



Nagreeka

EXPORTS LIMITED



**TWENTYFIRST
ANNUAL
REPORT
2009-2010**

| | | | | |
|--------------------|---|----------------------------------------------------|---|-----------------------------------|
| BOARD OF DIRECTORS | : | Shri Sushil Patwari | — | Chairman & Managing Director |
| | : | Shri Sunil Patwari | — | Vice Chairman & Managing Director |
| | : | Shri Kailash Chandra Purohit | — | Whole-time Director |
| | : | Shri Mahendra Patwari | — | Whole-time Director |
| | : | Shri Mohan Kishen Ogra | — | Director |
| | : | Shri Bibhuti Charan Talukdar | — | Director |
| | : | Shri Mahabir Prasad Periwal | — | Director |
| | : | Shri Rajendra M. Ruia | — | Director |
| COMPANY SECRETARY | : | Shri J. Tiwari | | |
| BANKERS | : | Canara bank, Overseas Branch, Kolkata, Mumbai | | |
| | : | ING VYSYA Bank Limited, Overseas Branch, Mumbai | | |
| | : | Oriental Bank of Commere, Overseas Branch, Kolkata | | |
| | : | State Bank of Patiala, Commercial Branch, Mumbai | | |
| | : | Allahabad Bank, Industrial Finance Branch, Kolkata | | |
| AUDITORS | : | M/s. Das & Prasad | | |
| | : | Chartered Accountants | | |
| | : | 4, Chowringhee Lane | | |
| | : | Kolkata - 700 016 | | |
| TRANSFER AGENT | : | M/s. Maheshwari Datamatics Pvt. Ltd. | | |
| | : | 6, Mangoe Lane, 2nd Floor, | | |
| | : | Kolkata - 700 001 | | |
| REGISTERED OFFICE | : | 18, R. N. Mukherjee Road, | | |
| | : | Kolkata - 700 001 | | |
| CORPORATE OFFICE | : | 21-22, Kala Bhavan, 3, Mathew Road | | |
| | : | Mumbai - 400 004. | | |
| WORKS | : | Village Yavluj, Taluka Panhala, | | |
| | : | Dist. Kolhapur (Maharashtra) | | |

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NOTICE

Notice is hereby given that the 21st 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 28th September, 2010 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, 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. Sushil Patwari, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Mahendra Patwari, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. K.C. Purohit, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors of the Company and to fix their remuneration.

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

Place : Kolkata

Date : 28th May, 2010

J. TIWARI
(Company Secretary)

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, Marrow 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 21/09/2010 to 28/09/2010 (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(5) of the Companies Act, 1956 all unclaimed 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.
8. Details of the Directors retiring by rotation and being proposed for re-appointment as Director(s) are as under :-

| Name of Director | Mr. K. C. Purohit | Mr. Sushil Patwari | Mr. Mahendra Patwari |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------|
| Date of Birth | 18.06.1932 | 20.08.1954 | 15.03.1963 |
| Date of Appointment | 30.06.2001 | 06.03.1989 | 01.07.2004 |
| Qualification | B. Tech | B.Com(H) | B.E. from IIT , Mumbai |
| 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. | Nil | Rupa & Co. Ltd. Reliance Processors Ltd. Nagreeka Capital & Infrastructure Ltd. | Nagreeka Foils Ltd. |
| Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director | None | Nagreeka Capital & Infrastructure Ltd. Rupa & Co. Ltd. | None |

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 21st Annual Report on the affairs of your Company together with the Audited Statements of Account for the year ended 31st March, 2010.

FINANCIAL RESULT

| | 2009-2010 (Rs. In lacs) | 2008-2009 (Rs. In lacs) |
|--------------------------------------------|----------------------------|----------------------------|
| Sales & Export Revenue | 41455.43 | 26652.69 |
| Other Income | 48.33 | 62.50 |
| | 41503.76 | 26715.19 |
| PBIDT | 1979.16 | 972.43 |
| Interest | 1113.42 | 798.04 |
| Depreciation | 656.37 | 635.71 |
| PROFIT BEFORE TAXATION | 209.37 | (-) 461.32 |
| Taxation | 15.42 | (-) 285.05 |
| PROFIT AFTER TAXATION | 193.95 | (-) 176.27 |
| Profit Brought Forward from Previous Year | 62.55 | 256.50 |
| PROFIT AVAILABLE FOR APPROPRIATIONS | 256.50 | 81.23 |
| APPROPRIATIONS | | |
| Transfer to General Reserve | | |
| Proposed Dividend | | |
| Income Tax on Dividend | | |
| Balance carried to Balance Sheet | 256.50 | 256.50 |

DIVIDEND

Your Directors intend to plough back entire profit after tax for the year ended 31st March, 2010 for meeting working capital requirement and Capital expenditure on planned upgradation. As such, no dividend is recommended for the year ended 31st March, 2010.

REVIEW OF OPERATION

The Company's turnover has increased from Rs. 26652.69 lacs for the year ended 31st March, 2009 to Rs. 41455.43 lacs for the year under review thus recording an increase of 55.54%. Profit after Tax for the Year under review is Rs.193.96 lacs as against loss of Rs.176.27 lacs in the previous year. The adverse effect of the Global crisis which started in mid 2008 continued during the first half of the period under review. The Company utilised the situation to introspect and fine tune its operations and to utilise resources to improve its competitiveness. Beginning from the 3rd quarter of the period under review, a revival in demand for textile products and the company's products, in particular, began to be seen and this trend has since continued. The retailers in the west had reduced inventories to very low levels and hence, now started purchasing to meet their sales and also to rebuild inventory. Additionally, the strong growth in the Indian economy together with better percolation of benefits to the bottom of the pyramid also brought increased demand for textiles. Your company was well positioned to exploit these developments and could achieve the growth in turnover. The developments on the cost front, however, were not favourable. India's cotton crop in 2009-10 was quite satisfactory and total size was similar to the previous season. Globally however, the cotton crop size reduced. As a result, there was strong demand for Indian cotton in international markets and a huge quantity of cotton was exported from India. Thus, despite a

good crop, the prices of cotton in the domestic market moved up and are approx. 15-20% higher than the previous year.

Other input costs such as power, transportation etc., also went up due to increase in fuel prices and inflation thus taking costs up. Interest cost also increased as the RBI tightened monetary policy and the Government withdrew most of the stimulus measures.

FUTURE PROSPECT

Your Directors are happy to report that though, with a time lag, the process of passing on the costs in prices of finished goods could be done starting from February - March 2010.

During April 2010, the Government of India has temporarily stopped export of raw cotton and waste. This was subsequently permitted for registered contracts and an export duty imposed. New exports would be permitted after October 2010. These measures promise an effort to ensure better availability of cotton for domestic industry.

Simultaneously, the Government has implemented a process of registration to monitor the export of cotton yarn. Further, Duty Entitlement Pass Book (DEPB) and Drawback, meant to reimburse the taxes/duties paid on inputs during the manufacture of cotton yarn have been withdrawn. This has reduced competitiveness of export of cotton yarn.

For season 2010-11 is expected to be big on account of increase in area under cotton and expectations of price rise both in India and globally. The Government of India is expected to declare a policy for export of raw cotton which will also ensure adequate availability for domestic industry. Further, The Ministry of Textiles has sought additional allocation of Textile Stabilisation Fund Scheme (TUFS), indicating its desire to promote further investment and capacity growth in the industry. These measures will definitely be positive for your Industry. The strong growth in our economy will ensure a healthy consumption of textile products in the domestic market. Also, the growth in our cotton crop vis-à-vis other major competing countries will ensure good export demand for Indian textile industry. Thus, your Directors are hopeful of a bright future of the textile industry in India. The Company is working on plans to be a part of the future.

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 and Mr.K.L.Agarwal have resigned from the directorship of the Company with effect from 30-Sep-09 and 28-May-10 respectively. The Board places on record its appreciation for the contribution made by Mr. D.P.Agarwal and Mr.K.L.Agarwal during their tenure as Directors.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the

DIRECTORS' REPORT (Contd.)

end of the financial year, 31st March, 2010, and the profit for that period.

3. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. The Directors have prepared Annual Accounts on going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

AUDITORS

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

AUDITORS' REPORT

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

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 RATIONALISATION PROGRAMME

Modernisation and rationalisation programme is a continuous process in your company. During the year under review, the storage capacity has been increased. New plant and machinery have been installed to improve efficiency and quality and increase production of value added products.

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

The Board of Directors place on record their sincere appreciation for the dedicated efforts, good understanding and support, and valuable contributions made by all our employees in achieving the excellent result for the year. They also wish to sincerely thank shareholders, customers and financial institutions including banks for their support and encouragement.

Place : Kolkata
Date : 28th May, 2010

By order of the Board
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 31.03.2010 | Year Ended 31.03.2009 |
|----------------------------------------------|--------------------------|--------------------------|
| 1. Power Consumption | | |
| i) Electricity | | |
| a) Purchased units (in lacs) | 324.42 | 328.11 |
| Total amount (Rs. in lacs) | 1,606.30 | 1,489.13 |
| Rate per unit (Rs.) | 4.95 | 4.54 |
| b) Own Generation | | |
| Through Diesel Generator | | |
| Total Unit Generated (In lacs) | 3.06 | 3.15 |
| Units per litre of Diesel Oil | 3.22 | 3.31 |
| Cost per unit (Rs.) | 9.32 | 8.03 |
| ii) Coal | Nil | Nil |
| iii) Furnace Oil | Nil | Nil |
| iv) Other Internal General | Nil | Nil |
| 2. Consumption per unit of production | | |
| Per unit per kgs. of yarn | 3.41 | 3.23 |
| Per unit per litre of Diesel Oil | Nil | Nil |

B. TECHNOLOGY ABSORPTION

Steps made in Technology Absorption as per Form-B :

The Company uses Indigenous technology for manufacturing.

Research and Development are carried out in association with Textile Research Association, SITRA and BITRA. The Company is a member of these associations.

C. FOREIGN EXCHANGE EARNING AND OUTGO

1. Export activities :

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

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

2. Total Foreign Exchange earned and used :

| | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|---------|--------------------------|--------------------------|
| Earning | 3196351838 | 1878799618 |
| Outgo | 68878975 | 66219729 |

Place : Kolkata
Date : 28th May, 2010

By order of the Board
Sushil Patwari
Chairman

ANNEXURE – B TO DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

World economy has shown initial indications of recovery after a severe spell of recession. The world economy is expected to grow by 4.2 percent in 2010 and projected to maintain the growth momentum in the next five years. However, the consumer confidence in major importing countries like USA and EU has been lagging behind the economic projections and may take some more time before showing any convincing revival. The partial explanation of increase in textile and clothing imports in USA and Western Countries may be attributed to the pressure on retailers caused by very low inventory levels. It has resulted into creation of demand for textile and clothing products in international market. The domestic market is also showing some signs of improvement leading to overall increase in textile manufacturing in the country. The domestic deliveries of yarn have also been consequently growing consistently showing increased activities in the entire textile value chain.

B) Opportunities and Threats:

The growing Indian economy and growth of organized retail promises greater consumption of textiles. The Government of India has been encouraging modernization of Indian textile industries through several policies such as TUFS. Such measures shall lend support to Indian Textile Industry in becoming competitive and to avail the opportunities in global textile trade. These developments offer opportunities to cotton spinning companies, in particular, and cotton textile manufacturing and exporters in general for growth and development.

There are some areas of concern also, which need to be watched here. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends. In addition to appreciating rupee, free export of cotton followed by withdrawal of export incentives on cotton yarn are also causing concern to the sustained recovery in the textile industry. In our view, if any segment suffers from some systemic disadvantages affecting its global competitiveness, it should be overcome through suitable incentive mechanism without affecting any other segment of the industry. We have a firm faith in the bright future of textile industry in India.

C) Outlook:

The general economic outlook globally is getting positive. There is an increasing return of confidence though many experts opine that the recovery is still fragile. Generally speaking, the economic outlook lends optimism, though with caution. With global economic outlook looking positive, the global textile trade is likely to witness an increase of around 10% in the F/Y 2010-2011 over the previous year and this growth trend is likely to fetch positive results to the Indian Textile Sector.

D) Management perception of Risk and Concern:

One of the major challenges for the textile industry is the continued appreciation in the Indian rupee against US dollar, which has serious implication on textile exports. Being highly competitive industry, increase in the external value of rupee would cripple the competitiveness of the industry. Another important issue is

availability, quality and the price of power. The availability of good quality power at reasonable prices is critical for financial sustainability of the industry. However, the cost of power has been continuously increasing, adding to the input cost pressure in the industry. We hope that power situation will improve in the coming years. The differentiated treatment for different sectors of textile industry, in government policy, is also a serious development. An integral approach is required for the growth of the industry in the country. We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements and improved customer services to minimise the growing cost pressure.

E) Internal Control System:

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

F) Human Resources/Industrial Relations:

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

G) Cautionary Statement:

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

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

ANNEXURE 'C' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

COMPOSITION

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

The Board met Eight times, on the following dates, during the financial year 2009-2010 :

| | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 22.04.09 | 05.06.09 | 31.07.09 | 08.10.09 | 28.10.09 | 08.12.09 | 30.01.10 | 18.02.10 |
|----------|----------|----------|----------|----------|----------|----------|----------|

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 31.03.2010 are given below :

| Name | Category | No. of Meetings held during the Financial year | No. of Board Meetings Attended during the year | Whether AGM held on 27.09.09 | No. of Directorship in other Public Limited Companies | No. of Committee Positions held in other Public Ltd. Companies | | No. of Shares held in the Company as at 31.03.2010 |
|----------------------|--------------------|------------------------------------------------|------------------------------------------------|------------------------------|-------------------------------------------------------|----------------------------------------------------------------|--------|----------------------------------------------------|
| | | | | | | Chairman | Member | |
| Mr. Sushil Patwari | Promoter Executive | 8 | 8 | Yes | 3 | None | 4 | 568500 |
| Mr. Sunil Patwari | Promoter Executive | 8 | 8 | Yes | 1 | None | 2 | 712000 |
| Mr. Mahendra Patwari | Executive | 8 | 5 | No | 1 | None | None | 312000 |
| Mr. K. C. Purohit | Executive | 8 | 2 | No | Nil | None | None | Nil |
| Mr. M. K. Ogra | Independent | 8 | 4 | Yes | 4 | 2 | None | Nil |
| *Mr. K. L. Agarwal | Independent | 8 | 1 | No | Nil | None | None | Nil |
| Mr. B. C. Talukdar | Independent | 8 | 4 | No | 2 | 1 | 3 | Nil |
| Mr. M. P. Periwal | Independent | 8 | 1 | No | 3 | None | None | Nil |
| Mr. R. M. Ruia | Independent | 8 | 2 | No | 1 | None | None | 1900 |
| *Mr. D. P. Agarwal | Promoter | 8 | Nil | No | 10 | None | None | Nil |

*Mr. D. P. Agarwal resigned from the Board w.e.f. 30th September, 2009.

*Mr. K. L. Agarwal resigned from the Board w.e.f. 28th May, 2010

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 2009-2010 :

| | | | | |
|----------|----------|----------|----------|----------|
| 22.04.09 | 05.06.09 | 31.07.09 | 28.10.09 | 30.01.10 |
|----------|----------|----------|----------|----------|

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 | 4 |
| Mr. B. C. Talukdar | 5 | 4 |
| Mr. K. L. Agarwal | 5 | 1 |
| Mr. Sunil Patwari | 5 | 5 |

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 two times during the financial year 2009 & 31.07.09.

The Committee is prompt in attending to requests for issue of duplicate certificates. The number of Complaints received during the Financial year 2009-10 are as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports, Share sent to Transfer and Transfers etc. | 14 |
| Complaints received from SEBI Stock Exchanges and direct from Investors, Registrar of Companies etc. | 14 |
| Number of Complaints resolved | 14 |
| Number of Complaints pending as on 31.07.2010 | NIL |

The complaints were disposed off within the stipulated period.

C) REMUNERATION COMMITTEE

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

| | | |
|----------------------|----------|----------------------|
| 1. Mr. M. K. Ogra | Chairman | Independent Director |
| 2. Mr. K. L. Agarwal | Member | Independent Director |
| 3. Mr. Sunil Patwari | Member | Executive |

The meeting of the Remuneration Committee was held once on 05.06.2009 during the financial year 2009-2010.

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 2009-2010 :

| Name of Directors | Sitting Fees (Rs.) | Salary (Rs.) | Perquisites (Rs.) | Commission (for 2008-09 paid during the year) (Rs.) |
|-------------------------|--------------------|--------------|-------------------|-----------------------------------------------------|
| 1. Mr. Sushil Patwari | — | 12,00,000/- | — | — |
| 2. Mr. Sunil Patwari | — | 24,00,000/- | 30,000/- | — |
| 3. Mr. Mahendra Patwari | — | 18,00,000/- | 30,000/- | — |
| 4. Mr. K. C. Purohit | — | 7,20,000/- | — | — |
| 5. Mr. K. L. Agarwal | 9,000/- | — | — | — |
| 6. Mr. M. K. Ogra | 34,000/- | — | — | — |
| 7. Mr. B. C. Talukdar | 28,000/- | — | — | — |
| 8. Mr. R. M. Ruia | 10,000/- | — | — | — |
| 9. Mr. M. P. Periwal | 5,000/- | — | — | — |

ANNEXURE 'C' (Contd.)

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

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

| Name of Director | Mr. K. C. Purohit | Mr. Sushil Patwari | Mr. Mahendra Patwari |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|
| Date of Birth | 18.06.1932 | 20.08.1954 | 15.03.1963 |
| Date of Appointment | 30.06.2001 | 06.03.1989 | 01.07.2004 |
| Qualification | B. Tech | B. Com(H) | B.E. from IIT , Mumbai |
| 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. | Nil | Rupa & Co. Ltd. Reliance Processors Ltd. Nagreeka Capital & Finance Pvt. Ltd. | Nagreeka Foils Ltd. |
| Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director | None | Nagreeka Capital & Infrastructure Ltd. Rupa & Co. Ltd. | None |

5. DETAILS OF GENERAL MEETINGS

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

| Sr. No. | Year | Location | Date | Day | Time | No. of Special Resolution Passed |
|---------|---------|------------------------------------------------------------------------------------------------|----------------------|---------|----------|----------------------------------|
| 1. | 2008-09 | Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001 | 20th A.G.M. 22.09.09 | Tuesday | 10.30 am | One |
| 2. | 2007-08 | Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001 | 19th A.G.M. 16.09.08 | Tuesday | 10.30 am | Nil |
| 3. | 2006-07 | Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001 | 18th A.G.M. 21.09.07 | Friday | 10.30 am | Nil |

No item was passed by any resolution through postal ballot during the financial year 2009-2010.

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

6. DISCLOSURES

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management Staffs 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.
- Transactions with related parties as per requirements of the Accounting Standard 18 are disclosed in Note No. 16 of Schedule "O" of the Accounts in the Annual Report.
- 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