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Nagreeka EXPORTS LIMITED

BOARD OF DIRECTORS	:	*Shri Ishwar Lal Patwari*	- ***Chairman***
		Shri Sushil Patwari	- ***Vice Chairman & Managing Director***
		Shri Dwarka Prasad Agarwal	- ***Director***
		Shri Kashmiri Lal Agarwal	- ***Director***
		Shri Sunil Patwari	- ***Managing Director***
BANKERS	:	Canara Bank, Overseas Branch, Calcutta & Mumbai. 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 Alliance Credit Ltd. 11, Lake Avenue, Calcutta - 700 026.	
REGISTERED OFFICER	:	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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EXPORTS LIMITED

NOTICE

Notice is hereby given that the **10th Annual General Meeting** of the Members of **Nagreeka Exports Limited** will be held on **Tuesday, the 21st September 1999** at **3.30 P.M.** at **SUBARNA BANIK SAMAJ, 47, GANESH CHANDRA AVENUE, CALCUTTA 700 013** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999, 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 Kashmiri Lal Agarwal who retires by rotation and being eligible , offers himself for re-appointment.
3. To appoint 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 a Special Resolution :

   "**RESOLVED** that pursuant to the provisions of section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and subject to such modification and variations as the Central Government may prescribe and which the Board of Directors of the Company be and is hereby authorised to accept, consent of the Company be and is hereby accorded to Shri Mahendra Patwari, who is a relative of Shri I.L. Patwari, Shri Sushil Patwari & Shri Sunil Patwari Directors of the Company, to hold and continue to hold an office or place of profit under the Company as "President" or with such designation as the Board of Directors may, from time to time, decide with effect from 1st October, 1999 to 30th September, 2004 on the terms and conditions including remuneration as are set out in Agreement to be entered into between the Company and Shri Mahendra Patwari, President, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said draft agreement as may be agreed to between the Board of Directors and Shri Mahendra Patwari."

   "**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this Resolution."

5. 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 311 of the Companies Act, 1956 that the words "A Wholetime or Managing Director shall not be liable to retire by rotation" appearing after the word "Meeting" in Article 100 of the Articles of Association of the Company be deleted."

BY ORDER OF THE BOARD
For NAGREEKA EXPORTS LIMITED

Place : Calcutta
Date : 31.07.99

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 notifyimmediately any change in their addresses, if any, to the registrar and share transfer agent M/s. nicco Uco Alliance Credit Ltd., 11 Lake Avenue, Calcutta 700 026, quoting their Folio Numbers.
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 Member and Share Transfer Books will remain closed from 15th September, 1999 to 21st September, 1999 (both days enclosive).
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 AGM.
8. Those members who have so far not encashed their dividend warrants for the below mentioned financial years may claim or approach the company for the payment as the same will be transferred to the Investor Education and Protection Fund of the Central Government,pursuant to the introduction of section 205C by Companies(Amendment) Act,1999 on the respective dates mentioned thereagainst.

Financial Year ended	Due for transfer on
31.03.1995	14.11.2002
31.03.1996	10.11.2003
31.03.1997	02.11.2004

9. Pursuant to Section 205A of the Companies Act,1956, all unclaimed Dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members, who have not encashed the Dividend Warrants for the said period(s) are requested to claim the same, from the Registrar of Companies, West Bengal.
10. Members holding shares in the same name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates.
11. A recent amendment to the Companies Act,1956 has introduced provisions for nomination by the holders of shares.The prescribe nomination form can be obtained from the Company's Registrars and Transfer Agents.The members may take advantage of this facility.

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

ITEM NO.4

Shri Mahendra Patwari has been working with Sterlite Industries (India) Ltd. as Vice President for a period of about nine years. He is a qualified B.Tech from IIT Powai, Mumbai. In view of expected increase in the Company's activities the Board of Directors have considered that it would be desirable and in the interest of the Company to appoint Shri Mahendra Patwari to an office or place of profit for a period of 5 years with effect from 01.10.1999 to 30.09.2004 as set out in the draft Agreement placed before this meeting.

The draft Agreement to be entered into by the Company with Shri Mahendra Patwari inter alia contains the following terms & conditions:

Name	:	Shri Mahendra Patwari
Designation	:	President
Duration	:	01.10.1999 to 30.09.2004
Salary	:	Rs.25,000/- per month in the grade of (Rs.25,000/- to Rs.50,000/- per month), Plus Bonus as per Company Rule.
Perquisites	:	In addition to salary and bonus mentioned above Shri Mahendra Patwari, shall also be entitled to the following perquisites as per rules of the Company which shall be restricted to an amount equal to his annual salary.

a) Shri Mahendra Patwari will be Provided with Company's Car for official duty and telephone at residence.

It is to be noted that provisions for use of 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.

b) Company's Contribution to Provident Fund, Superannuation or Annuity Fund to the extent, these either singly or together are not taxable under The Income Tax Act, 1961. 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 limit for remuneration or perquisites aforesaid.

c) **Housing :** Shri Mahendra Patwari shall be entitled to House Rent Allowance subject to a ceiling of 40% of Salary. If, Company Accomodation is provided HRA will not be applicable.

The expenditure incurred by the appointee on gas, electricity, water and furnishing shall be reimbursed by the Company.

d) **Medical :** Reimbursment of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

e) **Club Fees :** Fees of clubs subject to a maximum of two clubs and subject to a limit of Rs. 9,000/- per annum. No admission and life membership fees will be paid.

f) **Mediclaim Policy :** Premium for Mediclaim policy for self and family in accordance with the rules of the Company.

g) **Credit Card :** Annual charges of which shall not exceed Rs. 2,500/-

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 recommend the resolution for approval of Members.

Save and except Shri I.L. Patwari, Shri Sushil patwari & Shri Sunil Patwari no Director of the Company is concerned or interested in the Special Resolution being Item No. 4 in the Notice.

ITEM NO. 5

As per Article 100 of the Articles of Association of the Company a Wholetime or Managing Director is not liable to retire by rotation. it has been consciously felt by the Board of Directors of the Company that a Wholetime or Managing Director should also be brought under the preview of retirement by rotation. The Special Resolution being Item No. 5 in the notice is intended for the purpose.

The Board of Directors recommend the Special Resolution for approval of the Members.

Save and Except Shri I.L. Patwari, Shri Sushil patwari and Shri Sunil Patwari no other Director of the Company is concerned or interested in the Special Resolution being Item No. 5 in the Notice.

BY ORDER OF THE BOARD
For NAGREEKA EXPORTS LIMITED

Place : Calcutta
Date : 31.07.99

J.TIWARI
COMPANY SECRETARY

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Nagreeka EXPORTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the **Tenth Annual Report** together with the Audited Statement of Accounts for the year ended **31st March'1999.**

FINANCIAL RESULTS :

	1998-99 (Rs. in Lacs)	1997-98 (Rs. in Lacs)
GROSS PROFIT	**874.01**	1121.15
Interest	**449.92**	386.28
Depreciation	**252.16**	496.08
PROFIT BEFORE TAXATION	**171.93**	238.79
Provision for taxation	—	—
PROFIT AFTER TAXATION	**171.93**	238.79
Depreciation written back	**919.23**	—
Profit brought forward from Previous year	**316.47**	77.68
PROFIT AVAILABLE FOR APPROPRIATION	**1407.63**	316.47
APPROPRIATIONS :		
Transfer to General Reserve	**919.80**	—
Balance carried to Balance Sheet	**487.83**	316.47
	1407.63	316.47

DIVIDEND :

Keeping in mind the difficult conditions prevailing in the economy and industry, your Directors are of the view that it would be prudent to conserve liquidity. As such in order to plough back the entire profit available for appropriation for the year under review. Your Directors do not recommend payment of any dividend

OPERATION :

During the year under review due to the vigorous marketing efforts the turnover of your Company increased by more than 45% from Rs.7875 lakhs to Rs. 11461 lakhs. The operations of the 100% EOU spinning unit also continued on target and improvements were achieved on the quality and efficiency fronts.

As reported earlier,the year 1997-98 saw the setting in of recession in the Textile Industry which was largely triggered by the turbulence in Far Eastern economies. This trend was fuelled by general slowing down in the Indian economy in addition to that in Far Eastern Tiger economies. As a result, the year 1998-99 faced the full impact of these factors and trends.

Thus, the year saw the market for yarns and textiles become a totally "Buyers Market" i.e., surplus production chasing limited and slow demand. Thus, price and sales realisation were continuously under pressure and were lower than in the previous year.

Due to another year of favourable monsoon, the cotton crop was adequate in size but due to the fluctuations in the climatic conditions the quality has been a major concern. Further, given the marketing structure prevalent in our country i.e., support price, presence of Government and Semi-Government bodies, the prices of cotton continue to be high and the cost of cotton moved up still higher from the previous year. The cost of the other major input-power also saw increase due to the tariff revision by MSEB.

Though, sales turnover increased, margins suffered due to lower realisation and higher input cost and the net profit is lower at Rs.171.93 lakhs as compared to Rs. 238.79 lakhs to the previous year.

FUTURE PROSPECTS :

Even though, the Prospectus for textile industry continue to be grim and there is need for the best effort on all fronts, your company has taken various steps to ride the situation successfully. The benefits of the efforts in the past years on the quality front have started yielding results in the form of better sales realisation for the yarn produced by the Company's 100% EOU spinning unit. The company has also geared itself to be active in the international market for imports of cotton to improve control on the cost of this major input.

The Company has planned to set up a captive power project to achieve cost advantage on power consumption. Further, renovation and upgradation of existing equipments to improve quality and productivity has been taken up in phased manner. The Company is also examining the possibility of capacity expansion at the existing spinning unit to enjoy benefits of economics of scale of existing overheads.

The performance of the 1st quarter of the current year and the positive economic indicators coupled with the above are ample reasons to be optimistic about the future performance of your Company.

ISO 9002:

Your Directors are pleased to state that your Company has obtained an ISO 9002 Certification in respect of Yarn and Knitted Fabric. This will go a long way in enhancing the goodwill of your Company in the international market.

PUBLIC DEPOSIT :

Your 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 Kashmiri Lal Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS :

M/s.Das and Prasad, Chartered Accountants, Calcutta, the Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

PARTICULARS OF EMPLOYEES :

None of the employees are drawing salary exceeding Rs.50,000/-per month or Rs.6,00,000/-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 is not required.

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 Earning and Outgo are given in Annexure I to this report.

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Y2K COMPLIANCE :
Your Company has undertaken a detailed review of implication of the Y2K issue and has taken all steps to be fully Y2K compliant before the end of 1999.The cost of such compliance will not affect the profit of the Company significantly.

INDUSTRIAL RELATIONS :
The Industrial relations were cordial and harmonious in your company throughout the year.

ACKNOWLEDGEMENT :
Your Directors acknowledge with thanks the continued support extended by financial Institutions and Banks.

Your Directors wish to thank the concerned departments of the State and Central Government, all the employees, customers and shareholders for their sustained support and co-operation.

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

For and on behalf of the Board of Directors
For NAGREEKA EXPORTS LIMITED

Place : Calcutta
Date : 31.07.99

I.L. PATWARI
Chairman

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH,1999

ANNEXURE-I TO THE DIRECTORS' REPORT

Information as per Section 217 (1)(e) of the Companies Act,1956 read with companies (Discloser of particulars in the report of the Board of Directors) rules 1988 and forming part of the Directors' Report.

A) Energy Conservation :

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'.

			For the year ended 31.03.99	For the year ended 31.03.98
i)	Power Consumption			
	1)	Electricity		
		a) Purchased units (in lacs)	**88.80**	128.53
		Total Amount (Rs. in lacs)	**329.12**	445.08
		Rate per Unit (Rs.)	**3.71**	3.46
		b) Own generation Through Diesel generator		
		Total unit generated (in lacs)	**67.24**	26.69
		Unit per liter of Diesel oil	**3.51**	3.63
		Cost per unit (Rs.)	**2.46**	2.45
	2)	Coal	**Nil**	Nil
	3)	Furnace oil	**Nil**	Nil
	4)	Other Internal generation	**Nil**	Nil
ii)	Consumption per unit of production			
	1)	Electricity units per kg yarn	**4.47**	4.38
	2)	Furnace Oil (kg/unit)	**Nil**	Nil

B) Technology Absorption:

Effects made in Technology Absorption as per Form B:

Indigenous technology alone is used and Research and Development are carried out by a separate Textile Research Association for Textile Units situated in Southern Region (SITRA) and Western Region (BITRA) and the company is a member of these associations.

C) Foreign Exchange Earnings & Outgo :

i)	Foreign Exchange earned - (Rs.)	**88,85,16,683/-**	74,60,13,109/-
ii)	Foreign Exchange Outgo - (Rs.)	**2,12,77,824/-**	4,79,63,093/-

For and on behalf of the Board of Directors

Place : Calcutta
Date : 31.07.99

I.L. Patwari
Chairman

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