equipment | 174.29 | 7.93 | - | 182.22 | 140.69 | 7.07 | - | 147.76 | 34.46 |
| Vehicles | 93.42 | 4.71 | 3.05 | 95.08 | 71.26 | 5.44 | 3.05 | 73.65 | 21.43 |
| Total of Tangible Assets | 21,683.62 | 275.07 | 5.60 | 21,953.09 | 13,122.87 | 994.58 | 5.00 | 14,112.45 | 7,840.64 |
| (2) Capital Work-in-Progress for Tangible Assets: Building under Constructions. | | | | | | | | | 1.37 |

Notes:

- Leases in respect of land acquired from time to time are for 95 Years commencing from the Year 1989 to Year 2006.
- Leasehold Land and Buildings include Rs.6.78 lacs (Previous Year Rs.6.78 Lacs) and Rs.11.08 Lacs (Previous Year Rs.11.08 Lacs), respectively being cost of premises in a Co-operative Society held in the name of Managing Director on behalf of the Company.
- Buildings include Rs.0.01 Lac (Previous Year Rs.0.01 Lac) being the value of 10 Shares in a Co-operative Society.



NOTES TO FINANCIAL STATEMENTS

Forming Part of the Balance Sheet as at 31st March, 2014

| | As at 31st March, 2014 (₹ in Lacs) | As at 31st March, 2013 (₹ in Lacs) |
|---|---|--|
| NOTE - 8 | | |
| NON-CURRENT INVESTMENTS: INVESTMENTS (LONG TERM) | | |
| a) Trade: Quoted 15,82,347 Equity Shares of Rs.10 each fully paid up in PBM Polytex Ltd. (At Cost) | 309.56 | 309.56 |
| b) Non-Trade: Quoted 10,720 Equity Shares of Rs.10 each fully paid up in IDBI Limited. (At Cost) | 8.71 | 8.71 |
| | 318.27 | 318.27 |
| Note: Aggregate Market value of quoted investments Rs.850.41 Lacs; (Previous Year Rs.601.98 Lacs) | | |
| NOTE - 9 | | |
| LONG-TERM LOANS AND ADVANCES (Unsecured, Considered good) : | | |
| a) Capital Advances | 97.05 | 23.53 |
| b) Balance with Government Departments | 19.50 | 19.50 |
| | 116.55 | 43.03 |
| NOTE - 10 | | |
| OTHER NON-CURRENT ASSETS | | |
| a) Security Deposits | 370.24 | 340.52 |
| b) Load Factor Incentives / Other Refund Receivable | 178.06 | 178.06 |
| c) MVAT Refund Receivable | 132.30 | 73.20 |
| d) Fixed Deposits with maturity of more than one year | 52.82 | - |
| Note: Fixed Deposits kept with banks as collateral security against their term loans. | | |
| | 733.42 | 591.78 |
| CURRENT ASSETS: | | |
| NOTE - 11 | | |
| INVENTORIES* (As taken, valued and certified by the management) | | |
| a) Raw Materials | 4358.48 | 5412.12 |
| b) Stock-in-Process | 484.34 | 633.80 |
| c) Finished Goods (Including finished Goods-in-transit for exports Rs.411.90 Lacs; Previous Year Rs.48.93 Lacs) | 2148.04 | 1216.70 |
| d) Stores, Spares and Fuel | 214.35 | 223.38 |
| e) Packing Materials | 44.62 | 54.66 |
| f) Waste | 179.95 | 88.05 |
| | 7429.78 | 7628.71 |
| * Valuation of Inventories : Refer Note 25(7) of Significant Accounting Policies | | |

NOTES TO FINANCIAL STATEMENTS

Forming Part of the Balance Sheet as at 31st March, 2014

| | As at 31st March, 2014 (₹ in Lacs) | As at 31st March, 2013 (₹ in Lacs) |
|--|--|--|
| NOTE - 12 | | |
| TRADE RECEIVABLES | | |
| (Secured by Letter of Credit, Considered Good) | | |
| (i) Debts Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| (ii) Others - Outstanding for the period less than six months from the date they are due for payment | 956.50 | 594.76 |
| (Unsecured, Considered Good) | | |
| (i) Debts Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| (ii) Others - Outstanding for the period less than six months from the date they are due for payment | 609.48 | 987.93 |
| | 1,565.98 | 1,582.69 |
| NOTE - 13 | | |
| CASH AND BANK BALANCES | | |
| a) Cash and Cash Equivalents : | | |
| i) Cash on hand | 1.10 | 3.16 |
| ii) Balances with Scheduled Banks in Current Account | 17.40 | 9.67 |
| | 18.50 | 12.83 |
| b) Other Bank Balances : | | |
| i) Unpaid Dividend Account | - | 1.07 |
| ii) Fixed Deposits with Banks | 114.85 | 166.16 |
| Less: Fixed Deposits with maturity of more than one year | 52.82 | - |
| Refer Note 10 | 62.03 | 167.23 |
| | 80.53 | 180.06 |
| Note: Fixed Deposit kept with banks as collateral security against their term loans | | |
| NOTE - 14 | | |
| SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured and Considered good) | | |
| a) Advances to Suppliers | 79.09 | 86.54 |
| b) Balance with Government Authorities | 0.03 | 0.42 |
| | 79.12 | 86.96 |
| NOTE - 15 | | |
| OTHER CURRENT ASSETS | | |
| a) Export Incentive Receivable | 405.03 | 363.83 |
| b) MVAT Refund Receivable | 399.45 | 281.00 |
| c) Interest Rebate Receivable | 112.39 | 120.58 |
| d) Interest and Other Income Receivable | 66.56 | 45.97 |
| e) Cenvat Credit Refund Receivable | 105.16 | 19.60 |
| f) Prepaid Expenses | 120.27 | 113.24 |
| | 1,208.86 | 944.22 |



NOTES TO FINANCIAL STATEMENTS

Forming Part of the Profit and Loss Statement for the year ended 31st March, 2014

| | For the year ended 31st March, 2014 (₹ in Lacs) | For the year ended 31st March, 2013 (₹ in Lacs) |
|---|---|---|
| NOTE - 16 | | |
| REVENUE FROM OPERATION | | |
| 1. Sale of Products | | |
| a) Manufactured Goods | 23,477.04 | 21,028.51 |
| b) Traded Goods | 9,767.51 | 6,265.95 |
| Total Sale | 33,244.55 | 27,294.46 |
| 2. Other Operating Revenue | | |
| a) Export Incentives | 853.90 | 782.92 |
| b) Foreign Exchange Gain/(Loss) on Export Bills & Forward Contracts | 95.71 | (19.08) |
| c) Foreign Exchange Gain/(Loss) - (Others) | 24.82 | 4.33 |
| d) Job Work Processing Charges | 117.50 | 222.59 |
| e) Premium Income on Import Licence | 57.50 | - |
| f) Others: Cash Discount Received & Excess Provisions Written Back | 11.98 | 9.89 |
| g) Sale of Scrap | 24.43 | 19.47 |
| Other Operating Revenue | 1,185.84 | 1,020.12 |
| Less: Excise Duty on Scrap Sales | 0.28 | 0.33 |
| Net Other Operating Revenue | 1,185.56 | 1,019.79 |
| Revenue from Operations | 34,430.11 | 28,314.25 |
| Manufactured Goods: | | |
| Yarn | 20,351.57 | 18,757.46 |
| Knitted Fabric | 1,078.37 | 336.80 |
| Cotton Waste | 2,047.10 | 1,934.25 |
| Total Manufactured Goods | 23,477.04 | 21,028.51 |
| Traded Goods: | | |
| Yarn | 9,623.82 | 6,170.76 |
| Cotton | 140.83 | 95.19 |
| Cotton Waste | 2.86 | - |
| Total Traded Goods | 9,767.51 | 6,265.95 |
| NOTE - 17 | | |
| OTHER INCOME | | |
| a) Dividend on Long Term Trade Investments | 32.10 | 23.90 |
| b) Lease Charges Received | 1.98 | 18.14 |
| c) Profit on disposal of Fixed Assets | 13.23 | - |
| | 47.31 | 42.04 |

NOTES TO FINANCIAL STATEMENTS

Forming Part of the Profit and Loss Statement for the year ended 31st March, 2014

| | For the year ended 31st March, 2014 | | For the year ended 31st March, 2013 |
|--|--|-------------|--|
| | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs) |
| NOTE - 18 | | | |
| COST OF MATERIALS CONSUMED | | | |
| Raw Materials Consumed | | | |
| Opening Stock | 5,412.12 | | 2,540.57 |
| Add: Purchases | 13,878.97 | | 14,299.27 |
| | 19,291.09 | | 16,839.84 |
| Less: Sales | 213.14 | | 74.12 |
| Less: Closing Stock | 4,358.48 | | 5,412.12 |
| | | 14,719.47 | 11,353.60 |
| Raw Materials: | | | |
| a) Cotton | | 13,705.40 | 10,877.43 |
| b) Yarn | | 1,014.07 | 476.17 |
| | | 14,719.47 | 11,353.60 |
| NOTE - 19 | | | |
| PURCHASE OF STOCK-IN-TRADE | | | |
| a) Yarn | | 9,380.44 | 5,946.48 |
| b) Cotton | | 271.00 | 88.70 |
| | | 9,651.44 | 6,035.18 |
| NOTE - 20 | | | |
| MANUFACTURING AND OPERATING COSTS | | | |
| Stores and Spares Consumed | | 442.03 | 401.34 |
| Packing Material Consumed | | 357.51 | 313.67 |
| Power and Fuel | | 2,737.61 | 3,217.82 |
| Freight and Forwarding | | 941.91 | 775.98 |
| Repairs and Maintenance: | | | |
| a) Plant and Machinery | 43.16 | | 38.62 |
| b) Buildings | 63.14 | | 34.98 |
| | | 106.30 | 73.60 |
| | | 4,585.36 | 4,782.41 |
| NOTE - 21 | | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | | |
| Stock as at Close: | | | |
| a) Finished Goods | 2,148.04 | | 1,216.70 |
| b) Stock-in-Process | 484.34 | | 633.80 |
| c) Waste | 179.95 | | 88.05 |
| | | 2,812.33 | 1,938.55 |
| Less: Stocks as at commencement: | | | |
| a) Finished Goods | 1,216.70 | | 2,235.30 |
| b) Stock-in-Process | 633.80 | | 769.27 |
| c) Waste | 88.05 | | 176.45 |
| | | 1,938.55 | 3,181.02 |
| | | (873.78) | 1,242.47 |



NOTES TO FINANCIAL STATEMENTS

Forming Part of the Profit and Loss Statement for the year ended 31st March, 2014

| | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|--|--|--|
| | (₹ in Lacs) | (₹ in Lacs) |
| NOTE - 22 | | |
| EMPLOYEES BENEFITS EXPENSE | | |
| a) Salary, Wages and Bonus | 2,063.17 | 1,783.42 |
| b) Contribution to Provident and other Funds | 146.79 | 195.66 |
| c) Welfare expenses | 37.70 | 35.79 |
| | 2,247.66 | 2,014.87 |
| NOTE - 23 | | |
| FINANCE COSTS | | |
| a) Interest: | | |
| on Fixed Loans | 200.48 | 243.60 |
| Others | 692.30 | 724.40 |
| | 892.78 | 968.00 |
| Interest on Loans | 892.78 | 968.00 |
| Less: Interest Received | (64.09) | (76.90) |
| | 828.69 | 891.10 |
| b) Interest on Advance Income Tax | 35.88 | - |
| c) Other Borrowing Costs | 46.95 | 20.95 |
| | 911.52 | 912.05 |
| NOTE - 24 | | |
| OTHER EXPENSES | | |
| Rent | 30.29 | 27.63 |
| Insurance | 84.23 | 79.18 |
| Rates and Taxes | 32.85 | 22.03 |
| Travelling and Conveyance | 85.58 | 77.71 |
| Telephone and Telex Charges | 21.16 | 20.13 |
| Brokerage and Commission on Sales | 456.00 | 371.15 |
| Bank Charges | 98.08 | 90.50 |
| Directors' Sitting Fees | 2.66 | 2.07 |
| Legal and Professional Charges | 93.91 | 64.23 |
| Repairs and Maintenance: Others | 12.53 | 13.48 |
| Auditors Remuneration* | 5.46 | 5.32 |
| Miscellaneous Expenses | 327.40 | 296.55 |
| | 1,250.15 | 1,069.98 |
| * Auditors Remuneration: | | |
| i) Statutory Auditor's Remuneration: | | |
| Audit Fees | 2.25 | 2.25 |
| Tax Audit Fees | 0.56 | 0.56 |
| Certification Fees | 1.12 | 0.98 |
| | 3.93 | 3.79 |
| ii) Cost Auditor's Remuneration: | | |
| Cost Audit Fees | 1.12 | 1.12 |
| Certification Fees | 0.41 | 0.41 |
| | 1.53 | 1.53 |
| Total Remuneration | 5.46 | 5.32 |

NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 25

SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Accounting:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention (except for certain revalued fixed assets) on the accounting principles of a going concern and the Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2. Revenue Recognition:

Sale is recognised on the basis of date of dispatch / Bill of lading and as and when significant risks and rewards of ownership are transferred to the customers.

Sales include excise duty and freight, wherever applicable. Claims and Rebates are excluded therefrom.

3. Use of Estimates:

The presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP), requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities on the date of financial statements. Actual results may differ from these estimates. Any revision to accounting estimates is recognised prospectively.

4. Fixed Assets:

a) Buildings, Plant and Machinery and Electrical Installations acquired up to 31st March, 1993 were revalued on 1st April, 1993 and are stated at updated book value less depreciation. Other assets are stated at cost less accumulated depreciation.

b) Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of its construction.

5. Depreciation / Amortisation and Impairment Loss:

a) Depreciation (including on revalued assets) is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on the amounts capitalised during the year on account of foreign exchange fluctuation is provided prospectively over the residual life of the assets.

b) Leasehold premium is being amortised over the remaining period of lease after the commencement of production.

c) The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is charged to Statement of Profit & Loss. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

6. Investments:

Long-Term Investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such Investments.

7. Valuation of Inventories:

a) Inventories are valued at the lower of the cost and net realisable value.

b) Cost of raw materials is determined on specific identification basis.

c) Cost of stores, spares, packing materials and fuel is determined on weighted average basis.

d) Finished goods and work-in-progress include conversion and other costs incurred in bringing the inventories to their present location and condition.



NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 25 (contd.)

SIGNIFICANT ACCOUNTING POLICIES

8. Employee benefits:

Employee Benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

9. Transaction of Foreign Currency Items:

Transaction in Foreign Currency is recorded at the rate of exchange in force at the date of transaction. Foreign Currency assets and liabilities are stated at the rate of exchange prevailing at the year end and resultant gains / losses are recognised in the Statement of Profit and Loss. Premium / Discount in respect of forward foreign exchange contracts is recognised over the life of the contracts.

10. Government Grants:

Capital grants relating to specific assets are reduced from the gross value of the Fixed Assets and Capital grants for Project Capital Subsidy are credited to Capital Reserve. Other revenue grants are credited to the Statement of Profit & Loss or deducted from the related expenses.

11. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to the Statement of Profit & Loss.

12. Taxation:

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable/virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

13. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws include those in respect of which the Company/ Department is in appeal. Contingent liabilities are disclosed by way of notes to accounts.

Contingent assets are not recognised or disclosed in the financial statement.

NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

As at
31st March, 2014 31st March, 2013
(₹ in Lacs) (₹ in Lacs)

NOTE - 26

OTHER NOTES TO FINANCIAL STATEMENTS

1. **Contingent liabilities :**

Contingent liabilities not provided for in respect of :

- | | | |
|--|-----------------|----------|
| a) Amount outstanding in respect of Bills discounted under Export Letter of Credit (Since realised Rs.1199.69 Lacs; Previous Year Rs.941.49 Lacs) | 3,195.05 | 1,413.83 |
| b) Disputed Statutory claims / levies, including, those pending in court and other claims not acknowledged as debts (excluding interest where not ascertained / demanded) in respect of: | | |

(₹ in Lacs)

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------|--------------|---------------|
| a | Sales Tax | 330.92 | 515.61 |
| b | Income Tax | - | 36.19 |
| c | Excise Duty | 1,392.34 | 1,411.79 |
| d | Custom Duty | 136.39 | 136.39 |

2. Commitments:

- | | | |
|---|---------------|--------|
| a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances of Rs.97.05 Lacs; Previous Year Rs.23.53 Lacs) | 335.06 | 211.77 |
|---|---------------|--------|

b) Forex Derivative Instruments:

Details of foreign currency balances hedged:

| Particulars | Foreign Currency Denomination | Current Year | | Previous Year | |
|---------------------------|-------------------------------|------------------|---------------|------------------|---------------|
| | | Foreign Currency | Indian Rupees | Foreign Currency | Indian Rupees |
| Assets (Trade Receivable) | USD | 15.93 | 956.50 | 10.95 | 594.77 |

c) Other Significant Commitments: Nil

3. a) The Company's case in the matter of Electricity Charges wrongly claimed by Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) from November, 1998 to June, 2008 has been decided favourably by Maharashtra Electricity Regulatory Commission (MERC) and Appellate Tribunal, New Delhi. MSEDCL has filed an appeal before the Supreme Court.
- b) Similarly the High Court of Mumbai has in the matter of Electricity duty on Captive Power Generation has decided in Company's favour and the Government has filed an appeal before the Supreme Court.
- c) The Management foresees only a remote possibility of an outflow of/adjustments to the resources embodying economic benefits, in view of the expert legal opinion in the aforesaid matters obtained by the Company.



NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

| | As at 31st March, 2014 | As at 31st March, 2013 | | | |
|--|---|-----------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | (₹ in Lacs) | (₹ in Lacs) | | | |
| NOTE - 26 (contd.) | | | | | |
| 4. Deferred Tax Liability / (Assets) at the year end comprises of timing differences on account of : | | | | | |
| Depreciation | 1,374.10 | 1,467.89 | | | |
| Expenditure / Provisions allowable | (38.45) | (110.79) | | | |
| Net Deferred Tax Liability | 1,335.65 | 1,357.10 | | | |
| 5. a) In the opinion of Board, the assets other than Fixed Assets and non-current Investments have a value on realisation in the ordinary course of business, atleast equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and other known liabilities is adequate and not in excess of what is required. | | | | | |
| b) The account of certain Trade Receivables, Loans and Advances given / received, Trade Payables and Bank Accounts are, however, subject to formal confirmations and reconciliations, if any. The management, however, is confident that the impact whereof for the year on the financial statements will not be material. | | | | | |
| 6. Buildings, Plant & Machinery and Electrical Installations were revalued as on 1st April, 1993 on the basis of reports of approved valuer on market value / replacement cost basis using standard indices after considering the obsolescence and age of individual assets. The revalued amounts (Net of withdrawals) remaining substituted for the historical cost in the gross block of fixed assets at the close of the year are : | | | | | |
| Buildings | 763.86 | 763.86 | | | |
| Plant & Machinery | 895.00 | 1,058.10 | | | |
| Electrical Installations | 127.53 | 130.00 | | | |
| 7. Disclosure pursuant to Clause 32(v) of the Listing Agreement : Loans & Advances include amount receivable from employees against interest free loan given to them in the ordinary course of business and as per rules of the Company. No repayment schedule or repayment is beyond seven years. | | | | | |
| (Maximum amount due at any time during the year) | 12.51 | 12.92 | | | |
| Number of Equity Shares of the Company held by such employees | 15.58 | 14.18 | | | |
| Number of Equity Shares of the Company held by such employees | 408 | 408 | | | |
| 8. Rates and Taxes (Note 24) include : Provision for Wealth Tax | 1.90 | 1.81 | | | |
| 9. a) Foreign Exchange difference (net) credited/(debited) to Statement of Profit and Loss. | 120.52 | (14.75) | | | |
| b) Foreign Exchange difference (net) in respect of Foreign Exchange contracts to be credited/(debited) to subsequent year's Statement of Profit and Loss. | 115.17 | 31.41 | | | |
| c) Details of foreign currency balances not hedged: | | | | | |
| | | Current Year | Previous Year | | |
| Particulars | Foreign Curre- ncy Denomi- nation | Foreign Currency in Lacs | Indian Rupees in Lacs | Foreign Currency in Lacs | Indian Rupees in Lacs |
| Advances to Vendors | EURO | 0.03 | 2.80 | 0.03 | 1.96 |
| | JPY | 0.92 | 0.54 | - | - |
| | CHF | 0.01 | 0.88 | - | - |
| Payable to Suppliers | USD | 11.71 | 704.53 | 2.30 | 125.34 |
| | EURO | - | - | 0.01 | 0.99 |

NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 26 (contd.)

10. Employee Benefits:

Defined Benefit Plans as per actuarial valuations as on 31.03.2014

Details of Gratuity plan are as follows:

| Description | (₹ in Lacs) | (₹ in Lacs) |
|--|-------------------|-------------|
| 1. Reconciliation of opening and closing balances of obligation | | |
| a. Obligation as at 01.04.2013 | 484.16 | 390.82 |
| b. Current Service Cost | 41.36 | 37.65 |
| c. Interest Cost | 39.22 | 33.40 |
| d. Actuarial (Gain) / Loss | (29.83) | 36.01 |
| e. Benefits Paid | (17.56) | (13.73) |
| f. Obligation as at 31.03.2014 | 517.34 | 484.16 |
| 2. Change in Plan Assets (Reconciliation of opening and closing balances) | | |
| a. Fair Value of plan assets as at 01.04.2013 | 322.49 | 306.46 |
| b. Actual Company Contributions | 160.00 | - |
| c. Expected return on plan assets | 31.50 | 23.97 |
| d. Benefits Paid | 17.56 | 13.73 |
| e. Actuarial Gain / (Loss) | (7.40) | 5.79 |
| f. Fair Value of plan assets as at 31.03.2014 | 489.02 | 322.49 |
| 3. Reconciliation of fair value of assets and obligations | | |
| a. Present value of obligation as at 31.03.2014 | 517.34 | 484.16 |
| b. Fair Value of plan assets as on 31.03.2014 | 489.02 | 322.49 |
| c. Net liability recognized in the Balance Sheet | 28.32 | 161.67 |
| 4. Expense recognized in the period | | |
| a. Current service cost | 41.36 | 37.65 |
| b. Interest cost | 39.22 | 33.40 |
| c. Expected return on plan assets | 31.50 | 23.97 |
| d. Actuarial (Gain) / Loss | (22.43) | 30.23 |
| e. Expense recognized till 31.03.2014 | 26.65 | 77.31 |
| 5. Investment Details | | |
| The full amount has been invested in cash accumulation scheme of Insurer Managed Funds | | |
| 6. Assumptions | 31/03/2014 | 31/03/2013 |
| a. Discount rate (per annum) | 9.20% | 8.25% |
| b. Estimated rate of return on plan assets (per annum) | 8.00% | 8.00% |
| c. Rate of escalation in salary (per annum) | 5.00% | 5.00% |
| 7. Plan Assets | | |
| BSL Group Secure Fund Plan I | 300.94 | 193.68 |
| BSL Group Stable Fund Plan I | 188.07 | 128.80 |



NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 26 (contd.)

11. Related Party disclosures pursuant to Accounting Standard '18':

1. Name of the Parties:

(i) Key Management Personnel:

Shri Krishan Kumar Patodia (Chairman and Managing Director)

Shri Narayan Patodia (Managing Director)

Shri Rajiv Patodia (Executive Director)

(ii) Other Related Parties (Associates), where transactions have taken place during the year:

PBM Polytex Limited

Patodia Syntex Limited

Murarilal Mahendra Kumar

Paramount Cotton Co.

2. Transactions with Related Parties :

(₹ in Lacs)

| Sr. No. | NAME OF PARTIES | 2013-14 | 2012-13 |
|----------|---|--------------|---------|
| 1 | KEY MANAGERIAL PERSONNEL: DIRECTORS REMUNERATION | | |
| | Shri Krishan Kumar Patodia | 46.71 | 46.59 |
| | Shri Narayan Patodia | 23.13 | 27.05 |
| | Shri Rajiv Patodia | 27.12 | 22.21 |
| 2 | OTHER RELATED PARTIES (ASSOCIATES): PURCHASE OF GOODS & MATERIAL | | |
| | PBM Polytex Ltd. | - | 515.48 |
| | Patodia Syntex Ltd. | 0.85 | - |
| | SALE OF GOODS AND MATERIAL | | |
| | PBM Polytex Ltd. | - | 0.21 |
| | Patodia Syntex Ltd. | - | 2.17 |
| | DIVIDEND INCOME ON SHARES | | |
| | PBM Polytex Ltd. | 31.65 | 23.74 |
| | RENT RECEIVED | | |
| | PBM Polytex Ltd. | 0.18 | 0.29 |
| | RENT PAID | | |
| | Patodia Syntex Ltd. | 3.60 | 2.28 |
| | CHARGES TOWARDS USE OF OFFICE PREMISES (RENT) | | |
| | Murarilal Mahendra Kumar | 3.90 | - |
| | Paramount Cotton Company | 3.00 | 2.25 |
| | REIMBURSEMENT OF ELECTRICITY & OFFICE MAINTANANCE EXPENSES | | |
| | Murarilal Mahendra Kumar | 5.02 | - |
| | Paramount Cotton Company | 1.67 | 0.73 |
| | PRESSING CHARGES PAID | | |
| | Patodia Syntex Ltd. | 52.94 | 43.89 |
| | JOB WORK CHARGES RECEIVED | | |
| | Patodia Syntex Ltd. | 0.21 | 5.51 |

NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 26 (contd.)

(₹ in Lacs)

| Sr. No | CLOSING BALANCE OF RELATED PARTIES | 2013-14 | 2012-13 |
|--------|---|---------|---------|
| | PAYABLE | | |
| | PBM Polytex Ltd. | - | 0.01 |
| | Patodia Syntex Ltd. | 4.17 | 5.91 |
| | Patodia Syntex Ltd. (Promoter's Contribution) | 3.00 | 3.00 |
| | RECEIVABLE | | |
| | Patodia Syntex Ltd. | - | 0.28 |
| | INVESTMENT | | |
| | PBM Polytex Ltd. | 309.56 | 309.56 |

Notes: 1. Related party relationship is as identified by the Company and relied upon by the Auditors.

2. No amounts in respect of related parties have been written off/written back during the year, nor any provision has been made for doubtful debts/receivables.

12. In terms of Accounting Standard 17, the Company operates primarily only in one business segment Viz. Cotton yarn and has its production facilities and all other assets located in India. Sales comprises exports sales of Rs.25,021.61 Lacs (Previous year Rs.17,908.80 Lacs) and Domestic sales of Rs.8,222.32 Lacs (Previous year Rs.9,385.67 Lacs).

| 13. Earnings per share (EPS) is calculated as under: | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Basic and Diluted EPS after Taxation | | |
| Numerator: | | |
| Net Profit after Taxation as disclosed in Statement of Profit & Loss | 557.22 | (179.62) |
| Denominator: | | |
| Average No. of Equity Shares outstanding during the year | 87.50 | 87.50 |
| Earnings Per Share (EPS) Rs. | 6.37 | (2.05) |
| The nominal value per Equity Share is Rs.10 each | | |

14. Additional Information pursuant to Revised Schedule VI to the Companies Act, 1956:

| | 2013 - 14 | | | 2012 - 13 | | |
|--|---------------|---------------|------------------|---------------|---------------|------------------|
| | Percentage | Kgs. | ₹ in Lacs | Percentage | Kgs. | ₹ in Lacs |
| a) Consumption of Raw Materials | | | | | | |
| (Indigenous) | | | | | | |
| Cotton | 86.89 | 111.61 | 12,789.37 | 76.76 | 87.37 | 8,714.55 |
| Cotton Yarn | 6.89 | 4.82 | 1,014.07 | 4.19 | 1.75 | 476.17 |
| (Imported) | | | | | | |
| Cotton | 6.22 | 7.24 | 916.04 | 19.05 | 20.19 | 2,162.88 |
| Yarn | - | - | - | - | - | - |
| | <u>100.00</u> | <u>123.67</u> | <u>14,719.48</u> | <u>100.00</u> | <u>109.31</u> | <u>11,353.60</u> |
| b) Stores, Spares and Packing Material | | | | | | |
| Consumed: | | | | | | |
| Imported | 14.01 | | 112.00 | 23.84 | | 170.45 |
| Indigenous | 85.99 | | 687.55 | 76.16 | | 544.57 |
| | <u>100.00</u> | | <u>799.55</u> | <u>100.00</u> | | <u>715.02</u> |



NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE - 26 (contd.)

| | 2013 - 14 | 2012 - 13 |
|---|-----------|-----------|
| | ₹ in Lacs | ₹ in Lacs |
| c) Value of Imports Calculated on CIF basis : | | |
| Raw Materials | 878.47 | 1,981.31 |
| Components and spare parts | 95.48 | 126.97 |
| Capital Goods | 368.23 | - |
| | 1,342.18 | 2,108.28 |
| d) Earnings in Foreign Exchange : | | |
| F.O.B. value of goods exported | 24,488.54 | 17,456.29 |
| e) Expenditure in Foreign Currency : | | |
| Commission | 397.50 | 308.47 |
| Interest | 1.01 | 4.39 |
| Others | 59.24 | 59.46 |
| | 457.75 | 372.32 |

15. Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| | | (₹ in Lacs) | |
|--------|---|-------------|---------|
| Sr.No. | Particulars | 2013-14 | 2012-13 |
| a) | Principal amount remaining unpaid (not overdue) | 10.72 | 20.05 |
| b) | Interest paid in terms of Section 16 | - | - |
| c) | Interest due and payable for the period of delay in payment | - | - |
| d) | Interest accrued and remaining unpaid | - | - |
| e) | Interest due and payable even in succeeding years | - | - |

The Company has compiled the above information based on verbal/written confirmations from suppliers.

16. Previous years' figures have been regrouped / rearranged wherever necessary to conform with current year's presentation.

Signatures to Notes '1' to '26'

RAHUL RAWAT
Company Secretary

K. K. PATODIA
NARAYAN PATODIA
RAJIV PATODIA
V. K. GUPTA
M. L. BAGARIA
A. R. GARDE

Chairman and Managing Director (CEO)
Managing Director
Executive Director
Director
Director
Director

Mumbai, 30th May, 2014

Kolhapur, 30th May, 2014

INSTRUCTIONS FOR E-VOTING

The instructions for Members for voting electronically are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the Company name “Eurotex Industries and Exports Limited” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Demat account/Folio number in the PAN field. ● In case the Folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ravi Kumar with Folio number 100 then enter RA00000100 in the PAN field. |
| DOB | <p>Enter the Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or Folio in dd/mm/yyyy format.</p> |
| DIVIDEND BANK DETAILS | <p>Enter the Dividend Bank Details as recorded in your Demat account or in the Company records for the said Demat account or Folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the Number of Shares held by you as on 1st August, 2014 in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for the Eurotex Industries and Exports Limited on which you choose to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option “**YES/NO**” for voting. Select the option “**YES**” or “**NO**” as desired. The option “**YES**” implies that you assent to the Resolution and option “**NO**” implies that you dissent to the Resolution.
- (xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions details.
- (xiv) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the Changed Password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional and Corporate Members (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a Scanned copy of the Board Resolution and Power of Attorney (POA) in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the Scrutiniser to verify the vote.
- (xix) The voting period begins on 1st September, 2014 at 10.00 A.M. and ends on 2nd September, 2014 at 6.00 P.M. During this period Shareholders of the Company, holding shares either in Physical form or in Dematerialized form, as on the cut-off date (record date) of 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office : 809, Raheja Chambers, 8th Floor, 213, Nariman Point, Mumbai – 400021
Tel : 91 22 6630 1400 Fax : 91 22 2204 4139 E-mail : eurotex@eurotexgroup.com
Website : www.eurotexgroup.com CIN : L17120MH1987PLC042598

**28TH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

DATE SATURDAY, 6TH SEPTEMBER, 2014
VENUE "THE RESIDENCE" SAKI VIHAR ROAD, BEFORE NITIE, POWAI, MUMBAI - 400 087.
TIME 9.30 A.M.

Folio No. / Client ID :
DP ID No. :
Name & Address of the Member(s) :
(IN BLOCK LETTERS)

I certify that I am a Member / Proxy for the Member holding.....Shares

Name of the Proxy
(IN BLOCK LETTERS)

Signature of Member / Proxy

Notes:

- 1. Shareholder / Proxy are requested to bring the Attendance Slips with them, duly completed when they come to the meeting and deposit at the entry gate of the hall, affixing their signatures on them.
- 2. Duplicate Admission Slip will not be issued at the venue.

EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office : 809, Raheja Chambers, 8th Floor, 213, Nariman Point, Mumbai – 400021
Tel : 91 22 6630 1400 Fax : 91 22 2204 4139 E-mail : eurotex@eurotexgroup.com
Website : www.eurotexgroup.com CIN : L17120MH1987PLC042598

**28TH ANNUAL GENERAL MEETING
PROXY FORM**

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) : E-mail ID :
(Including Joint Holders, if any) :
(IN BLOCK LETTERS) :
Folio No. / Client ID :
Registered Address of the Sole / First Named Member :
DP ID No. :

I/We, being the member(s) ofshares of Eurotex Industries and Exports Limited, hereby appoint :

- 1. Name:..... Address.....
.....
E-mail ID..... Signature.....,or failing him
- 2. Name:..... Address.....
.....
E-mail ID..... Signature.....,or failing him
- 3. Name:..... Address.....
.....
E-mail ID..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the 6th day of September, 2014 at 9:30 a.m. at "The Residence", An Apartment Hotel, Saki Vihar Road, before Nitie, Powai, Mumbai – 400 087 and at any adjournment thereof in respect of such Resolutions as are indicated below:

| Resolution Number | Description |
|--------------------------|---|
| Ordinary Business | |
| 1. | Adoption of Financial Statements for the financial year ended 31st March, 2014 and the Reports of the Directors and Auditors thereon. |
| 2. | Declaration of Dividend for the financial year ended 31st March, 2014. |
| 3. | Appointment of Director in place of Shri Gopal Patodia (DIN: 00014247) who retires by rotation and offers himself for re-appointment. |
| 4. | Appointment of M/s Lodha & Co., Chartered Accountants, as Auditors, for a period of three years and to fix their remuneration. |
| Special Business | |
| 5. | Appointment of Shri V. K. Gupta (DIN: 00021560) as an Independent Director for a period of 5 years. |
| 6. | Appointment of Shri D. K. Patel (DIN: 00013150) as an Independent Director for a period of 5 years. |
| 7. | Appointment of Shri M. L. Bagaria (DIN: 01213323) as an Independent Director for a period of 5 years. |
| 8. | Appointment of Shri P. P. Dundh (DIN: 00023482) as an Independent Director for a period of 5 years. |
| 9. | Appointment of Shri A. R. Garde (DIN: 00015853) as an Independent Director for a period of 5 years. |
| 10. | To ratify the remuneration of the Cost Auditor for the financial year 2014-15. |

Signed this day of 2014.

Signature of the Shareholder(s)

Signature of the Proxy holder(s)

| |
|-------------------------------------|
| Affix Re.1/- Revenue Stamp |
|-------------------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the 12th Floor, Raheja Chambers, 213, Nariman Point, Mumbai – 400 021, not less than 48 hours before the commencement of the Meeting i.e. by 9:30 a.m. on 4th September, 2014.

EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office : 809, Raheja Chambers, 8th Floor, 213, Nariman Point, Mumbai – 400021

Tel : 91 22 6630 1400 Fax : 91 22 2204 4139 E-mail : eurotex@eurotexgroup.com

Website : www.eurotexgroup.com CIN : L17120MH1987PLC042598

BALLOT FORM

[in lieu of e-voting at the AGM]

1. Folio No. / DP ID No. / Client ID No. :
2. Name and Registered address of the sole / first named Shareholder :
3. Name(s) of the Joint Shareholder(s), if any :
4. Number of Equity shares held :
5. I/We hereby exercise my/our vote in respect of Resolutions to be passed for the business stated in the Notice of the 28th Annual General Meeting of the Company dated 30th May, 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing tick (✓) mark at the appropriate box below:

| Description of the Resolution | No. of Equity Shares for which Votes cast | (FOR) I / We assent to the Resolution | (AGAINST) I / We dissent to the Resolution |
|--|---|---------------------------------------|--|
| 1. Adoption of Financial Statements for the financial year ended 31st March, 2014, and the Reports of the Directors and Auditors thereon | | | |
| 2. Declaration of Dividend for the financial year ended 31st March, 2014. | | | |
| 3. Appointment of Director in place of Shri Gopal Patodia (DIN: 00014247) who retires by rotation and offers himself for re-appointment. | | | |
| 4. Appointment of M/s Lodha & Co., Chartered Accountants, as Auditors, for a period of three years and to fix their remuneration. | | | |
| 5. Appointment of Shri V. K. Gupta (DIN: 00021560) as an Independent Director for a period of 5 years. | | | |
| 6. Appointment of Shri D. K. Patel (DIN: 00013150) as an Independent Director for a period of 5 years. | | | |
| 7. Appointment of Shri M. L. Bagaria (DIN: 01213323) as an Independent Director for a period of 5 years. | | | |
| 8. Appointment of Shri P. P. Dundh (DIN: 00023482) as an Independent Director for a period of 5 years. | | | |
| 9. Appointment of Shri A. R. Garde (DIN: 00015853) as an Independent Director for a period of 5 years. | | | |
| 10. To ratify the remuneration of the Cost Auditor for the financial year 2014-15. | | | |

Place :

Date :

Signature of the Shareholder

ELECTRONIC VOTING

E-voting details:

| Electronic Voting Sequence Number (EVSN) | User ID |
|--|---------|
| 140725018 | |

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Dr. S. K. Jain, Practising Company Secretary, 13/16, Kapadia Chambers, Ground Floor, 599, J.S.S. Road, Chira Bazar, Mumbai – 400 002, so as to reach by **6:00 p.m.** on **2nd September, 2014**. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final and binding.
4. In case the Member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of vote under E-voting and Ballot Form (By Post) shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of Members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Datamatics Financial Services Limited. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID & Client ID irrespective of the number of Joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/ Trust/ Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 28th Annual General Meeting, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note 15 to the Notice dated 30th May, 2014 convening the Annual General Meeting for the procedure with respect to e-voting.

BY COURIER



If Undelivered, Please Return to:

EUROTEX INDUSTRIES AND EXPORTS LTD.

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