



MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIY	✓
TRA	✓		AC	✓
AGM	✓		SH	✓
YE	✓			✓

EXPORTS LIMITED

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# **EIGHTH ANNUAL REPORT** **1996-97**

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BOARD OF DIRECTORS	:	Shri Ishwar Lal Patwari – <i>Chairman</i> Shri Sushil Kumar Patwari – <i>Vice Chairman cum Managing Director</i> Shri Dwarka Prasad Agarwal – <i>Director</i> Shri Kashmirilal Agarwal – <i>Director</i> Shri Vinod B. Agarwal – <i>Director</i> Shri Sunil Kumar Patwari – <i>Managing Director</i>
BANKERS	:	Canara Bank, Overseas Branch, Calcutta The Vysya Bank Limited, Overseas Branch, Mumbai
AUDITORS	:	M/s. Das & Prasad Chartered Accountants 9, Jagmohan Mullick Lane, Calcutta - 700 007.
TRANSFER AGENT	:	M/s. Nicco Uco Financial Services Ltd., 702/C, Block P, 1st Floor, New Alipore, Calcutta - 700 053.
REGISTERED OFFICE	:	18, R. N. Mukherjee Road, Calcutta - 700 001.
CORPORATE OFFICE	:	7, Kala Bhavan, 3, Mathew Road, Mumbai -400 004.
WORKS	:	Village Yavluj, Tehsil Panhala, Dist. Kolhapur (Maharashtra)



## NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of **NAGREEKA EXPORTS LIMITED** will be held on Saturday, the 20th September 1997 at 1.30 PM at BHARATIYA BHASHA PARISHAD, 36-A, Shakespeare Sarani, Calcutta 700 017 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Ishwar Lal Patwari who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By Order Of Board Of Directors  
For NAGREEKA EXPORTS LIMITED

**J.TIWARI**  
Company Secretary

PLACE : CALCUTTA

DATE : 13.08.97

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing Proxy should however, be deposited at the Registered Office of the Company not less than forty-eight hours before the time of meeting.
3. Members are requested to notify immediately change in their addresses, if any, to the Registrar and Share Transfer Agent **M/S.NICCO UCO FINANCIAL SERVICES LTD.**, 702/C, Block "P", 1st Floor, New Alipore, Calcutta 700 053, quoting their Folio Numbers.
4. If dividend on Shares as recommended by the Directors is declared at the meeting, payment of such dividend will be made within 42 days of the date of Annual General Meeting to those members whose names stand on the Company's Register of Members on Saturday, the 20th September 1997.

5. Members are requested to bring their copy of Annual Report at the meeting and produce attendance slip at the entrance.
6. The Register of Members and the Transfer Books in respect of Equity Shares of the Company will remain closed from Saturday the 13th September, 1997 to Saturday the 20th September 1997 (both days inclusive).
7. Members desiring any information with respect to the accounts for the year ended 31st March 1997 are requested to write to the Company at its Registered Office at least seven days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
8. The Unpaid Dividends that are due for transfer to the Central Government are as follows :

Financial Year ended	Due for transfer on
31.03.1994	17.11.97
31.03.1995	14.11.98
31.03.1996	10.11.99

Members who have not encashed their Dividend Warrants for the above said financial years are requested to approach the Company, for obtaining duplicate Dividend Warrants.

9. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar and Transfer Agents **M/s. NICCO UCO FINANCIAL SERVICES LTD.** for consolidation of all such shares holdings in to one account to facilitate better service.
10. With a view to provide protection against fraudulent encashment of Dividend Warrants, Shareholders are requested by the Company to provide their bank account number, name and address of Bank Branch quoting their Folio No. to enable the Company to incorporate the said details in the Dividend Warrants.

By Order Of Board Of Directors  
For NAGREEKA EXPORTS LIMITED

**J.TIWARI**  
Company Secretary

PLACE : CALCUTTA  
DATE : 13.08.97

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors' have pleasure in presenting their eighth Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31st March, 1997.

**FINANCIAL RESULTS**

	1996-97 (Rs. in Lacs)	1995-96 (Rs. in Lacs)
GROSS PROFIT	1486.26	1194.50
Interest	562.64	301.98
Depreciation	875.04	139.42
Less: Transfer from Gen. Reserve	314.79	—
	<u>560.25</u>	<u>—</u>
PROFIT BEFORE TAXATION	363.37	753.10
Provision for Taxation	6.27	—
	<u>357.10</u>	<u>753.10</u>
PROFIT AFTER TAXATION	357.10	753.10
Profit b/f. from Previous year	25.79	13.34
	<u>382.89</u>	<u>766.44</u>
PROFIT AVAILABLE FOR APPROPRIATION	<u>382.89</u>	<u>766.44</u>
<b>Appropriations :</b>		
Transfer to Debenture		
Redemption Reserve	125.00	125.00
Proposed Dividend	145.65	145.65
Tax on proposed Dividend	14.56	—
Transfer to General Reserve	20.00	470.00
Balance carried to Balance Sheet	77.68	25.79
	<u>382.89</u>	<u>766.44</u>

**DIVIDEND**

Your Directors have pleasure in recommending for your consideration payment of Dividend of Rs.1.50 per Equity Share for the year ended 31.03.97 to those Members whose names appear on the Register of Members on 20.09.97. This will absorb a total amount of Rs.145.65 lakhs. Dividend Tax on the above will amount to Rs.14.57 lacs. Therefore, total outgo on account of Dividend will be Rs.160.22 lakhs (approximately) against Rs.145.65 in previous year

**OPERATION**

Your Company clocked a turn over of Rs.10,957.36 lacs as against Rs.7,856.00 lacs in the previous year, thus recording a sharp **increase of 39.48%** over the previous year. The Gross Profit for the year under review is Rs.1,486.26 lacs as against Rs.1,194.50 lacs in the previous year recording an increase of 24.43% over the previous year.

Your Directors are pleased to inform that the 100% EOU Spinning Mill has been functional throughout the year under review and has achieved the targeted production level.

**FUTURE PROSPECTS**

Although there is a marked and perceptible slow- down in the Cotton Yarn Industry in India in the Current year, your Company is fully geared up to meet the challenge and achieve the budgeted figures in respect of turnover and profitability.

The performance for the first four months of the current year has justified this confidence.

A balancing scheme for increasing combing capacity and adding knitting capacity for better value addition is under implementation.

Your Directors are constantly reviewing your Company's business plan and leveraging its strengths to ensure optimum results.

**PUBLIC DEPOSIT**

The Company has not accepted any deposits during the year under review within the meaning of Section 58(A) of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules 1975.

**AUDITORS' REPORT**

The observations made by the Auditors' in their Report are self explanatory and, therefore, do not call for any comment.

**DIRECTORS**

Shri Ishwar Lal Patwari retires by rotation at the ensuing Annual General Meeting but, being eligible, offers himself for reappointment.

**AUDITORS**

M/s. Das & Prasad, Chartered Accountants, Calcutta, the Auditors' of your Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**PARTICULARS OF EMPLOYEES**

A statement in accordance with Sub Section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure I which forms a part of this report.

**PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO**

As required Under Section 217(1)(e) of the Companies Act, 1956 and Rules made therein, the Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure II to this report.

**APPRECIATION**

Your Directors wish to place on record their sincere appreciation of the dedicated services rendered by the employees of the Company at all levels towards the performance and achievements of the Company.

Your Directors are also grateful to the Central Government, State Government, Financial Institutions & Bankers to the Company for their continued co-operation, support and timely assistance.

Your Directors are thankful to the local authorities at Kolhapur for their continued co-operation.

Your Directors are also grateful to the Member for their active and unstinted Support.

By Order Of the Board

PLACE : CALCUTTA  
DATE : 13.08.97

I.L.PATWARI  
Chairman


**ANNEXURES FORMING PART OF THE DIRECTORS' REPORT**
**ANNEXURE - I**

1. PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956.

Sl. No.	Name of Employee	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualification & experience	Date of Commencement of Employment	Last Employment held
1.	Sri Sushil Patwari*	42	Vice Chairman cum Managing Director	150000/-	B.Com 25 yrs	01.10.96	Business
2.	Sri Sunil Patwari	36	Managing Director	210000/-	ACA, MBA 12 yrs	01.09.93	Business

\* Indicates that the employee is in service only for part of the year.

**Notes :**

- 1 Remuneration shown above is subject to tax and comprise salary and benefits.
- 2 The nature of the employment is contractual.
- 3 Sri Sushil Patwari and Sri Sunil Patwari are related to Sri I. L. Patwari, Chairman.

**ANNEXURE - II**

Information as per Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

- A) The Company is making all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipment were used and the effect of the same has been felt.

Total energy consumption and energy consumption per unit of production as prescribed in form 'A'.

	Year ended 31.03.97	Year ended 31.03.96
<b>(i) Power Consumption :</b>		
(1) Electricity		
(a) Purchased units (in lacs)	111.02	68.85
Total amount (Rs.in lacs)	353.72	190.38
Rate per Unit (Rs.)	3.19	2.76
(b) Own Generation		
Through diesel generator		
Total units generated (in lacs)	14.99	5.91
Units per liter of diesel oil	3.53	3.06
Cost per unit (Rs.)	2.04	2.52
(2) Coal	Nil	Nil
(3) Furnace oil	Nil	Nil
(4) Other Internal Generation	Nil	Nil
<b>(ii) Consumption per unit of Production</b>		
(1) Electricity units per kg of yarn	4.41	6.08
(2) Furnace Oil (kg/unit)	Nil	Nil

**B) Technology Absorption :**

Efforts made in technology Absorption as per Form B:

Indigenous technology alone is used and Research and development are carried out by separate Textile Research Associations for Textile Units SITRA and BITRA and the Company is a member of these associations.

**C) Foreign Exchange Earnings and Out Go :**

(i) Foreign Exchange earned - (Rs.)	1,03,69,15,278/-	75,34,97,086/-
(ii) Foreign Exchange Out Go - (Rs.)	1,99,30,762/-	1,12,79,799/-

By Order Of the Board

 PLACE : CALCUTTA  
 DATE : 13.08.97

 I. L. PATWARI  
 Chairman

**AUDITORS' REPORT**

TO

**THE MEMBERS OF NAGREEKA EXPORTS LIMITED**

WE have audited the attached Balance sheet of **NAGREEKA EXPORTS LIMITED**, CALCUTTA as at 31st march, 1997 and the Profit & Loss Account annexed thereto, for the year ended on that date and we report that:

- 1.1) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- 1.2) No revaluation of the Fixed Assets of the Company was made during the year.
- 1.3) The stocks of finished goods, stores, spare parts and raw material have been physically verified by the management at reasonable intervals during the year including at the year end.
- 1.4) As explained to us the procedure of physical verification of the above referred stock followed by the management are, in our opinion reasonable and adequate in relation to the size of the Company and nature of its business.
- 1.5) The discrepancies noticed on physical verification of stock as compared to book records were not material and have been properly dealt with in the books of account.
- 1.6) In our opinion and on the basis of our examination the valuation of the stock is fair and proper in accordance with normally accepted accounting principles.
- 1.7) The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act 1956, and/or from the Companies under the same management as defined under Section 370(1-B) of the Companies Act 1956.
- 1.8) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained Under Section 301 and/or to the Companies under the same management as defined Under Section 370(1-B) of the Companies Act 1956.
- 1.9) The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest where applicable.
- 1.10) Having regard to the greater degree of personal supervision exercised by the directors, in our opinion and according to the information and explanations given to us during the course of the audit, the internal control procedures of the Company relating to purchase of stores, raw materials and fixed assets and also of goods are commensurate with the size and the nature of the business of the Company.
- 1.11) According to the information and explanations given to us, the transactions of purchase and sales of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956, aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
- 1.12) The Company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act 1956 and the rules framed thereunder.
- 1.13) In our opinion reasonable records have been maintained by the Company for sale and disposal of realisable scrap and residual materials. The company has no by-products.





- 1.14) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business. However there is a further scope of improvement.
- 1.15) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, outstanding for a period of more than 6 months as at 31st March 1997.
- 1.16) During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices we have not come across any personal expenses other than expenses under contractual obligation and /or generally accepted business practices which have been charged to Profit & Loss Account.
- 1.17) The Company is not a Sick Industrial Company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act 1985.
- 1.18) In respect of trading activities, we are informed that the Company does not have damaged goods lying with it at the end of the year. Therefore, no provision for any loss is required to be made in the accounts.
- 1.19) All other provisions of the order either do not apply or there is nothing to be reported therein.

**Subject to the above we further report that:**

- 2.1) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2.2) In our opinion, proper books of accounts as required by laws, have been kept by the Company so far as appears from our examination of those books.
- 2.3) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the books of accounts as submitted to us.
- 2.4) In our opinion and to the best of our information and according to the explanations given to us, the said statements of Accounts, read together with significant accounting policies and notes on accounts in Schedule "P", give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
- i) In case of the Balance Sheet of the state of affairs of the Company as at 31st March 1997.

AND

- ii) In case of Profit and Loss Account of the PROFIT for the year ended on that date.

for **DAS & PRASAD**  
Chartered Accountants

**B.N.AGARWALA**  
Partner

PLACE : 9, JAGMOHAN MULLICK LANE  
CALCUTTA - 700 007  
DATED : 13th AUGUST, 1997