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Nagreeka

EXPORTS LIMITED



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**ELEVENTH
ANNUAL
REPORT
1999-2000**



BOARD OF DIRECTORS : Shri Ishwar Lal Patwari - **Chairman**
 Shri Sushil Kumar Patwari - **Vice Chairman & Managing Director**
 Shri Dwarka Prasad Agarwal - **Director**
 Shri Kashmirilal Agarwal - **Director**
 Shri Sunil Kumar Patwari - **Managing Director**

COMPANY SECRETARY : Shri J. Tiwari

BANKERS : Canara Bank, Overseas Branch, Calcutta & Mumbai.
 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 Alliance Credit Ltd.
 11, Lake Avenue,
 Calcutta - 700 026.

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 11th Annual General Meeting of the Members of **NAGREEKA EXPORTS LIMITED** will be held on Friday, the 29th September 2000 at 12.30 P.M. at BENGAL NATIONAL CHAMBERS OF COMMERCE & INDUSTRY at 23, R. N. Mukherjee Road, Calcutta 700 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000, 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 I. L. Patwari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. P. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without Modification(s), the following Resolution as Ordinary Resolution :
 "RESOLVED that pursuant to the Provisions of Section 293 (1) (e) of the Companies Act, 1956, the consent of the Company be and is hereby accorded for contribution to Charitable and other funds not directly relating to the business of the Company or the Welfare of its employees, an amount the aggregate of which will not exceed Rs. 25 Lacs in any financial year.
 "FURTHER RESOLVED that the Board of Directors of the Company is hereby authorised to do all such acts, things and deeds which may be required for the implementation of this Resolution.

By Order Of Board Of Directors
 For **NAGREEKA EXPORTS LIMITED**

J. TIWARI
 Company Secretary

PLACE : CALCUTTA
 DATE : 19.08.2000

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 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 Members and the Transfer Books will remain closed from 23rd September, 2000 to 29th September, 2000 (both days inclusive).
7. Members intending to require any 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 there against.

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. As per SEBI directives, the Company's Equity Shares will be compulsorily traded in Demat Form with effect from 28th August, 2000 for all Investors. For this purpose, the Company has entered into Tripartite Agreements with National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.
Item Number 5.

As per Section 293(1) (e) of the Companies Act, 1956, if a Company desires to contribute to Charitable and other funds not directly relating to the business of the Company or Welfare of its employees, an amount the aggregate of which will, in any financial year exceed Rs. 50,000/- or 5% of its average net profit as determined in accordance with the Provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater, consent of the Members of the Company by way of Ordinary Resolution is required.

The Resolution being Item Number 5 in the Notice is intended for the purpose.

Your Board of Directors recommends the Resolution for approval.

No Director of the Company is concerned or interested in the Resolution being Item Number 5 in the Notice.

By Order Of Board
 For **NAGREEKA EXPORTS LIMITED**

PLACE : CALCUTTA
 DATE : 19.08.2000

J. TIWARI
 Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors' have pleasure in presenting the **Eleventh Annual Report** on the affairs of the Company together with the Audited Statements of Account for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	1999-2000 (Rs. in Lacs)	1998-99 (Rs. in Lacs)
GROSS PROFIT	1073.84	874.01
Interest	387.55	449.92
Depreciation	263.55	252.16
PROFIT BEFORE TAXATION	422.74	171.93
Provision for Taxation	-	-
Depreciation written back	0.59	919.23
PROFIT AFTER TAXATION	423.33	1091.16
Profit Brought Forward from Previous year	487.83	316.47
PROFIT AVAILABLE FOR APPROPRIATION	911.16	1407.63
APPROPRIATIONS :		
Transfer to General Reserve	625.00	919.80
Balance carried to Balance Sheet	286.16	487.83
	911.16	1407.63

DIVIDEND :

With a view to further augmenting the liquidity position of your Company, the entire profit available for appropriation is proposed to be ploughed back. As such your Directors do not recommend payment of Dividend in respect of the year ended 31st March, 2000.

OPERATION :

During the year under review your Company has achieved a significant improvement in profitability compared to the previous year. Nett profit has increased to Rs. 422.74 lacs (Rs. 171.93 lacs during the previous year) an increase of 145%. Sales for the year has been Rs. 9619 lacs (Rs. 11461 lacs during the previous year). But, despite a lower Sales the profitability has improved.

As reported last year your Company had initiated efforts towards improvement of quality, productivity and capacity utilisation. These efforts have been continuing and have resulted in better cost control and improved realisation through better quality, thus, contributing to the improved performance.

FUTURE PROSPECTS :

Over the last few months there has been a general improvement in the industry's prospect. There has been an improved demand in the market and prices of raw material have been steady. At this point we stand before a new cotton season and are watching the prospect with interest. The monsoon so far has been adequate and one can be optimistic about the crop size & cotton prices.

Your company is still awaiting certain clearances to implement the captive power project. Additionally, it is proposed to further upgrade existing equipments while also adding capacity for yarn and down stream value added products. These additions would be done under the Textile Upgradation Fund Scheme.

Your company has also made an entry in the Information Technology Industry. Basic infrastructure has been created at

Millennium Park, Mumbai and areas for further investment and activity are being indentified. This activity is expected to grow in the current year.

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.

DEPOSITORY SYSTEM :

Your Directors are pleased to inform that your Company has joined the Depository System by entering into agreement with National Securities Depository Ltd and Central Depository Services Ltd. The Equity Share of your Company will be compulsorily traded in demat form with effect from 28th August, 2000 for all investors.

DEBENTURE REDEMPTION RESERVE :

Out of a Sum of Rs. 250 Lacs, a Sum of Rs. 50 Lacs from Debenture Redemption Reserve is proposed to be transferred to General Reserve.

As such the Board of Directors recommend a transfer of Rs.50 Lacs to General Reserve from the Debenture Redemption Reserve.

This is mainly because out of total Debenture of Rs. 5 Crores, Debenture worth Rs. 3 Crores have already been redeemed.

AUDITORS' REPORT :

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

DIRECTORS :

Shri I. L. Patwari and Shri D. P. Agarwal retire by rotation at the ensuing Annual General Meeting (AGM) and both being eligible, have offered themselves for re-appointment.

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 re-appointment.

THE YEAR 2000 ISSUE (Y2K) :

Your Company had taken adequate steps to ensure that all critical equipments, processes and systems were Y2K Compliant and also developed Contingency plans to minimise the risk of any disruption. Especial emphasis was laid on business application system, system in equipment and the business application.

Your Directors are pleased to report that your Company had a smooth roll over into the year 2000 and the Y2K Bug had no impact on operations.

LISTING ON STOCK EXCHANGES :

Your Company's Equity Shares are listed on the following Stock Exchanges.

1. The Stock Exchange, Mumbai
2. The Stock Exchange, Ahmedabad
3. The Delhi Stock Exchange Association Ltd.
4. The Calcutta Stock Exchange Association Ltd.

The listing fee for the year 2000-2001 have been paid on time to all the above stock exchanges and trading of shares was not suspended any time during the year under review on any of the above stock exchanges.



PARTICULARS OF EMPLOYEES :

None of the employees are drawing remuneration 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 are 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 Earnings and Outgo are given in Annexure I to this report.

INDUSTRIAL RELATIONS :

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

ACKNOWLEDGEMENT :

Your Board of Directors express its gratitude to your Company's Customers and Suppliers who have stood by your Company over a long period of time. Your Company is also grateful to the support from your Company's Bankers and Financial Institutions and also Share Holders for the faith reposed in the Company.

The Board thanks all the employees for their unstinted commitment and support.

By Order Of the Board

PLACE: CALCUTTA
DATE : 19.08.2000

I.L.PATWARI
Chairman

ANNEXURE -1 TO THE DIRECTOR'S 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 31.03.2000	For the year ended 31.03.1999
(i) Power Consumption :		
(1) Electricity		
(a) Purchased units (in lacs)	79.13	88.80
Total amount (Rs.in lacs)	318.43	329.12
Rate per Unit (Rs.)	4.02	3.71
(b) Own Generation		
Through diesel generator		
Total units generated (in lacs)	98.07	67.24
Units per liter of diesel oil	3.41	3.51
Cost per unit (Rs.)	2.80	2.56
(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 of yarn	4.31	4.47
(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 a 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.)	73,49,68,082/-	88,85,16,683/-
(ii) Foreign Exchange Out Go - (Rs.)	4,53,52,437/-	2,12,77,824/-

By Order Of the Board

Place : Calcutta
Date : 19.08.2000

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, 2000 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.
 - 1.15) During the year, the Company has regularly deposited with the appropriate authorities the dues relating to Employees Provident Fund where applicable.
 - 1.16) 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, 2000.
 - 1.17) 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.
 - 1.18) 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.
 - 1.19) 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.
 - 1.20) 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) In our opinion, Balance Sheet & Profit Loss Account comply with requirement of Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.
 - 2.4) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the books of accounts as submitted to us.
 - 2.5) In our opinion and to the best of our information and according to the explanations given to us, the said statements of Account, read together with significant accounting policies and notes on accounts in Schedule "O", 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, 2000.

AND

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

For **DAS & PRASAD**
Chartered Accountants

PLACE : 9, JAGMOHAN MULLICK LANE
CALCUTTA - 700 007

G. D. AGARWALA
Partner

DATED : 19TH AUGUST, 2000