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Nagreeka[®] EXPORTS LIMITED

9TH
ANNUAL REPORT
1997-98

**YOUR COMPANY HAS BEEN AWARDED THE SILVER TROPHY BY
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA
FOR
EXPORT PERFORMANCE AS 'MERCHANT EXPORTER – YARN CATEGORY'**



**Shri. I. L. Patwari (Chairman) receiving Trophy
from Shri. Kanshiram Rana, The Union Minister of Textile**



BOARD OF DIRECTORS	:	Shri Ishwar Lal Patwari	—	<i>Chairman</i>
		Shri Sushil Kumar Patwari	—	<i>Vice Chairman & 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 and Prasad Chartered Accountants 9, Jagmohan Mullick Lane, Calcutta - 700 007.		
EQUITY SHARES LISTED AT	:	Mumbai, Calcutta, Delhi & Ahmedabad Stock Exchanges		
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, Taluka Panhala, Dist. Kolhapur (Maharashtra)		



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NOTICE

Notice is hereby given that the **9th Annual General Meeting** of the Members of **Nagreeka Exports Limited** will be held on **Wednesday, the 23rd September, 1998** at **10 A.M.** 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, 1998, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri D.P. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to Section 269, 309, 311 and other applicable Provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act, the company hereby approves the re-appointment and the terms of remuneration of Mr. Sunil Patwari, Managing Director of the Company, for a period of 5 years with effect from 1st September, 1998 upon the terms and conditions set out in the Draft Agreement submitted to this meeting and for identification signed by Chairman thereof, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of said re-appointment and/or agreement in such manner as may be agreed to between the Directors and Mr. Sunil Patwari".

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

"RESOLVED that if and when permitted by the law and subject to all applicable Provisions of the law and subject to such consents and such other approvals as may be required and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company, (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), or as may be prescribed or imposed while granting such consents and approvals and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board, to

purchase of such number of Ordinary Shares or other Securities specified by Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding such percentage of the Capital of the Company, as may be permitted by the law, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law."

"RESOLVED further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities".

"RESOLVED further that nothing hereinabove contained shall confer any right on any member to offer or any obligation on the company or the Board to buy back any Ordinary Shares or other Securities".

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

"RESOLVED that pursuant to section 31 and other applicable Provisions, if any, of the Companies Act, 1956 and the Provisions of other Statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows :

- (i) In the Interpretation Clause, at the end of the existing Interpretation of "Register" in Article 2, the following shall be inserted, viz. :
 - (a) "Beneficial Owner" shall have the meaning assigned thereto in section 2 of the Depositories Act, 1996.
 - (b) "Depositories Act" means the Depositories Act, 1996 and includes where the context so admits any re-enactment or statutory modification(s) thereof for the time being in force.
 - (c) "Depository" means a Depository as defined under Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (ii) After the Existing Article 113, the following new Article 113A shall be inserted, viz. :

Save as herein otherwise provided, the Company Shall be entitled to treat the person whose name appears as the beneficial owner of the shares,

debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividend or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matter connected with the Company and accordingly the Company shall not (except as ordered by the court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

- (iii) After the new Article 113A, the following new Article 113B, shall be inserted, viz.:

Notwithstanding anything contained in these Articles, the Company shall be entitled in accordance with the provisions of the Depositories Act to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/other securities holders with the details of members/ debenture holders /other security holders holdings shares, debentures or other securities both in materialised and dematerialised form in any media, as permitted by law including any form of electronic media either in respect of the existing shares, debentures or other securities or any future issues thereof.

- (iv) The following shall be inserted as new Articles 13(A) and 13(B) after the existing Articles 13, viz.:

Nothing contained in Articles 10, 11, 12 and 13 shall apply to the transfer of Shares, Debentures or other marketable Securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of the Depository.

In the case of transfer of Shares, Debentures or other marketable Securities where the Company has not issued any certificate and where Shares and Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

Provided that in respect of the Shares, Debentures

and other marketable Securities held by the Depositories on behalf of a beneficial owner as defined in the Depository Act, Sections 153, 153A, 153B, 187C and 372 of the Act, shall not apply.

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

"RESOLVED that pursuant to Section 31 and other applicable Provisions, if any, of the Companies Act, 1956 and the Provisions of other Statutes as applicable, and subject to such approvals, sanctions, consents and permission as may be necessary from the appropriate authorities or the Bodies the Articles of the Association of the Company be and are hereby altered as follow:

- (i) The existing Article 3 be substituted in its entirety by the following, viz.:

The Authorised Share Capital of the Company Shall be such as may be authorised by the Memorandum of Association from time to time.

- (ii) After the existing Article 95, the following new Article 95A be inserted, viz.:

Notwithstanding anything contained in these Article, in the event it is permissible by law for a Company to purchase its own Shares or Securities, the Board of Directors may, when and, if thought fit, buy back such of the Company's own Shares or Securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law."

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

"RESOLVED that consent of the Company, be and is hereby, accorded to delisting the Company's Equity Shares from The Stock Exchange Ahmedabad, Ahmedabad and Delhi Stock Exchange Association Limited, Delhi and further that the Board of Directors of the Company be and is hereby authorised to take all necessary steps for implementation of this Special Resolution including to do all such acts, things, deeds and matter which are connected therewith are incidental thereto."

BY ORDER OF THE BOARD
For **NAGREEKA EXPORTS LIMITED**

PLACE : CALCUTTA
DATE : 31.07.98

J. TIWARI
COMPANY SECRETARY

**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. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed.
4. Members are requested to notify immediately any 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 Number(s).
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 Wednesday the 16th September, 1998 to Wednesday the 23rd September, 1998 (both days inclusive).
7. Members desiring any information with respect to the accounts for the year ended 31st March, 1998 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
31.03.1995	14.11.1998
31.03.1996	10.11.1999
31.03.1997	02.11.2000

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. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividends for the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Members, who have not encashed the Dividend Warrants for the said period are requested to claim the amount, from the Registrar of Companies, West Bengal.
10. 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 Share Transfer Agents **M/s Nicco Uco Financial Services Ltd.** for Consolidation of all such shares holdings into one account to facilitate better services.

BY ORDER OF THE BOARD
For **NAGREEKA EXPORTS LIMITED**

PLACE : CALCUTTA
DATE : 31.07.98

J. TIWARI
COMPANY SECRETARY

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF
SECTION 173(2) OF THE COMPANIES ACT, 1956.**

ITEM NO.4

Mr. Sunil Patwari was appointed as Managing Director of the Company with effect from 1st September, 1993 for a period of five years. Subsequently, Mr. Sunil Patwari has been appointed as Managing Director of the Company for a period of 5 years with effect from 1st September, 1998 in the Meeting of Board of Directors held on 31st July, 1998 subject, however, to the approval of the Members.

The Draft Agreement between the Company and Mr. Sunil Patwari contains the following terms & conditions :

- (1) **Period of Agreement :**
5 years with effect from 1st September, 1998.
- (2) **Remuneration :**
 - (a) **Salary :**
Rs. (25,000 - 5,000 - 45,000), per month
The annual increments in the aforesaid scale will be decided by the Board.
 - (b) **Perquisites :**
 - (i) In addition to the salary payable, Mr. Sunil Patwari shall also be entitled perquisites and allowances like accommodation (furnished or otherwise), or house rent allowance in lieu thereof, house maintenance allowances together with the reimbursement of expenditure or

allowances for utilities such as Gas, Electricity, water furnishings and repairs, medical reimbursement, club fees and leave travel concession for himself and his family including dependents, Premium for Medical Insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed by the Board of Directors and Mr. Sunil Patwari such allowances and perquisites will be subject to a maximum of 100% of his annual salary.

- (ii) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rules perquisites shall be evaluated at actual cost.
Provisions for use of the Company's Car for official duty and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (iii) Companies Contribution to Provident Fund, Superannuation or Annuity Fund to the Extent,

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these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per rules of the Company; and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites aforesaid.

(3) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of the Mr. Sunil Patwari, the Company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites and allowances as specified above.

(4) Alteration of Term & Conditions of Re-appointment:

The terms & conditions of the said re-appointment and or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to managing cum whole time Director in accordance with Schedules XIII to the Companies Act, 1956 or any amendment made hereafter in this regard.

(5) Termination of Agreement :

The Agreement may be terminated by either party giving to the other Party three months' Notice or three months' salary in lieu thereof.

The Board of Directors recommends the resolution for approval of Members Save and except Mr.Sunil Patwari, Mr.I.L.Patwari and Mr.Sushil Patwari no Director of the Company is concerned or interested in the Resolution being Item No.4 in the Notice.

ITEM NO.5

The Companies Act, 1956, presently prohibits a Company from purchasing its own Shares and Securities. However, it is anticipated that the law may in future permit a Company to buy back its own Securities.

Subject to the buy back of Securities being legally permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible Securities not exceeding such percentage of the Capital of the Company as may be permitted by the law, from the Members of the Company or from the open market or from the holders of odd lots , or from the holders of Ordinary Shares that may be issued under the Employees' Stock Bond Scheme as prescribed by the law. The Buy Back of Ordinary Shares or Securities would be at the rate of and from the fund permitted by the law as set out in the Special Resolution.

The Special resolution, if approved, will be operative and will be given effect to within such time frame as may be required by law or in the absence of any law in this regard, time frame for the continuation of operation of this special resolution will be decided by the Board of Directors.

The Board of Directors recommends the special resolution for approval of the Members.

No Director of the Company is concerned or interested in the special resolution being item no.5 in the Notice.

ITEM NO.6

Consequent upon the passing of the Depositories Act, 1996 and setting up of the National Securities Depository Ltd (NSDL) and considering the benefits of Scripless trading, the

Company, with a view to providing better services to Investors proposes to enter into an agreement with NSDL to have electronic depository facilities for the shares of the Company. Certain Provision of the Articles of Association pertaining to issue, holding, transfer and other dealings in shares and other Securities as also issue of Certificates thereof which were framed on the basis of the relevant Provisions of the Companies Act, 1956 are being amended so as to facilitate of the functioning of the Depository System.

Subsequently, addition of some Articles in the Articles of Association of the Company pertaining to issue, holding and dealing in Scripless Shares and Securities are necessary so as to bring them in line with the relevant provisions of the Depositories Act, 1996 and to give effect to the practical aspects of the depository system.

The Board of Directors recommends the special resolution for approval of the Members.

No Director of the Company is concerned or interested in the special resolution being item no.6 in the Notice.

A Copy of the existing Memorandum and Articles of the Association of the Company together with the proposed alternations are available for inspection of the Members between the hours of 11 a.m. and 1 p.m. on any working days upto the date of the Annual General Meeting.

ITEM NO.7

It is proposed to amend Article 3 of the Articles of the Association of the Company in the manner and the mode as stated in Item No.7 of the Notice Convening the Annual General Meeting. Once this Special Resolution is given effect to, Article 3 will not be required to be amended every time, if there is increase in the Authorised Capital of the Company.

Presently, the Companies Act, 1956 prohibits the Company from purchasing its own Shares and Securities, the Articles of the Association of the Company are proposed to be altered by including a new Article 95A as set out in the Special Resolution under Item No.7 in the notice to enable the Company to purchase its own Ordinary Shares and/or Securities in the event it is permitted by the law.

The Board of Directors recommends the special resolution for approval of the Members.

No Directors of the Company is concerned or interested in the Special Resolution being Item No.7 in the Notice.

ITEM NO.8

In view of very poor trading of the Companies Equity Shares at Ahmedabad & Delhi Stock Exchanges, it is proposed that the Company should get its Equity Shares delisted from the above Stock Exchanges.

The Board of Directors of the Company recommends the special resolution for approval of the Members.

No Director of the Company is concerned or interested in the Special Resolution being Item No.8 in the Notice.

BY ORDER OF THE BOARD
For **NAGREEKA EXPORTS LIMITED**

PLACE : CALCUTTA
DATE : 31.07.98

J.TIWARI
COMPANY SECRETARY