



Nagreeka

EXPORTS LIMITED



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**TWENTETH
ANNUAL
REPORT
2008-2009**

BOARD OF DIRECTORS	:	Shri Sushil Patwari	—	Chairman & Managing Director
		Shri Sunil Patwari	—	Vice Chairman & Managing Director
		Shri Dwarka Prasad Agarwal	—	Director
		Shri Kashmiri Lal Agarwal	—	Director
		Shri Kailash Chandra Purohit	—	Whole-time Director
		Shri Mohan Kishen Ogra	—	Director
		Shri Bibhuti Charan Talukdar	—	Director
		Shri Mahendra Patwari	—	Whole-time Director
		Shri Mahabir Prasad Periwal	—	Director
		Shri Rajendra M. Ruia	—	Director
COMPANY SECRETARY	:	Shri J. Tiwari		
BANKERS	:	Canara Bank, Overseas Branch, Kolkata		
		ING VYSYA Bank Limited, Overseas Branch, Mumbai		
		Oriental Bank of Commerce, Overseas Branch, Kolkata		
		State Bank of Patiala, Commercial Branch, Mumbai		
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	:	Village Yavluj, Taluka Panhala		
		Dist. Kolhapur (Maharashtra)		

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NOTICE

Notice is hereby given that the 20th 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 22nd September, 2009 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. D.P. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K.L. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.K.Ogra who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to sections 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 and conditions of Mr. Mahendra Patwari as Wholtime Director of the Company for a period of three years with effect from 1st July, 2009 upon the terms and conditions set out in the Relevant Explanatory Statement and also in the Draft Agreement, which is hereby specifically sanctioned with Liberty to the Board of Directors (hereinafter referred to as Board which term shall be 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(s) as the Board may deem fit and agreed to by Mr. Mahendra Patwari."

By order of the Board
For NAGREEKA EXPORTS LTD.

J. TIWARI
(Company Secretary)

Place : Kolkata
Date : 5th June, 2009

NOTE :

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 the Proxy need not be a Member of the Company.
2. 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.
3. 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.
4. Members are requested to bring their copies of Annual Report at the Meeting and produce attendance slip at the entrance.
5. The Register of Members and Share Transfer Books will remain closed from 15/09/2009 to 22/09/2009 (both days inclusive).
6. 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).
7. 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 Govt. as required under the law. Members who have not claimed or collected their dividend declared upto the aforesaid financial period are requested to claim such dividends from the Registrar of Companies, West Bengal, Nizam palace, II nd MSO Building, 23/4, A. J. C. Bose Road, Kolkata-700 020 by making an application in Form II of the Rules.
Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed or unpaid dividends (if any) upto the financial year ended 31st March, 2002 have been transferred to the Investors Education and Protection Fund established by the Central Government.

NOTICE (Contd.)

8. Details of the Directors seeking appointment/reappointment in the ensuing Annual General Meeting.

Name of Director	Mr. D. P. Agarwal	Mr. K. L. Agarwal	Mr. M. K. Ogra	Mr. Mahendra Patwari
Date of Birth	12.03.1932	19.01.1934	15.09.1930	15.03.1963
Date of appointment	27.09.1993	27.09.1993	30.06.2001	01.07.2004
Qualification			Graduate (Maths & Statistics) & Diploma in Statistics & Quality Control	B.E. from IIT Powai, Mumbai
Expertise in specific Functional area	Industrialist having rich business experience	Industrialist having rich business experience	Industrialist having rich business experience	Industrialist having rich business experience
List of other Directorship held excluding foreign companies, companies, under section 25 of the Companies Act, 1956 and Private Companies.	1. Sterlite Industries (India) Ltd. 2. Sterlite Paper Ltd. 3. Sterlite Iron and Steel Company Ltd. 4. Volcan Investments Ltd. 5. Twinstar Infrastructure Ltd. 6. Twinstar Overseas Ltd. 7. Twinstar Investment Ltd.	1. H.P. Cotton Textile Mills Ltd.	1. Nicco Financial Services Ltd. 2. Nicco Engineering Services Ltd. 3. Nicco Biotech Ltd. 4. Nagreeka Capital & Infrastructure Ltd.	1. Nagreeka Foils Ltd.
Chairman / Member of the committees of the Board of other Companies in which he / she is a Director	None	None	Nagreeka Capital & Infrastructure Ltd.	None

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

ITEM NUMBER 6 :

Mr. Mahendra Patwari was reappointed as Wholtime Director of the Company, with effect from 1st July, 2009, for a period of three years, in the Board Meeting held on 5th June, 2009. The Remuneration Committee also recommended his reappointment at its meeting held on 5th June, 2009. The brief terms and conditions of his reappointment are as under :-

(a) Salary :

Rs. 1,50,000/- per month with effect from 1st July, 2009.

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.4,00,000/- 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, fixtures and furnishings as approved by the Board of Directors (which includes Remuneration Committee of the Board of Directors) from time to time.

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 one 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 one year to the extent not availed shall be allowed to be accumulated upto next two years.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
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. 25,000/- 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, including monthly charges on account of one cellular handset.

xi) Reimbursement of Entertainment / Traveling Expenses

Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Mahendra 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. Mahendra 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. Mahendra 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 and monthly charges on account of one cellular handset will not be considered in computing value of perquisites. Personal long distance calls of telephone shall be billed to Mr. Mahendra Patwari.

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

The Draft Service Agreement between the Company and Mr. Mahendra Patwari is available for inspection by the Members 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 special resolution for approval of the Members.

Save and except Mr. Sushil Patwari, Mr. Sunil Patwari and Mr. Mahendra Patwari, no Director of the Company is concerned or interested in the special resolution being item number 6 of the Notice.

By order of the Board
For NAGREEKA EXPORTS LTD.

Place : Kolkata
 Date : 5th June, 2009

J. TIWARI
 (Company Secretary)

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 20th Annual Report on the affairs of your Company together with the Audited Statements of Account for the year ended 31st March, 2009

FINANCIAL RESULT

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Sales & Export Revenue	26652.69	32905.58
Other Income	62.50	36.07
	26715.19	32941.65
PBIDT	972.43	2525.90
Interest	798.04	638.29
Depreciation	635.71	614.98
PROFIT/(LOSS) BEFORE TAXATION	(461.32)	1272.63
Taxation	(-)285.05	430.77
PROFIT/(LOSS) AFTER TAXATION	-176.27	841.86
Profit Brought Forward from Previous Year	238.82	358.98
PROFIT AVAILABLE FOR APPROPRIATIONS	62.55	1200.84
APPROPRIATIONS		
Transfer to General Reserve	-	852.34
Proposed Dividend	-	93.75
Income Tax on Dividend	-	15.93
Balance carried to Balance Sheet	62.55	238.82
	62.55	1200.84

DIVIDEND

In view of the loss incurred by your company for the year ended 31st March, 2009, your Directors do not recommend payment of dividend for the year under review.

REVIEW OF OPERATION

The year under review is historic in many ways. We have witnessed a huge turmoil around the world leading to a sharp downturn in all markets and economies. The problem started from the developed countries – USA, UK, Europe and Japan but soon engulfed the whole world. There has been a huge impact on economic activity and particularly external trade. Global trade has seen a sharp reduction.

The cotton textile industry in India is heavily geared for export and a large portion of the production is exported. Your company has been also largely export based since inception. Hence, the global developments have very adversely affected the business of the company during the year.

The reduction in consumption in the developed countries has mean lower sales for the supplying countries. The global turmoil and the resultant meltdown in the financial markets including the equity and real estate markets affected the flow of foreign money into the country. This led to volatility and a sharp and sudden drop in the value of the Indian Rupee. The reduction in exports, led to cancellation of orders and related foreign exchange contracts at substantial loss.

During the year there was a 40% hike in the minimum support price (MSP) of raw cotton. This aided by aggressive MSP

operations by Government through Cotton Corporation of India and NAFED kept prices of raw cotton at relatively high levels vis-à-vis global prices. This increased cost for the Company and also reduced export of raw cotton. The reduction in rates of duty draw back during sept'08 also compounded the problems. The increase in PLR by banks during the year increased interest cost. Due to high oil and energy prices the cost of power also went up. The external factors in respect of the economy in general and the cotton textile industry which were beyond the control of the management have been very adverse.

Your company has dealt with these adversities to the best of its ability and has achieved the turnover of Rs. 26,652.69 lacs as against Rs. 32,905.58 lacs in the previous year. Loss after tax for the year under review is Rs. 176.27 lacs as against profit after tax of Rs. 841.86 lacs in the previous year.

AWARD & RECOGNITION

During the year under review, the Company was awarded "Niryat Shree Gold Trophy" by Federation of Indian Export Organisation (FIEO) for outstanding export performance in the category of Textile & Textile Product (Non SSI).

FUTURE PROSPECTS

The government of India and Reserve Bank of India have announced some stimulus packages to alleviate the harsh impact of the adverse developments around the globe. The implementation of these packages has started and the effect is still to be felt fully. It is expected that due to the infusion of liquidity and very low inflation, interest rates will be lowered to benefit the industry.

The area under cotton cultivation is expected to increase. Global economies are also seeming to bottom out and revival may be visible by the end of the year. So, some light is visible from behind the dark clouds. We do look forward to better times though, we are aware that it is a long and difficult journey.

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. D.P. Agarwal, Mr. K.L. Agarwal and Mr. M.K. Ogra retire by rotation at the ensuing Annual General Meeting and all of them being eligible, have offered themselves for reappointment.

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 departure wherever applicable.
2. 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 2009, and of the profit of the Company for that period.
3. 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.
4. The annual accounts have been prepared on a going concern basis.

DIRECTORS' REPORT (Contd.)**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.

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 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 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.

MODERNISATION AND EXPANSION PROGRAMME

The Company has completed its modernisation and expansion programme successfully during the year by replacing the last trench of 7 Ring Frames.

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 take this opportunity to convey their sincere appreciation to the company's employees, bankers and shareholders for their valuable services and support and continued confidence in the company. Your Directors are also deeply grateful to the company's customers, associates, suppliers and Government authorities for their continued support.

By order of the Board

Place : Kolkata

Date : 5th June, 2009

Sushil 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 31.03.2009	Year Ended 31.03.2008
1. Power Consumption		
i) Electricity		
a) Purchased units (in lacs)	328.11	329.19
Total amount (Rs. In lacs)	1,489.13	1,295.43
Rate per unit (Rs.)	4.54	3.94
b) Own Generation		
Through Diesel Generator		
Total Unit Generated (In lacs)	3.15	5.91
Units per litre of Diesel Oil	3.31	3.27
Cost per unit (Rs.)	8.03	7.64
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	3.23	3.38
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 EARNINGS & OUTGO

1. Activities relating to Exports, initiatives takes 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 product developments.

2. Total Foreign exchange earned and used :

	Year Ended 31.03.2009	Year Ended 31.03.2008
Earning	1,87,87,99,618	2,59,00,35,335
Outgo	6,62,19,729	6,83,52,614

By order of the Board

Place : Kolkata

Date : 5th June, 2009

Sushil Patwari
Chairman

ANNEXURE 'B' TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The major markets in the world such as USA, Europe and Japan are still under recession. The Textile Sector is no exception. The yarn industry which is very closely associated with textile industry, has been suffering severely from weaker demand and high input costs. Further, the industry reported lower realisation on account of reduced demand globally. The agony of textile sector has been compounded due to hike in MSP of raw cotton, slow disbursement of subsidies under TUFS and high borrowing costs coupled with increase in power cost and bad availability of power, reduction in rates of duty drawback.

OPPORTUNITIES AND THREATS

Cotton textiles has been a major product in India's export basket. The government is supporting a major growth in these exports. Further, the yield per acre of cotton in India though improved in last few years is still below global average. With widespread use of BT seeds the yield is expected to grow faster. This will increase cotton crop size and availability of cotton in India. The steady growing Indian economy and growth of organized retail promises greater per capita consumption of textiles. These developments offer opportunities to cotton spinning companies in particular and cotton textile manufacturing & exporters in general for growth and development.

The textile sector is presently facing acute pressure from global turmoil. The Government had announced some proposals for the sector in the interim budget for 2009-2010 and the interim trade policy, but the same are inadequate to prop up the demand in textile sector and consequently in the yarn industry.

The continuing pressure on exports, due to fierce competition from countries like China, Bangladesh and Vietnam, is expected to continue for some more time. Further, any restriction of market access for exports of Indian textiles and clothing products, under the WTO's Agreement on textiles and clothing would have serious implication on the Textile industry which will also impact the yarn industry.

RISKS & CONCERNS

Raw cotton is the key raw material for manufacture of yarn. Nearly 60% of the area under cotton is rain fed thus making it dependant on the vagaries of the monsoon. Availability of cotton at right prices is crucial for the company. The company closely monitors the developments and has a policy of buying both spot and forward to limit the variability.

The exchange rate fluctuations also impact the company as it is the export business. A systematic assessment of risk and planning is used to hedge the risk.

The impact of government policies and initiatives such as development of infrastructure, transaction cost, drawback rates, availability and cost of power, labour law reforms etc., are significant for the industry. The imports of textile product are being liberalised and tariffs are reduced. Competitors and low cost countries may sell goods cheaper to the detriment of the local industry.

OUTLOOK

The profitability of the textile industry will depend upon availability of raw cotton of good quality at correct price and also the yarn prices remaining remunerative. It is expected that the power supply situation will improve in the near future.

Additionally the development of newer products & newer markets provide hope for the future.

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

Your Company has been consistently upgrading the technical skills and expertise of the technical and operational staffs, so that it remains in tune with the international standards. Your Company also conducts in house training programmes at various levels. Industrial relations have been very smooth throughout the year. This cordiality has boosted your Company's endeavor to achieve the desired financial goals.

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 enhance 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 ten directors comprising of two Managing Directors, two Whole Time Directors and six Non-Executive Directors. The Company has Chairman. The numbers 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 Board met Six times, on the following dates, during the financial year 2008-2009:

11.04.08	16.06.08	31.07.08	22.08.08	31.10.08	30.01.09
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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 31.03.2009 are given below

Name	Category	No. of Board Meetings held during the Financial year	No. of Board Meetings attended during 08-09	Whether Attended AGM held on 16.09.08	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 31.03.2009
						Chairman	Member	
*Mr. I. L. Patwari	Promoter Non-Executive	6	2	No	-	-	-	612700
Mr. Sushil Patwari	Promoter Executive	6	5	Yes	3	None	4	568500
Mr. Sunil Patwari	Promoter Executive	6	4	Yes	1	None	1	712000
Mr. Mahendra Patwari	Executive	6	1	No	1	None	None	312000
Mr. K.C. Purohit	Executive	6	1	No	Nil	None	None	Nil
Mr. M.K. Ogra	Independent	6	5	Yes	4	2	None	Nil
Mr. K.L. Agarwal	Independent	6	2	No	1	None	None	Nil
Mr. D.P. Agarwal	Promoter	6	0	No	10	None	None	Nil
Mr. B. C. Talukdar	Independent	6	5	Yes	3	1	3	Nil
Mr. M. P. Periwal	Independent	6	2	No	Nil	None	None	Nil
Mr. R. M. Ruia	Independent	6	-	No	Nil	None	None	Nil

*Mr. I.L.Patwari left for his heavenly abode on 8th July, 2008

Mr. M.P.Periwal and Mr. R.M.Ruia were appointed as Independent Directors on 31.07.2008 during the financial year 2008-2009

3. COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

The Audit Committee comprises of four Directors viz. Mr. M. K.Ogra as Chairman of the Committee, Mr. Sunil Patwari, Mr. K. L. Agarwal 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 2008-2009 :

11.04.08	16.06.08	31.07.08	31.10.08	30.01.09
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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	5	5
*Mr. I. L. Patwari	5	2
Mr. B.C.Talukdar	5	5
Mr. K. L. Agarwal	5	2
Mr. Sunil Patwari	5	2

*Mr. I. L. Patwari left for his heavenly abode on 8th July, 2008

Mr. Sunil Patwari was appointed as a member of the Committee on 31.07.2008 during the financial year 2008-2009. 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	Executive
3. Mr. Sunil Patwari	Member	Executive

The Committee met once during the financial year 2008-2009 on 31.07.08.

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 2008-09 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.	23
Number of Complaints resolved	23
Number of Complaints pending as on 31.03.2009	NIL

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

C) REMUNERATION COMMITTEE

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

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

*Mr. I.L.Patwari left for his heavenly abode on 8th July, 2008

Mr. Sunil Patwari was appointed as member of the committee on 31.07.08 during the financial year 2008-2009.

The meeting of the Remuneration Committee was held once on 16.06.2008 during the financial year 2008-09.

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 2008-2009 :

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2007-08 paid during the year) (Rs.)
1. Mr. I. L. Patwari	9,000/-	-	-	-
2. Mr. Sushil Patwari	-	12,00,000/-	-	-
3. Mr. Sunil Patwari	-	19,00,000/-	30,000/-	-
4. Mr. Mahendra Patwari	-	15,50,000/-	30,000/-	-
5. Mr. K. C. Purohit	-	7,20,000/-	-	-
6. Mr. K. L. Agarwal	16,000/-	-	-	-
7. Mr. D. P. Agarwal	-	-	-	-
8. Mr. M. K. Ogra	37,000/-	-	-	-
9. Mr. B. C.Talukdar	33,000/-	-	-	-
10. Mr. Rajendra M. Prasad Ruia	-	-	-	-
11. Mr. Mahavir Prasad Periwal	10,000/-	-	-	-