



Nagreeka

EXPORTS LIMITED



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**SEVENTEENTH
ANNUAL
REPORT
2005-2006**

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the **Members of Nagreeka Exports Limited**, will be held at **Bengal National Chamber of Commerce & Industry**, 23, R. N. Mukherjee Road, Kolkata-700 001, on Wednesday, the 27th September, 2006 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet as at 31st March, 2006, the Profit and Loss Account for the year ended on that date and reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Sri Sunil Patwari who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Sri D. P. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Sri K. L. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
- To declare dividend on equity shares.
- To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
- 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.
- 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, Kolkata -700 001.
- Members are requested to bring their copies of Annual Report at the Meeting and produce attendance slip at the entrance.
- The Register of Members and Share Transfer Books will remain closed from 20.09.2006 to 27.09.2006 (both days inclusive).
- Dividend, if approved at the Annual General Meeting, will be paid to those members whose names will appear in the register of members on 27.09.2006 (including the list of members supplied by NSDL / CDSL for members holding shares in Demat Form as on 27.09.2006).
- 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)
- Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year ended 31st March, 1995 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 Registrar of Companies, West Bengal.

NOTES FOR MEMBERS' ATTENTION

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

Name of Director	Mr. Sunil Patwari	Mr. D. P. Agarwal	Mr. K. L. Agarwal
Date of Birth	15.11.1960	12.02.1932	19.01.1934
Date of Appointment	02.05.1989	27.09.1993	27.09.1993
Expertise in specific Functional area	Industrialist having rich business experience	Industrialist having rich business experience	Industrialist having rich business experience
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	1. AMCE Glass Seal Ltd. 2. Nagreeka Software Technologies Ltd.	1. Optical Link Ltd. 2. Sterlite Industries (India) Ltd. 3. Sterlite Paper Ltd. 4. Sterlite Iron and Steel Company Ltd. 5. Sterlite Telecables Ltd. 6. Sterlite Telelink Ltd. 7. Sterlite Telecom Ltd. 8. Duratube Limited 9. Twinstar International Limited 10. Volcan Investments Ltd.	1. H.P. Cotton Textile Mills Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	None	None	None

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

J. TIWARI
(Company Secretary)

Place : Kolkata
Date : 26th June, 2006

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the **17th Annual Report** on the affairs of your Company together with the Audited Statements of Account for the year ended **31st March, 2006**.

FINANCIAL RESULTS :

	2005-2006 (Rs. In lacs)	2004-2005 (Rs. In lacs)
Sales & Export Revenue	17555.15	12234.84
Other Income	3035.90	68.84
EBIDT	4205.69	924.15
Interest	219.76	134.44
Depreciation	314.09	289.46
PROFIT BEFORE TAXATION	3671.84	500.25
Provision for taxation	(-) 57.87	(-) 178.25
Deferred Taxation Assets (Liability)	(-) 209.81	67.77
Short / Excess Provision for Income Tax written back	49.80	(-) 7.96
PROFIT AFTER TAXATION	3453.96	381.81
Profit Brought Forward from Previous Year	373.59	301.57
PROFIT AVAILABLE FOR APPROPRIATIONS	3827.55	683.38
APPROPRIATIONS :		
Transfer to General Reserve	3350.00	200.00
Proposed Dividend	121.40	97.10
Tax on Dividend	17.96	12.69
Balance carried to Balance Sheet	338.19	373.59
	3827.55	683.38

DIVIDEND

Your Directors take pleasure in recommending payment of Dividend @ Rs.1.25 per equity share of Rs.10/- each, on the enhanced capital, for the year ended 31st March, 2006. Total outgo on account of dividend for the financial year 2005-06 will be Rs.138.43 lacs including dividend distribution tax.

REVIEW OF OPERATION

The Company's turnover for the year ended 31st March, 2006 has grown to Rs. 17,555.15 lacs from Rs. 12,234.84 lacs in the previous year, thus recording an increase of 43.48%.

Profit after tax for the year under review is Rs. 3,453.96 lacs as against 381.81 lacs in the previous year.

MODERNISATION AND EXPANSION OF SPINNING CAPACITY AT OUR KOLHAPUR PROJECT

The implementation of both expansion and modernization schemes have progressed during the year. As a result of the implementation of expansion scheme, the total spinning capacity increased to 40,320 spindles as of March 31, 2006. The scheme will be fully implemented during the year 2006-07.

The modernization scheme is also being implemented in steps. The benefits of both these schemes will be visible during the year 2006-07.

FUTURE PROSPECTS

The Textile Industry in India is presently in a stage of high growth due to the removal of the quota system and the stimulus provided by TUF scheme. There has been a substantial growth in weaving capacity using automatic looms to feed the production of home textiles and garments for Indian and Export markets. This has created a good market for high quality yarn produced by your company. As a result of the expansion and modernization scheme, the company is now able to offer the specialized products for Niche market segments.

These segments are expected to grow in the future and additionally, the management is exploring further avenues for growth and value addition.

ISSUE OF 28,00,000-EQUITY LINKED WARRANTS

The members of the company in the Extra-Ordinary General Meeting held on 26th December, 2005 passed special resolution for issue and allotment of 28,00,000 Equity Linked Warrants at a price of Rs. 62.25 per warrant. These warrants have since been allotted and 8,50,000 warrants have already been converted into 8,50,000 equity shares during the year.

DEMERGER OF INVESTMENT ACTIVITY / DIVISION

The scheme of arrangement between your company and Nagreeka Software Technologies Ltd. (NSTL) a wholly owned subsidiary of your company, relating to the investment activity of your company is pending before Honourable High Court at Kolkata. Upon approval of the same by Honourable High Court at Kolkata and you, all share holders will receive shares of NSTL in the ratio 1:1 and the resultant shares will also be listed.

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.

FORFEITURE OF 10,300 EQUITY SHARES

Your Directors forfeited 10,300 Equity Shares of Rs.10/- each due to non-payment of allotment money.

WHOLLY OWNED SUBSIDIARY COMPANY

As required under section 212 of the Companies Act, 1956, the Audited Statements of accounts along with the report of the Board of Directors of M/s. Nagreeka Software Technologies Ltd., wholly owned subsidiary of the company, have been given in the Annual Report.

As required under clause 32 of the listing agreement with the stock exchange(s) and in accordance with the requirements of Accounting Standard AS-21 issued by The Institute of Chartered Accountants of India, the company has prepared consolidated financial statements of the company and its wholly owned subsidiary and are forming part of the Annual Report.

DIRECTORS

Mr. Sunil Patwari, Mr. D.P. Agarwal and Mr. K.L. Agarwal retiring by rotation at the ensuing Annual General Meeting and all of them are being eligible, have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 217 (2AA) of the Companies Act, 1956, Your Directors state that :

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with the proper explanation to material

DIRECTORS' REPORT (Contd.)

departure wherever applicable.

- They have followed 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 on 31st March, 2006 and of the profit of the Company for that period.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a 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.

AUDITORS

M/s. Das & Prasad, Chartered Accountants, Kolkata, the Auditor of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT

The observation made by the auditor 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.

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. 2.00 lacs per month or Rs. 24.00 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

Your Directors wish to place on record their acknowledgement of the contribution made by the employees and workers of the company. Your Directors are also grateful to various State Governments, Semi-Governments Authorities, Banks and Financial Institutions for their support to your Company.

By order of the Board

Place : Kolkata
Date : 26th June, 2006

I. L. Patwari
(Chairman)

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 31.03.2006	Year Ended 31.03.2005
1. Power Consumption		
i) Electricity		
a) Purchased units (in lacs)	178.57	183.91
Total amount (Rs. In lacs)	606.92	598.43
Rate per unit (Rs.)	3.40	3.25
b) Own Generation		
Through Diesel Generator		
Total Unit Generated (In lacs)	10.07	4.86
Units per litre of Diesel Oil	3.20	3.37
Cost per unit (Rs.)	6.71	6.95
ii) Coal	Nil	Nil
iii) Furnace Oil	Nil	Nil
iv) Other Internal General	Nil	Nil
2. Consumption per unit of production		
i) Electricity unit per kgs. of yarn	3.97	3.87
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

- 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 and products developments.

- Total Foreign Exchange earned and used :

	2005-06 (Rs.)	2004-05 (Rs.)
Earning	1,45,01,08,873	92,06,44,784
Outgo	40,18,46,878	6,09,27,197

By order of the Board

Place : Kolkata
Date : 26th June, 2006

I. L. Patwari
(Chairman)

ANNEXURE "B" TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS SEGMENT - TEXTILES

(I) YARN

INDUSTRY STRUCTURE AND DEVELOPMENTS

The recent Union Budget contains various proposals/schemes for the growth and development of the textile industry. The Government has given a clear message that modernization and up-gradation of technology is of prime importance for the textile industry to scale new heights in the global market place. The allocation of funds under the Technology Up-gradation Fund Scheme (TUFSS) has been enhanced, peak rate of custom duty has been reduced and duty on specific textile machines is reduced to 5%. In view of these positive developments, the textile industry, is making significant efforts to upgrade technology and expand capacities to benefit from economies of scale, so as to improve competitiveness and face new challenges. Textile companies are now aiming to create larger capacities across the value chain. The aggressive capacity expansion plans of the industry demonstrate its commitment to take advantage of the emerging global growth opportunities.

Since yarn manufacturing companies are vastly dependent on the demand from textile industry, the overall scenario of yarn manufacturing companies remains bright.

OPPORTUNITIES AND THREATS

India's textile industry is on the threshold of strong growth post the dismantling of global quotas. Rapid export growth will materialize due to cost advantage, outsourcing by global retailers and use of India as an alternative source of supply to China. India's presence across the textile chain from fibre to garments has increased its preference among global retailers as a key outsourcing destination. The significant improvement in yield per acre of cotton in India provides greater availability of raw cotton to the Indian textile industry, thus improving its competitive advantage.

Whether the Indian textile industry will fulfill the expectations and meet various challenges and carve out a prosperous and successful niche for itself or will it find it difficult to compete with determined players like China, Pakistan, Indonesia and Thailand, who have all the resources, huge capacities and low cost of production, is a question which will be answered over the next 3-5 years. The outcome has a material bearing on the industry and, therefore, consequently on the yarn manufacturing companies. The threat of competition, particularly from China, Pakistan and Indonesia has to be met. We have to battle against and overcome poor infrastructure, shortage of power and soaring global oil prices, all of which affect our competitiveness. The absence of integrated production facilities is a bottleneck for our industry, leading to lengthening of lead times, which adds to the total cost of production.

RISKS & CONCERNS

Today, the world's focus is on India as the economy is growing. We have to face operational challenges in global trade. In our attempt to improve our share in the World market, our country has to face up to economies with better infrastructure and logistics. China's scale, infrastructure and cost competency give it an edge over other countries.

The price of cotton, the main raw material for yarn manufacturers are volatile and largely depend on size of crop and crop size is again dependent on rainfall, yield per hectare, area under cultivation etc.

OUTLOOK

Due to buoyancy of the world economy and the growth of organized retailing through malls there is tremendous potential, especially for manufacture of cotton fabrics both within India and globally. This likely increase in demand for cotton fabrics will directly benefit the yarn manufacturers in India.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS

FINANCIAL RESULT	2005-2006 (Rs. In lacs)	2004-2005 (Rs. In lacs)
Sales & Export Revenue	17555.15	12234.84
Other Income	3035.90	68.84
EBIDT	4205.69	924.15
Interest	219.76	134.44
Depreciation	314.09	289.46

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Provision for taxation	(-) 57.87	(-) 178.25
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Short / Excess Provision for Income Tax written back	49.80	(-) 7.96
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APPROPRIATIONS		
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Proposed Dividend	121.40	97.10
Tax on Dividend	17.96	12.69
Balance carried to Balance Sheet	338.19	373.59
	3827.55	683.38

The Company's turnover for the year ended 31st March, 2006 stands at Rs. 17,555.15 lacs as against Rs. 12,234.84 lacs in the previous year, thus recording and increase of 43.48%.

Profit after tax for the year under review is Rs. 3,453.96 lacs as against 381.81 lacs in the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate systems of internal controls which ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly. 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 Management continuously reviews the internal control systems and procedures to obtain comfort regarding orderly and efficient conduct of business. The review includes overseeing adherence of the management policies, safeguarding the assets of the Company and ensuring preparation of timely and accurate financial information. The emphasis on internal control prevails across functions and processes, covering the entire gamut of business activities. A strong system of internal audit and effective and comprehensive reviews by the Audit Committee of the Board have strengthened the internal control within the organization.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

There is no doubt that your company has achieved the business targets every year due to the continuous and consistent dedicated efforts of the human resources of the company and this year is no exception.

Your company has introduced a programme for up-gradation of technical expertise of the technical staff to match international standards.

Employee relations continued to be cordial throughout the year. Your company is committed to leveraging its human resources to enhance competitiveness in a globally challenging environment. A high level of organizational vitality is sought to be constantly maintained with a view to achieving the company's vision.

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'

CORPORATE GOVERNANCE REPORT

In compliance with the requirement of Clause 49 of the listing agreement with the stock exchange (s), your company submits the Annual Report of Corporate Governance.

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 has a combination of executive and non-executive Directors. The Company has a Non-executive Chairman. The number of non-executive Directors are more than 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 Company's Board at present has nine directors comprising of two Managing Directors, two Whole Time Directors and four Non-Executive Directors.

The Board met Nine times on the following dates during the financial year 2005-2006 :

29.04.05	30.06.05	28.07.05	27.09.05	31.10.05	10.01.06	19.01.06	31.01.06	31.03.06
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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 31.03.2006 are given below :

Name	Category	No. of Meetings held during the Financial year	No. of Board Meetings attended during 05-06	Whether Attended AGM held on 28.09.05	No. of Directorship in other Public Limited Companies	No. of Committee Positions held in other Public Limited Companies		No. of Shares held in the Company as at 31.03.2006
						Chairman	Member	
Mr. I. L. Patwari	Promoter Non-Executive	9	8	Yes	2	None	None	297700
Mr. Sushil Patwari	Promoter Executive	9	9	Yes	3	None	3	293500
Mr. Sunil Patwari	Promoter Executive	9	1	Yes	2	None	None	272000
Mr. Mahendra Patwari	Executive	9	1	No	1	None	None	112000
Mr. K.C. Purohit	Executive	9	Nil	No	NIL	None	None	0
Mr. M.K. Ogra	Independent Non-Executive	9	7	Yes	4	None	None	0
Mr. K.L. Agarwal	Independent Non-Executive	9	4	No	1	None	None	0
Mr. D.P. Agarwal	Promoter Non-Executive	9	Nil	No	10	None	None	0
Mr. B. C. Talukdar	Independent Non-Executive	9	6	Yes	4	1	2	0

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. K.L.Agarwal and Mr. I.L.Patwari 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 of the Listing Agreement.

The Audit Committee met on the following dates during the financial Year 05-2006 :

30.06.05	28.07.05	31.10.05	31.01.2006
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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	4
Mr. I. L. Patwari	4	4
Mr. K. L. Agarwal	4	2

Necessary quorum was present at the meeting. Chief Finance Officer (C.F.O) and Representatives of Statutory Auditors of the Company are being 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	Non Executive Independent Director
2. Mr. Sushil Patwari	Member	Executive – Promoter
3. Mr. Sunil Patwari	Member	Executive – Promoter

Mr. J. Tiwari, Company Secretary acts as Secretary to the Committee.

The Committee met five times during the financial year 05-06 on 29.04.05, 30.06.05, 28.07.05, 30.10.05 and 31.01.06.

The Committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. The number of Complaints received were very few and the same were dealt with suitably. Status of complaints for Financial Year 05-06 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	58
Number of Complaints resolved	58
Number of Complaints pending as on 31.03.2006	NIL

C) REMUNERATION COMMITTEE

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

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

1. Mr. M. K.Ogra	Chairman	Independent Non Executive Director
2. Mr. K. L. Agarwal	Member	Independent Non Executive Director
3. Mr. I. L. Patwari	Member	Promoter Non Executive Director

One meeting was held during the financial year 05-06 on 16.06.05 and all the members attended the same.

Given below are the details of remuneration to Directors during the financial year 05-06 :

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2004-05 paid during the year) (Rs.)
1. Mr. I. L. Patwari	47,000/-	—	—	—
2. Mr. Sushil Patwari	—	12,00,000/-	—	—
3. Mr. Sunil Patwari	—	12,00,000/-	30,000	—
4. Mr. Mahendra Patwari	—	6,00,000/-	—	—
5. Mr. K. C.Purohit	—	7,20,000/-	—	—
6. Mr. K. L. Agarwal	24,000/-	—	—	—
7. Mr. D. P. Agarwal	—	—	—	—
8. Mr. M. K. Ogra	52,000/-	—	—	—
9. Mr. B. C. Talukdar	30,000/-	—	—	—

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 shareholders. The Board on the recommendations of the Remuneration Committee approves the annual increments. The appointment / reappointment of Managing/Whole Time Directors is contractual and subject to termination by three months' notice in writing on either side.

ANNEXURE 'C' (Contd.)

4. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING :

Name of Director	Mr. Sunil Patwari	Mr. D. P. Agarwal	Mr. K. L. Agarwal
Date of Birth	15.11.1960	12.02.1932	19.01.1934
Date of Appointment	02.05.1969	27.09.1993	27.09.1993
Expertise in specific Functional area	Industrialist having rich business experience	Industrialist having rich business experience	Industrialist having rich business experience
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	1. AMCE Glass Seal Ltd. 2. Nagreeka Software Technologies Ltd.	1. Optical Link Ltd. 2. Sterlite Industries (India) Ltd. 3. Sterlite Paper Ltd. 4. Sterlite Iron and Steel Company Ltd. 5. Sterlite Telecables Ltd. 6. Sterlite Telelink Ltd. 7. Sterlite Telecom Ltd. 8. Duratube Limited 9. Twinstar International Limited 10. Vulcan Investments Ltd.	1. H.P. Cotton Textile Mills Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	None	None	None

5. DETAILS OF GENERAL MEETINGS

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.	2004-05	Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata - 700001.	E.G.M.	26.12.05	Monday	10.30 am.	1
2.	2004-05	Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata - 700001.	16th A.G.M.	28.09.05	Wednesday	10.30 am.	2
3.	2003-04	Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata - 700001.	15th A.G.M.	25.09.04	Saturday	10.30 am.	Nil
4.	2002-03	Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata - 700001.	14th A.G.M.	27.09.03	Saturday	10.30 am.	2

6. DISCLOSURES

- All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
- All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
- A sum of Rs.174.30 lacs in the aggregate being 10% of price of 28,00,000 equity warrants has been received from the proposed allottees out of which, holders of 8,50,000 equity warrants exercised their option and allotted 8,50,000 equity shares of Rs.10/- each. On exercise of

ANNEXURE 'C' (Contd.)

option, further sum of Rs.476.21 lacs has received. There is no variation between the actual utilization of funds and projected utilization of funds.

- (v) There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (vi) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (vii) Management Discussion and Analysis forms part of the Annual Report to the members and it includes discussion on matters as required under the provisions of clause 49 of the listing agreement with stock exchanges.

7. CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGEMENT STAFF

In line with the amended Clause 49 of the listing agreement which came into effect from 1st January, 2006, the company adopted a Code of Conduct for its Directors and Senior Management Staff. The Code has also been posted on the company's website. The Vice Chairman and Managing Director has given a declaration that all the Directors and the Senior Management Staff have affirmed compliance with the Code of Conduct.

8. CEO / CFO'S CERTIFICATION

A certificate duly signed by the Vice Chairman and Managing Director and Chief Finance Officer relating to Financial Statements and Internal Controls and Internal Control Systems for financial reporting as per the format provided in amended Clause 49 of the listing agreement was placed before the Board, who took the same on record.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting		
Date and Time	:	27th September, 2006 at 10.30 a.m.
Venue	:	Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata-700 001.
Financial Calendar (Tentative)	:	Year ending - 31st March
		First Quarter Results By end July' 06
		Second Quarter and Half Yearly Results By end October' 06
		Third Quarter Results By end January' 07
		Results for year ending 31st March' 07 By end June' 07
		Annual General Meeting for the Year ending 31st March' 07 By end September' 07
Date of Book Closure	:	20th September, 2006 to 27th September, 2006 (both days inclusive)
Listing of Stock Exchanges	:	1. Bombay Stock Exchange Limited. 2. National Stock Exchange of India Limited.

The Company has paid the Annual Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial Year 2006-07.

10. STOCK CODE

Bombay Stock Exchange Limited : 521109

National Stock Exchange of India Limited : NAGREEKA

11. PLANT LOCATION

Village Yavluj, Taluka Panhala, Dist. Kolhapur, Maharashtra.

12. MEANS FOR COMMUNICATION

The quarterly results are published in the leading English daily Newspaper (Financial Express and Business Standard) and Bengali Newspapers (Kalanter and Aajkal).

13. DEMATERIALISATION OF SHARES

An on 31st March, 2006, 83.27% of the Share Capital comprising 87,93,296 shares are in dematerialized form.

SHARE REGISTRAR AND TRANSFER AGENT

MAHESHWARI DATAMATICS (P) LTD

6, Mangoe Lane, Kolkata - 700 001.

Telephone No. : (033) 2243-5029/5809

Fax no. : (033) 2248-4787

Website : www.mdplonline.com

Email : mdpl@cal.vsnl.net.in

Business Hours : 10.30 am to 3.00 pm (Monday-Friday) & 10.30 am to 12.30 pm (Saturday)

ANNEXURE 'C' (Contd.)

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2006

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 500	12625	94.6118	1591031	15.0666
2) 501 to 1000	339	2.5405	289222	2.7388
3) 1001 to 2000	152	1.1391	239702	2.2699
4) 2001 to 3000	65	0.4871	166135	1.5732
5) 3001 to 4000	29	0.2173	100858	0.9551
6) 4001 to 5000	25	0.1874	118599	1.1231
7) 5001 to 10000	37	0.2773	274356	2.5981
8) 10001 and above	72	0.5395	7780097	73.6752
TOTAL	13344	100.0001	10560000	100.0000

CATEGORY OF SHAREHOLDERS AS ON 31.03.2006

Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S HOLDING		
a. Promoters		
i) Indian Promoters	49,48,086	46.86
Sub-Total	49,48,086	46.86
B. NON-PROMOTERS HOLDING		
Institutional Investors		
a. Mutual Funds and UTI	3,700	0.04
b. Banks, Financial Institutions Insurance Companies, Central/ State Govt. Institutions.	400	0.00
c. FIIs	63,645	0.60
Sub-Total	67,745	0.64
C. Others		
a. Private Corporate Bodies	23,51,348	22.27
b. Indian Public	28,77,593	22.27
c. NRI/OCBs	3,15,228	2.98
Sub-Total	55,44,169	52.50
GRAND TOTAL	1,05,60,000	100.00

14. MARKET PRICE DATA (Rs.) :

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'05	39.30	33.00	-	-
May'05	46.70	34.00	-	-
June'05	60.00	38.50	-	-
July'05	52.90	45.00	-	-
Aug'05	63.00	47.25	-	-
Sep'05	80.50	57.25	-	-
Oct'05	68.50	49.10	-	-
Nov'05	72.00	56.95	-	-
Dec'05	80.80	62.10	72.26	68.01
Jan'2006	99.50	82.00	93.83	89.08
Feb'2006	108.00	78.75	90.87	86.90
Mar'2006	108.95	77.00	92.09	88.09