



NEEMTEK ORGANIC PRODUCTS LIMITED
(FORMERLY ISHWAR TEXTILES LIMITED)



23RD ANNUAL REPORT
2005-06

Neemtek Organic Products Limited
(Formerly Known as Ishwar Textiles Limited)

Registered Office

Unit No. 307, Solaris Premises II
Saki Vihar Road
Opposite L & T Gate No. 6
Powai
Andheri (East)
Mumbai 400 072

Factory

Plot No. 1/273 A, MBT Road
Yeranthangal Village
Katpadi Taluk
Vellore District
Tamil Nadu 632 519

Board of Directors

Mr. Prem Rajani
Ms. Salisha Chandra
Mr. Ajay Shanghavi

Auditors

Agarwal Vijay & Associates
Chartered Accountants
503, Jolly Bhavan 1
New Marine Lines
Mumbai 400 020

Registrars

Mondkar Computers Private Limited
21, Shakil Niwas
Mahakali Caves Road
Andheri (East)
Mumbai 400 093

Company Secretary and Chief Financial Officer

K. Venkataramani

**NEEMTEK ORGANIC PRODUCTS LIMITED
(FORMERLY KNOWN AS ISHWAR TEXTILES LIMITED)**

Registered Office: Unit No. 307, Solaris Premises II, Saki Vihar Road,
Opposite L & T Gate No. 6, Powai, Andheri (East), Mumbai 400 072

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of Neemtek Organic Products Limited will be held at Sunville Banquet & Conference Rooms (Executive Room), Dr. Annie Besant Road, Worli, Mumbai – 400 030 on Wednesday, September 27, 2006, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006, and Profit & Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Prem Rajani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company for the ensuing year and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following, as an Ordinary Resolution

“RESOLVED THAT Mr. Ajay Shanghavi, Additional Director of the Company appointed by the Board under Sec. 260 of the Companies Act, 1956, and Articles of Association of the Company, and in respect whose appointment, the Company has received a notice in writing from a member under Sec. 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed Director of the Company, liable to retire by rotation”.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form has to be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Register of members and Share Transfer Books will remain closed from September 23, 2006 to September 27, 2006 (both days inclusive).
3. Members/Proxies should bring the Attendance slip filled in for attending the meeting.

4. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest to enable the company to keep the information ready.
5. Shareholders are requested to bring their copy of the Annual Report to the meeting.
6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to item No. 4 of the Notice is annexed.

For and on behalf of the Board

Sd/-

Place: Mumbai

Date: August 28, 2006

(K. Venkataramani)

Company Secretary and Chief Financial Officer



**EXPLANATORY STATEMENT
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND
FORMING PART OF THE NOTICE DATED AUGUST 19, 2005.**

Item No.4

The Board of Directors of the Company appointed Mr. Ajay Shanghavi as Additional Director of the Company on January 30, 2006. Pursuant to provisions of Sec 260 of the Companies Act, 1956, Mr. Shanghavi will hold office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Shanghavi as a Director of the Company pursuant to the provisions of Section 257 of the Companies Act, 1956, alongwith the requisite deposit.

Mr. Shanghavi is an engineer and a management graduate. He has vast experience in industry covering production, finance and administration.

It will be in the interest of the Company that Mr. Shanghavi is appointed as a Director of the Company.

Mr Shanghavi is a Director on the Boards of the following Companies:

1. Gujarat Nippon Bimetals Private Limited
2. Zenext Advisors Private Limited
3. Colal Apparels Private Limited
4. Optina Impex Private Limited
5. Gujarat Nippon International Private Limited
6. Purse Holding I Private Limited
7. United Brushes and Bristles Private Limited
8. Metroof India Private Limited
9. Toons Entertainment Private Limited
10. Cyklop India Private Limited
11. Rosswin Pharmaceuticals Private Limited
12. Rosswin Power Private Limited
13. Rosswin Health & Fitness Private Limited
14. Metalight Productions Private Limited
15. Magicbox Productions Private Limited
16. Inhouse Productions Private Limited
17. Inhouse creations Private Limited
18. Gourmet Logistics Private Limited
19. Magnet Technologies Private Limited

The Board of Directors of the Company commend this resolution.

Save and except Mr. Shanghavi, none of the Directors of the Company are, in any way, deemed to be interested in this resolution.

For and on behalf of the Board

Sd/-

Place: Mumbai
Date: August 28, 2006

(K.Venkataramani)
Company Secretary and Chief Financial Officer



NEEMTEK ORGANIC PRODUCTS LIMITED
(FORMERLY KNOWN AS ISHWAR TEXTILES LIMITED)

DIRECTORS' REPORT

To the Members,

The Directors hereby present the 23rd Annual Report together with audited statement of accounts for the year ended March 31, 2006.

FINANCIAL RESULTS	2005-2006	2004-2005
	(Rs. lakhs)	(Rs. lakhs)
Total Income	47.38	0.82
Total Expenses	88.64	26.19
Profit Before Tax (PBT)	(41.26)	(25.37)

DIVIDEND

Due to the losses, your Directors regret their inability to recommend any dividend for the year.

REVIEW OF OPERATIONS

These are the initial years of operations of the company in its new business focus of organic products, covering a range of neem based products for agriculture, herbo-pharma and the FMCG industries.

During the year under review, the company successfully completed the civil and mechanical work for the commissioning of its plant at Vellore District in Tamil Nadu, for the manufacture of Neem Extract. The choice of this location has been influenced by its proximity to key neem supply centres in Tamil Nadu and Andhra Pradesh, thus giving the company the benefit of constant supplies at a reasonable cost.

The trial runs for this plant commenced in the last quarter of the financial year under review. As such, the benefit of the commencement of commercial operations in this plant will be felt only for a part of the year 2006-07 and then from subsequent years. Trial Run expenses will be amortized over five years from 2006-07 onwards.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the company carried out the sales of its organic manure and succeeded in identifying customers for its organic manure in South India. The benefits of this customer contact programme are slowly bearing fruit.

COMPLIANCE CERTIFICATE

Mr. K.Venkataramani is the Company Secretary and Chief Financial Officer of the Company. As per requirement of Section 383A of the Companies Act, 1956, Compliance Certificate of a Company Secretary in Whole-Time practice is not required as the Company has appointed a Whole-Time Company Secretary.

EQUITY CHANGES

The Company completed a Preferential Allotment of 1,16,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 20/- per share. These shares were allotted on September 12, 2005, Accordingly, the equity capital of the Company increased to Rs.183.10 lakhs from Rs. 171.50 lakhs. The Directors hereby confirm that the subscriptions so received have been applied for meeting the Working Capital requirements of the company.

LISTING

The Equity Shares of the Company are listed on the Mumbai Stock Exchange. The listing fees to the Mumbai Stock Exchange have been paid upto March 31, 2007.

DIRECTORS

Mr. C.Subramaniam resigned from the Board of Directors of the Company on January 27, 2006.

Mr. Ajay Shanghavi was appointed as an Additional Director of the Company on January 30, 2006. He is proposed to be appointed as Director in the ensuing Annual General Meeting of the Company.

Mr. Prem Rajani retires by rotation, and being eligible offers himself for re-appointment.

DEMATERIALISATION OF SHARES

The Company has admitted its Equity Shares in the Depository System of "Central Depository Services (India) Ltd." (CDSL) & "National Securities Depository Services Ltd." (NSDL). The ISIN number allotted to the Company is "INE706D01018".

REGISTRAR & SHARE TRANSFER AGENT

The Company has appointed M/s. Mondkar Computers Pvt. Ltd. as its Registrar for providing share transfer services as well as demat connectivity with NSDL and CDSL.

AUDITORS

M/s Agarwal Vijay & Associates, Chartered Accountants, who have been appointed as the Statutory Auditors of the Company would hold office until the conclusion of the ensuing Annual General Meeting. They have offered themselves for reappointment. The Company has received a certificate from the retiring Auditors of the Company, regarding their eligibility under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

PARTICULARS OF EMPLOYEES

During the year under review, the Company has not employed any person who was in receipt of remuneration exceeding the sum prescribed under the Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DEPOSITS

The Company has not accepted any deposits from public. There were no unclaimed or unpaid deposits as on March 31, 2006.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the directors have selected such accounting policies and applied them consistently and made judgment 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 ended March 31, 2006 and of the profit or loss of the Company for that year.
- iii. That the directors have taken proper and sufficient care of 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; and
- iv. That the directors have prepared the annual accounts on going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGOING

The 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 are annexed.

ACKNOWLEDGEMENT

The Board of Directors thank the Company's promoters, shareholders, bankers and employees for their continued support.

For and on behalf of the Board

Sd/-

Sd/-

Place: Mumbai

Date: August 28, 2006

(Prem Rajani)
Director

(Ajay Shanghavi)
Director