

BOARD OF DIRECTORS	:	Shri Sushil Patwari	—	Chairman & Managing Director
		Shri Sunil Patwari	—	Vice Chairman & Managing Director
		Shri Kailash Chandra Purohit	—	Whole-time Director
		Shri Mahendra Patwari	—	Whole-time Director
		Shri Mohan Kishen Ogra	—	Director
		Shri Bibhuti Charan Talukdar	—	Director
		Shri Mahabir Prasad Periwal	—	Director
		Shri Rajendra M. Ruia	—	Director
COMPANY SECRETARY	:	Shri J. Tiwari		
BANKERS	:	Canara Bank, Overseas Branch, Kolkata, Mumbai		
		Oriental Bank of Commerce, Overseas Branch, Kolkata		
		State Bank of Patiala, Commercial Branch, Mumbai		
		Allahabad Bank, Industrial Finance Branch, Kolkata		
		ICICI Bank, R. N. Mukherjee Road Branch, Kolkata		
AUDITORS	:	M/s. Das & Prasad		
		Chartered Accountants		
		4, Chowringhee Lane		
		Kolkata - 700 016		
TRANSFER AGENT	:	M/s. Maheshwari Datamatics Pvt. Ltd.		
		6, Mangoe Lane, 2nd Floor,		
		Kolkata - 700 001		
REGISTERED OFFICE	:	18, R. N. Mukherjee Road,		
		Kolkata - 700 001		
CORPORATE OFFICE	:	21-22, Kala Bhavan, 3, Mathew Road		
		Mumbai - 400 004.		
WORKS	:	1. Village Yavluj, Taluka Panhala,		
		Dist. Kolhapur (Maharashtra)		
		2. Plot No. T-48, MIDC, Kagal-Hatkanangale		
		Five Star Industrial Area, Village : Talandage		
		Taluka Hatkanangale, Dist. Kolhapur (Maharashtra)		

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## NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of **Nagreeka Exports Limited**, will be held at Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata-700 001, on Tuesday, the 24th September, 2013 at 10.30 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year 2012-13.
3. To appoint a Director in place of Mr. K. C. Purohit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sunil Patwari, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Mr. B. C. Talukdar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

"Resolved that pursuant to section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act, The Company hereby approves the reappointment and the terms of remuneration of Mr. Sunil Patwari as Managing Director of the Company for a period of 5 years with effect from 1st September, 2013 upon the terms and conditions set out in the Relevant Explanatory Statement and also in the Agreement submitted to this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (here in after referred to as Board which term shall deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or Draft Agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, in such form and manner or with such modification as the Board may deem fit and agreed to Mr. Sunil Patwari".

"Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, during the term of office of Mr. Sunil Patwari, the remuneration as mentioned in the Relevant Explanatory Statement and the Agreement shall be the minimum remuneration"

"Resolved further that the Board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the to the aforesaid resolutions."

By order of the Board  
**For NAGREEKA EXPORTS LTD.**

**J. TIWARI**

(Company Secretary)

Place : Kolkata

Date : 29th May, 2013

### NOTE :

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is enclosed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
4. Members are requested to notify immediately any change in their addresses, if any, to the Registrar and Share Transfer Agent M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
5. Members are requested to bring their copies of Annual Report at the Meeting and produce attendance slip at the entrance.
6. The Register of Members and Share Transfer Books will remain closed from 17/09/2013 to 24/09/2013 (both days inclusive).
7. Members intending to require information, about accounts, to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting (AGM).
8. Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed or unpaid dividends (if any) upto the financial year ended 31st March, 2005 have been transferred to the Investors Education and Protection Fund established by the Central Government.

## NOTICE (Contd.)

8. Details of the Directors retiring by rotation and being proposed for re-appointment :

Name of Director	Mr. K. C. Purohit	Mr. Sunil Patwari	Mr. B. C. Talukdar
Date of Birth	18.06.1932	15.11.1960	01.03.1936
Date of Appointment	30.06.2001	02.05.1989	30.06.2005
Qualification	D.T.M.	FCA, MBA(IIM)	B. Com.(H), PGDBM
Expertise in specific Functional area	Having rich experience in Textile manufacturing	Industrialist having rich business experience	Having rich experience in Industrial and Corporate Laws
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	Nil	1. Nagreeka Capital & Infrastructure Ltd. 2. GPT Infraprojects Ltd.	1. Nagreeka Capital & Infrastructure Ltd. 2. H.P. Cotton Textile Mills Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director	Nil	AUDIT COMMITTEE Nagreeka Capital & Infrastructure Ltd. (Member)  REMUNERATION & SELECTION COMMITTEE GPT Infraprojects Ltd. (Member)	AUDIT COMMITTEE Nagreeka Capital & Infrastructure Ltd. (Member) H.P. Cotton Textile Mills Ltd. (Member) REMUNERATION COMMITTEE H.P. Cotton Textile Mills Ltd. (Chairman) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE H.P. Cotton Textile Mills Ltd. (Chairman) Nagreeka Capital & Infrastructure Ltd. (Member)

## 10. Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Maheshwari Datamatics Private Limited.

## EXPLANATORY STATEMENT(S) PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NUMBER 7 :

Mr. Sunil Patwari has been appointed as Managing Director of the Company, for a period of five years, with effect from 1st September, 2013, in the Board Meeting held on 29th May, 2013. The Remuneration Committee of the Board of Directors at its Committee Meeting held on 29th May, 2013 unanimously recommended for his reappointment. The brief terms and conditions for his reappointment are as under :-

#### (a) Salary :

Rs. 3,00,000/- per month with effect from 01.09.2013.

With such increments as may be decided by the Board of Directors/ Remuneration Committee of the Board of Directors, from time to time, subject to maximum salary of Rs. 3,00,000/- per month.

#### (b) Perquisites :

##### i) Housing

- 1) Residential accommodation or house rent allowance at the rate of 60% of salary.
- 2) Expenses pertaining to electricity will be borne / reimbursed by the Company.
- 3) Company shall provide such furniture, fixture and furnishings as approved by the Board of Directors (which includes Remuneration Committee of the Board of Directors) from time to time.

**NOTICE (Contd.)**

**ii) Medical Expenses**

Reimbursement of actual medical expenses incurred in India and/ or abroad and including hospitalization, nursing home and surgical charges for himself and family.

**iii) Leave/ Holiday Travel Expenses**

Reimbursement of Leave/ Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one-month's basic salary per annum. The entitlement for any year to the extent not availed shall be allowed to be accumulated upto next two years.

**iv) Club Fees**

Reimbursement of membership fee upto maximum of two clubs in India including admission and life membership fee

**v) Personal Accident Insurance**

Personal Accident insurance Policy of such amount as may be decided by the Managing Director/ Board, the premium of which shall not exceed Rs. 10,000/- per annum.

**vi) Contribution to Provident Fund, Superannuation Fund and Annuity Fund**

Company's contribution to Provident Fund, Superannuation and Annuity Fund not exceeding 30% of salary in aggregate.

**vii) Gratuity**

As per Gratuity Act, 1972.

**viii) Leave**

Leave with full pay or encashment thereof as per the Rules of the Company.

**ix) Car with Driver**

The Company will provide Car with Driver for Company's business.

**x) Telephone**

Free telephone and fax facilities at residence

**xi) Reimbursement of Entertainment/ Travelling Expenses**

Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Sunil Patwari during the course of his employment in connection with the business of the Company.

**xii) Sitting Fee**

No sitting fee shall be paid to Mr. Sunil Patwari for attending the meetings of the Board of Directors of the Company or any Committee thereof.

**xiii) Minimum Remuneration**

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Sunil Patwari will be entitled to the above remuneration alongwith perquisites / benefits mentioned above as and by way of minimum remuneration.

**Explanation**

Provision of Car for use of the Company's business and telephone at residence will not be considered in computing value of perquisites. Personal long distance calls of telephone shall be billed to Mr. Sunil Patwari."

The above may be treated as extract of the terms of reappointment of Mr. Sunil Patwari as Managing Director as per Section 302 of the Companies Act, 1956.

The Draft Service Agreement between the Company and Mr. Sunil Patwari is available for inspection by the Member of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

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

Save and except Mr. Sunil Patwari, Mr. Sushil Patwari and Mr. Mahendra Patwari, no Director of the Company is concerned or interested in the special resolution being item number 7 of the Notice.

By order of the Board  
**For NAGREEKA EXPORTS LTD.**  
**J. TIWARI**  
(Company Secretary)

Place : Kolkata

Date : 29th May, 2013

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 24th Annual Report on the affairs of your Company together with the Audited Statements of Account for the year ended 31st March, 2013.

### FINANCIAL RESULT

	2012-2013 (Rs. In lacs)	2011-2012 (Rs. In lacs)
Revenue from operation	64183.91	49567.05
Other Income	302.75	186.20
	<b>64486.66</b>	<b>49753.25</b>
PBIDT	3470.71	2555.37
Interest	2121.33	1743.03
Depreciation	705.29	692.36
<b>PROFIT BEFORE TAXATION</b>	<b>644.10</b>	<b>119.98</b>
Taxation	202.22	(97.32)
<b>PROFIT AFTER TAXATION</b>	<b>441.88</b>	<b>217.30</b>
Profit Brought Forward from Previous Year	1016.56	799.26
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>1458.44</b>	<b>1016.56</b>
<b>APPROPRIATIONS</b>		
Proposed Dividend	62.49	—
Income Tax on Dividend	10.62	—
Balance carried to Balance Sheet	1385.33	1016.56
	<b>1458.44</b>	<b>1016.56</b>

### DIVIDEND

Your Directors are pleased to recommend payment of Dividend to the Equity Shareholders @10% i.e. Rs.0.50 per equity share of Rs. 5 each in respect of the Financial Year 2012-13

### REVIEW OF OPERATION

During the financial year under review the company has achieved turnover of Rs.64,183.91 Lacs against Rs. Rs.49567.05 Lacs in the previous year an increase of 29.48%. The profit after tax is Rs.441.88 Lacs against profit after tax of Rs.217.30 Lacs in the previous year an increase of more than 100%.

Textile Industry continues to face challenges. The adverse effects of continued slow down in the advanced economics growth slowing rate in the Indian economy and other developing countries continued to be a drag on the industry. Increase in power cost, rising high interest rates and fluctuations in the foreign exchange rates also made things difficult.

The availability in respect of raw cotton was better particularly in the 2nd half of the financial year 2012-13. The prices were also relatively more stable compared to the previous year, though since February 2013 there is constant and big upward movements in the cotton prices. Inspite of the above, your company could achieve a significant growth in top line and bottom line through focused thrust on specific products and markets and good controls and practices.

### FUTURE PROSPECT

The yarn industry continues to face challenges of rising costs, shortage of manpower and volatility in prices of cotton and foreign exchange.

The emergence of China as a major importer of yarn is a positive development for the company and the textile industry. We are committed to further improvements in performance and growth.

The yarn dyeing and fibre bleaching plant of the company has been commissioned and is progressing well and should contribute to the company's financial performance during the current financial year.

The company is working on projects for new spinning capacity and denim manufacturing.

### PUBLIC DEPOSIT

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

### DIRECTORS

Mr. K. C. Purohit, Mr. Sunil Patwari, and Mr. B. C. Talukdar, retire by rotation at the ensuing Annual General Meeting and all of them being eligible, have offered themselves for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year, 31st March, 2013, and the profit for that period.
3. Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. The Directors have prepared Annual Accounts on going concern basis.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis are covered in a separate report annexed hereto and marked as Annexure "B".

### CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as part of this annual report and marked as Annexure "C". Requisite Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report of Corporate Governance. Adequate steps to ensure compliance of all the mandatory provisions of 'Corporate Governance' as provided in the Listing Agreements of the Stock Exchanges with which the Company's Shares are listed have been taken and your company has ensured its required compliance.

## DIRECTORS' REPORT (Contd.)

### AUDITORS

M/s. Das & Prasad, Chartered Accountants, Kolkata, the Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment for which company has received a requisite certificate to Section 224(1B) of the Companies Act, 1956 from M/s. Das & Prasad, the retiring Auditors of your Company regarding their eligibility for re-appointment as Auditors, and we recommend their re-appointment.

### AUDITORS' REPORT

The observation made by the auditors in their Report together with Notes on Accounts are self explanatory and, therefore, do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

### COST AUDIT

Pursuant to the Directives of the Ministry of Corporate Affairs, your Company has appointed M/s V.J.Talati & Co. Cost Accountants, as Cost Auditor of the Company for the F.Y 2013-14, under section 233B of the Companies Act, 1956. The Cost Audit Report for the F.Y 2012-13 has been filed within prescribed time limits.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure – "A" to this report.

### PARTICULARS OF EMPLOYEES

None of the employees are drawing remuneration exceeding Rs.5.00 Lacs per month or Rs.60.00 Lacs per year. Hence, details required to be furnished in accordance with Sub Section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable.

### APPRECIATION

We are thankful to various agencies of the Central and State Government(s) for their support and Co-operation. Your Directors are also thankful to all stakeholders including customers, bankers and suppliers for their continued assistance, co-operation and support. Your Directors wish to place on record their sincere appreciation of all employees for their commitment and contribution to the Company. The Directors are also grateful for the confidence, faith and trust reposed by the shareholders of the Company.

## ANNEXURE "A" TO DIRECTORS' REPORT

### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULE, 1988.

#### A. CONSERVATION OF ENERGY

The plant incorporates the latest technology for the conservation of energy. Particulars with respect to Conservation of Energy are given in Form-A.

##### Form – A

Form for disclosure of particulars with respect to conservation of energy

	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>1. Power Consumption</b>		
i) Electricity		
a) Purchased units (in lacs)	354.92	337.42
Total amount (Rs. In lacs)	2,461.73	2,062.35
Rate per unit (Rs.)	6.94	6.11
b) Own Generation		
Through Diesel Generator		
Total Unit Generated (In lacs)	1.67	4.38
Units per litre of Diesel Oil	3.46	3.45
Cost per unit (Rs.)	12.03	11.16
ii) Coal	Nil	Nil
iii) Furnace Oil	Nil	Nil
iv) Other Internal General	Nil	Nil
<b>2. Consumption per unit of production</b>		
i) Electricity unit per kgs. of yarn	3.90	3.80
ii) Furnace Oil	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 Association for Textile units, SITRA and BITRA and the Company is a member of these associations.

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

##### 1. Export activities :

Activities relating to Exports, initiatives taken to increase exports, development of new market for products and services and export plans.

- \* The Company is presently exporting yarn and other merchandise;
- \* Steps are being taken to explore new markets in foreign countries;
- \* Product development exercise is being carried out for value addition.

##### 2. Total Foreign Exchange earned and used :

	Year Ended 31.03.2013	Year Ended 31.03.2012
Earning	5018436868	3872893080
Outgo	251989766	72428233

Place : Kolkata  
Date : 29th May, 2013

By order of the Board  
**Sushil Patwari**  
Chairman

Place : Kolkata  
Date : 29th May, 2013

By order of the Board  
**Sushil Patwari**  
Chairman



## ANNEXURE – B TO DIRECTORS REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### A) INDUSTRY STRUCTURE AND DEVELOPMENT:

Textile Industry continues to play a predominant role in the Indian economy and has a 14% share in GDP and 11% share in exports in addition to the huge employment.

The investment in the textile industry has been fueled by the Technology Upgradation Fund (TUF) Scheme of the Central Government since 1999. The Indian spinning industry is the most modern in the world and is steadily growing in capacity and output.

The announcement for continuation of the TUF scheme during the twelfth plan period 2012-17 is welcome. However, the delay in notification and implementation of TUF scheme is a cause for worry.

#### B) Opportunities and Threats:

The continuous growth of Indian economy, although at a reduced pace, ensures growing consumption of textiles in domestic market.

The depreciation of the rupee, the increasing costs in competing countries like China and compliance issues in Bangladesh promise a sharp increase in flow of orders for garments and home textiles to India and will result in increased consumption of cotton yarn.

The export of cotton yarn has shown a healthy growth in the last two years helped significantly by increasing imports of cotton yarn by China.

The thrust of the Government policies to encourage exports through expansion of existing export promotion schemes and new schemes such as Incremental Exports Incentivisation Schemes and Liberalized EPGC Scheme will help to increase exports.

Thus, there are tremendous opportunities for the spinning industry. Timely onset of the monsoon has brightened prospects for a good cotton crop. The big and healthy crop increases the prospects of stable pricing. However, uncontrolled exports of raw cotton have been leading to very tight supply situation for the domestic industry resulting in price volatility.

Rising costs of inputs continues to be a worry. Shortage of appropriate manpower is becoming acute. The interest rates in India are higher than our competing countries and prospects of it increasing further are a worry.

#### C) Outlook:

The scenario for increased demand for cotton yarn in the domestic and export markets provides hope for a bright outlook. The increase in input cost is an area of constant concern.

#### Raw Cotton:

The major cost i.e. raw cotton for us is an agricultural product and a commodity. As such, the vagaries of the monsoon and the volatility of the forward markets and their effect on cotton are concerns. The actions of the RBI on inflation control increase the risk of higher interest costs.

However the company has systems and is focused to continuously monitor these concerns and take necessary steps to mitigate their effect on the company.

#### D) Management perception of Risk and Concern:

The increase in input costs is an area of concern. Further, the increased volatility in commodity markets, particularly, cotton via the exchanges and fund houses have increased the challenges for the industry. Similarly, the fluctuations in the currency markets need to be managed.

In view of these factors, systems and focus to monitor these movements and take actions prudently is very necessary and important.

#### E) Internal Control System:

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in place. The review includes overseeing adherence of the management policies, safeguarding the assets of the Company and ensuring preparation of timely and accurate financial information. All significant issues are brought to the attention of the Audit Committee of the Board.

#### F) Human Resources/Industrial Relations:

The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. Performance management is the key word for the company. Your Company also conducts in house training programmes at various levels. Industrial relations have been very smooth throughout the year. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

#### G) Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements considering the applicable laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## ANNEXURE 'C' TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

To uphold the spirit of best and transparent business governance the Company actively seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The company conducts business in a manner that is fair and transparent and also perceived to be such by others. In compliance with the requirement of Clause 49 of the Listing Agreement with the stock exchange(s), your company submits the Report on Corporate Governance as under.

#### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhancing the Share Holders' Value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important Policy matters.

#### 2. BOARD OF DIRECTORS

##### COMPOSITION

- The Company's Board at present has eight directors comprising of two Managing Directors, two Whole Time Directors and four Non-Executive Directors. The Company has Chairman. The number of non-executive Directors are equal to 50% of total number of Directors.
- None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as per clause 49(iv)B) across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other companies.

The Board met four times, on the following dates, during the financial year 2012-2013 :

26.05.2012	11.08.2012	09.11.2012	07.02.2013
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The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and committee positions as held by them in other Public Limited Companies as on 31.03.2013 are given below :

Name	Category	No. of Meetings held during the Financial year	No. of Board Meetings attended during 12-13	Whether Attended AGM held on 27.09.12	No. of Directorship in other Public Limited Companies	No. of Committee Positions held in other Public Ltd. Companies		No. of Shares held in the Company as at 31.03.2013
						Chairman	Member	
Mr. Sushil Patwari	Promoter Executive	4	4	Yes	4	None	2	718500
Mr. Sunil Patwari	Promoter Executive	4	4	No	2	None	2	782000
Mr. Mahendra Patwari	Executive	4	3	Yes	Nil	None	None	447000
Mr. K. C. Purohit	Executive	4	3	No	Nil	None	None	Nil
Mr. M. K. Ogra	Independent	4	3	Yes	3	2	None	Nil
Mr. B. C. Talukdar	Independent	4	4	Yes	2	2	3	Nil
Mr. M. P. Periwal	Independent	4	2	No	2	None	None	Nil
Mr. R. M. Ruia	Independent	4	4	No	1	None	None	19934

#### 3. COMMITTEES OF THE BOARD

##### A) AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz. Mr. M. K. Ogra as Chairman of the Committee, Mr. Sunil Patwari and Mr. B. C. Talukdar as its members. Mr. J. Tiwari, Company Secretary, is the Secretary of the Audit Committee. The terms of reference of the Audit Committee are as contained in the Corporate Governance Clause 49 of the Listing Agreement.

The Audit Committee met on the following dates during the financial year 2012-2013 :

26.05.2012	11.08.2012	09.11.2012	07.02.2013
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**ANNEXURE 'C' (Contd.)**
**ATTENDANCE OF THE AUDIT COMMITTEE MEETING :**

Name of the Directors	Number of Meeting Held	Number of Meeting Attended
Mr. M. K. Ogra	4	3
Mr. B. C. Talukdar	4	4
Mr. Sunil Patwari	4	4

Necessary quorum was present at the meeting. Representatives of Statutory Auditors of the Company were invited to the meetings, as and when required.

**B) SHARE HOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE**

The Company has an independent Shareholders' Grievance Committee.

The Committee comprises of :

1. Mr. M. K. Ogra	Chairman	Independent Director
2. Mr. Sushil Patwari	Member	Promoter Executive
3. Mr. Sunil Patwari	Member	Promoter Executive

The Committee met twice during the financial year 2012-2013 on 26.05.2012 & 07.02.2013.

The Committee is prompt in attending to requests received for transfer, as well as issue of duplicate certificates. The number of Complaints received during the Financial Year 2012-2013 are as under :

Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports, Share sent for Transfer and Transmission, Complaints received from SEBI Stock Exchanges and direct from Investors, Registrar of Companies etc.	2
Number of Complaints resolved	2
Number of Complaints pending as on 31.03.2013	NIL

The complaints were disposed off within the stipulated redressal time period.

**C) REMUNERATION COMMITTEE**

The Remuneration Committee comprised of the following three Directors of the Company :

1. Mr. M. K. Ogra	Chairman	Independent Director
2. Mr. B. C. Talukdar	Member	Independent Director
3. Mr. Sunil Patwari	Member	Promoter Executive

The Committee met once during the financial year 2012-2013 on 26.05.2012.

The Company has paid remuneration to Executive Directors according to approval granted by the members of the Company in the concerned Annual General Meetings.

Given below are the details of remuneration to Directors during the financial year 2012-2013 :

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2011-12 paid during the year) (Rs.)
1. Mr. Sushil Patwari	—	24,00,000/-	—	—
2. Mr. Sunil Patwari	—	24,00,000/-	30,000/-	—
3. Mr. Mahendra Patwari	—	22,50,000/-	30,000/-	—
4. Mr. K. C. Purohit	—	10,20,000/-	—	—
5. Mr. M. K. Ogra	25,000/-	—	—	—
6. Mr. B. C. Talukdar	30,000/-	—	—	—
7. Mr. R. M. Ruia	20,000/-	—	—	—
8. Mr. M. P. Periwal	10,000/-	—	—	—

Non-executive Directors are paid remuneration by way of sitting fees. The Company pays remuneration to its Managing / Whole Time Directors by way of salary and perquisites. Remuneration is paid as approved by the Remuneration Committee, Board of Directors and shareholders. The Board, on the recommendations of the Remuneration Committee approves the annual increments. The appointment / reappointment of Managing / Whole Time Directors are contractual and subject to termination by three months' notice in writing on either side.

**ANNEXURE 'C' (Contd.)**
**4. SUBSIDIARY**

The Company does not have any subsidiary Company.

**5. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPERATION OF FINANCIAL STATEMENTS**

The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

**6. DETAILS OF NON- COMPLIANCE BY THE COMPANY IN THE LAST THREE YEARS**

Your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges and SEBI Regulations. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any other Statutory Authority in connection with violation of Capital Market norms, rules, regulations, etc. in the last three years.

**7. DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE ENSURING ANNUAL GENERAL MEETING :**

Name of Director	Mr. K. C. Purohit	Mr. Sunil Patwari	Mr. B. C. Talukdar
Date of Birth	18.06.1932	15.11.1960	01.03.1936
Date of Appointment	30.06.2001	02.05.1989	30.06.2005
Qualification	D.T.M.	FCA, MBA(IIM)	B. Com.(H), PGDBM
Expertise in specific Functional area	Having rich experience in Textile manufacturing	Industrialist having rich business experience	Having rich experience in Industrial and Corporate Laws
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	Nil	1. Nagreeka Capital & Infrastructure Ltd. 2. GPT Infraprojects Ltd.	1. Nagreeka Capital & Infrastructure Ltd. 2. H.P. Cotton Textile Mills Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director	Nil	AUDIT COMMITTEE Nagreeka Capital & Infrastructure Ltd. (Member)  REMUNERATION & SELECTION COMMITTEE GPT Infraprojects Ltd. (Member)	AUDIT COMMITTEE Nagreeka Capital & Infrastructure Ltd. (Member) H.P. Cotton Textile Mills Ltd. (Member) REMUNERATION COMMITTEE H.P. Cotton Textile Mills Ltd. (Chairman) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE H.P. Cotton Textile Mills Ltd. (Chairman) Nagreeka Capital & Infrastructure Ltd. (Member)

**8. DETAILS OF GENERAL MEETINGS**

A. Locations, Date and Time of General Meetings held during the last three years are as under :

Sr. No.	Year	Location	AGM / EGM	Date	Day	Time	No. of Special Resolution Passed
1.	2011-12	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	23rd A.G.M.	27.09.12	Thursday	10.30 am	4
2.	2010-11	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	22nd A.G.M.	28.09.11	Wednesday	10.30 am	Nil
3.	2009-10	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	21st A.G.M.	28.09.10	Tuesday	10.30 am	Nil

No item was passed by any resolution through postal ballot during the financial year 2012-2013.

At the forthcoming Annual General Meeting, there is no item in the Agenda which needs approval by way of Special Resolution through Postal Ballot.