



Nagreeka

EXPORTS LIMITED



**TWENTEETH
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)		

CONTENTS	
	Page No.
Notice.....	2
Directors' Report.....	5
Report on Corporate Governance.....	8
Auditors' Report.....	14
Balance Sheet.....	17
Profit & Loss Account.....	18
Cash Flow Statement.....	19
Schedules & Notes on Accounts.....	20
Balance Sheet Abstract.....	32

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 :

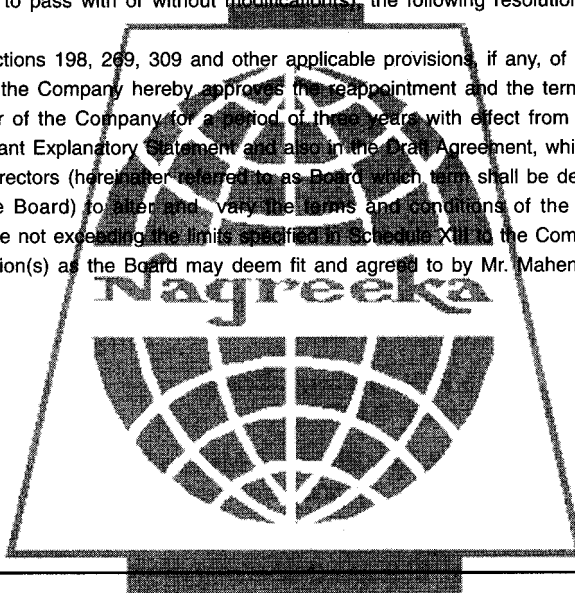
ORDINARY BUSINESS

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 re-appointment 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, 234/4, 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 remuneration in any financial year, Mr. Mahendra Patwari will be entitled to the above remuneration alongwith perquisites/ benefits mentioned above 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 remuneration of Mr. Mahendra Patwari as Wholtime 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 4.00 P.M. of 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 no Director of the Company is concerned or interested in the special resolution being item number 1 of the agenda.

By order of the Board
For NAGREEKA EXPORTS LTD.

J. TIWARI
(Company Secretary)

Place : Kolkata
Date : 5th June, 2009

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	614.22
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	259.48
PROFIT AVAILABLE FOR APPROPRIATIONS	62.55	1201.34
APPROPRIATIONS		
Transfer to General Reserve	-	852.34
Proposed Dividend	-	99.35
Income Tax on Dividend	-	16.98
Balance carried to Balance Sheet	62.55	232.57
	62.55	1201.34

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 reduction in all markets and economies. The problem started in 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 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 the 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 fully ascertained. It is expected that due to the infusion of liquidity and reduction in 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 the dark clouds. We do look forward to better times though, we are aware that it is a long and difficult journey.

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 have offered themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with the proper explanation to material 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 2009, 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.

DIRECTORS' REPORT (Contd.)

ANNEXURE "A" TO DIRECTORS' REPORT

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. 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 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 Form - A - "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.

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
Own Generation		
Through Diesel Generator		
Total Unit Generated (In lacs)	3.15	5.91
Unit 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
Consumption per unit of production		
Unit per kgs. of yarn	3.23	3.38
Unit per litre of Diesel Oil	Nil	Nil

TECHNOLOGY ABSORPTION

Work 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 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 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

By order of the Board

Place : Kolkata
Date : 5th June, 2009

Sushil Patwari
Chairman

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 slowly growing Indian economy and growth of organized retail will give greater per capita consumption of textiles. These developments offer opportunities to cotton spinning companies, textile manufacturers and cotton textile manufacturing & exporters in India 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 protect 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 on 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 adversely affect 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 liabilities 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 statements. The emphasis on internal control prevails across all 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

The Company has been consistently upgrading the technical skills and expertise of the technical and operational staffs, so that they remain 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.

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 the 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
----------	----------	----------	----------	----------	----------

The names and categories of Directors on the Board at the end of the financial year, 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 15.09.08	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			No	-	-	-	612700
Mr. Sushil Patwari	Promoter Executive	6	6	Yes	3	None	4	568500
Mr. Sunil Patwari	Promoter Executive	6	6	Yes	1	None	1	712000
Mr. Mahendra Patwari	Executive	6	1	No	1	None	None	312000
Mr. K.C. Purohit	Executive				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
----------	----------	----------	----------	----------

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.

The Committee is prompt in attending to requests received for transfer of shares, as issue of duplicate certificates. The number of Complaints received during the Financial year 2008-2009 is as follows:

Number of complaints received from investors regarding 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.

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	Executive 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/-	-	-	-

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. 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	30.06.2004
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 5. Twinstar Infrastructure Ltd. 6. Twinstar Overseas Ltd. 7. Twinstar Investment Ltd.	1. M.P. Cotton Textile Mills Ltd.	1. Nicco Financial Services Ltd. 2. Nicco Engineering Services Ltd. 3. Nicco Biotech Ltd. 4. Nagreeka Capital & Infrastructure Companies.	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

5. DETAILS OF GENERAL MEETINGS

A. Locations, Date and Time of General Meetings are as under :

Sr. No.	Year	Location	AGM / EGM	Date	Day	Time	No. of Special Resolution Passed
1.	2007-08	Bengal National Chamber of Commerce and Industry, 23, R. N. Mukherjee Road Kolkata - 700001.	19th A.G.M.	16.09.08	Tuesday	10.30 am.	Nil
2.	2006-07	Bengal National Chambers of Commerce and Industry, 23, R.N. Mukherjee Road Kolkata - 700001.	18th A.G.M.	21.09.07	Friday	10.30 am.	Nil
3.	2005-06	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road Kolkata - 700001.	17th A.G.M.	27.09.06	Wednesday	10.30 am.	Nil

One item was passed by Special Resolution through Postal Ballot during the Financial Year 2008-2009. The Special Resolution was in regard to change of the Object Clause in the Memorandum of Association of the Company. All necessary legal formalities were complied with in this regard.

ANNEXURE 'C' (Contd.)

The details of voting pattern was as under:

(a)	Total number of Postal Ballots received	..	62
(b)	Total number of Equity Shares covered by "A" and the related valid total share holding	..	5796956 5794056
(c)	Total number of valid Postal Ballots received	..	33
	total number of Equity Shares covered by it, the total percentage of voting strength thereof.		5794056 99.95%
(d)	Total number of Postal Ballots rejected,	..	29
	total number of Equity Shares covered by it and the related voting strength thereof.		2900 05%

Mr. B. N. Agarwal, Senior Partner, Das & Frasad, Chartered Accountants, the Statutory Auditors of the Company, in capacity as Scrutinizer, conducted the Postal Ballot exercise.

At the forthcoming Annual General Meeting, there is nothing 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 when 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 required under Accounting Standard 18 are disclosed in Note No. 16 of Schedule "O" of the Accounts in the Annual Report.
- All Accounting Standards mandatorily required under the Companies Act, 2013 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 properly defined.
- No penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 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 exchange.

7. CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGEMENT STAFF

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.

8. CEO'S CERTIFICATION

A certificate duly signed by the Chairman and Managing Director 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.

ANNEXURE 'C' (Contd.)

9. GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting	
Date and Time	: 22nd September, 2009 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, 2010
	First Quarter Results Before end of July' 09
	Second Quarter and Half Yearly Results Before end of October' 09
	Third Quarter Results Before end of January' 10
	Results for year ending 31st March, 2009 Before end of June' 10
	Annual General Meeting for the Year ending 31st March, 2010 Before end of September' 10
Date of Book Closure	: 15th September, 2009 to 22nd September, 2009 (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 2009-10.

10. STOCK CODE

Bombay Stock Exchange Limited : 521109

National Stock Exchange of India Limited : NAGREEKA EXP

11. PLANT LOCATION

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

12. MEANS FOR COMMUNICATION

The quarterly results are published in the leading English daily newspapers like Financial Express, Business Standard & Economic Times and Bengali Newspapers (Arthika, Anandabazar, Samakal, etc.) which form part of the Annual Report.

13. DEMATERIALISATION OF SHARES

An on 31st March, 2009, 93.587% of the shares of the Company comprising 17,80,346 shares are in dematerialized form. Under the depository system the International Securities Identification Number (ISIN) allotted to the company's shares is INE 123B01028.

14. ADDRESS FOR CORRESPONDENCE

a) For Routine matters :

For any assistance regarding Share transfer, non-receipt of dividends, duplicate / missing share certificates, demat and other matters, communication may be made to the Share Department of the Company at the address given below :

Nagreeka Exports Limited, 18, R.N. Mukherjee Road, Kolkata-700001

Phone Nos. 2248-4922, 2248-4943, Fax No. (033) 2248-1693, E-mail : rathin@nagreeka.com

Registrar & Share Transfer Agent, Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, Kolkata-700 001

Phone Nos. 2243-5029, 2243-5000, Fax No. (033) 2243-4787, E-mail ID : rmdpl@calcutta.net Website : www.rmdpl.online.com

b) For Redressal of Complaints and Grievances

The Secretary

Nagreeka Exports Ltd.

18, R.N. Mukherjee Road, Kolkata-700001

Telephone Nos. (033) 2248-4922, 2248-4943

Fax No. (033) 2248-1693

E-mail ID : rathin@nagreeka.com, compsect.nel@nagreeka.com

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2009 :

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 5000	12763	96.5942	2025911	16.2077
2) 5001 to 10000	216	1.6348	338729	2.7099
3) 10001 to 20000	100	0.7568	289663	2.3174
4) 20001 to 30000	42	0.3179	204426	1.6354
5) 30001 to 40000	15	0.1135	101685	0.8135
6) 40001 to 50000	12	0.0908	110192	0.8816
7) 50001 to 100000	20	0.1514	297592	2.3808
8) 100001 and above	45	0.3406	9131502	73.0537
TOTAL	13213	100	12499700	100

ANNEXURE 'C' (Contd.)

CATEGORY OF SHAREHOLDERS AS ON 31.03.2009 :

Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S HOLDING		
(a) Individuals / HUF	4492300	35.9393
(b) Bodies Corporate	2405786	19.2467
Sub-Total (A)	6898086	55.1860
B. PUBLIC HOLDING		
1. INSTITUTIONS		
(a) Mutual Funds and UTI	3300	0.0264
(b) Banks / Financial Institutions	400	0.0032
(c) FIIs	500300	4.0025
Sub - Total(B)(1)	504000	4.0321
2. NON-INSTITUTIONS		
(a) Bodies Corporate	1757497	14.0603
(b) Individuals		
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2733252	21.8665
(ii) Individual shareholders holding share capital in excess of Rs. 1 Lakh	264258	2.1141
(c) Non-Resident Individuals	342607	2.7409
Sub - Total(B)(2)	5097614	40.7819
Total (B)	5601614	44.8140
C. Shares held by Custodians and against which Depository Receipts have been issued	Nil	
Grand Total (B+C)	12499700	100

15. MARKET PRICE DATA (Rs.) :

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'2008	32.50	22.20	32.10	20.60
May'2008	30.00		25.50	25.25
June'2008	26.80		26.90	19.25
July'2008	24.00	19.00	23.95	19.10
Aug'2008	24.50	21.10	26.90	20.10
Sep'2008	26.00	17.80	26.85	17.25
Oct'2008	20.00	11.05	21.35	12.00
Nov'2008	16.80	10.41	19.00	10.00
Dec'2008	13.45	9.90	13.90	9.75
Jan'2009	15.15	10.00	15.60	10.00
Feb'2009	12.00	9.60	11.75	10.00
Mar'2009	11.50	9.17	10.95	9.50

For & on behalf of the Board

Place : Kolkata
Date : 5th June, 2009

Sushil Patwari
Chairman

ANNEXURE 'C' (Contd.)

AUDITORS' CERTIFICATE

TO THE MEMBERS

NAGREEKA EXPORTS LIMITED

We have examined the compliance of conditions of corporate governance by **Nagreeka Exports Limited**, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

DAS & PRASAD
Chartered Accountants

(CA. B.N.AGARWALA)

Partner

M. No. 011709

Place : Kolkata

Date : 5th June, 2009

TO THE MEMBERS OF

1. We have audited the attached Balance Sheet of **NAGREEKA EXPORTS LIMITED** as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on March 31, 2009, the annexed thereto of which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements as an auditor.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as, evaluating the overall financial presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by laws have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said statements of account read together with significant accounting policies and notes on accounts in Schedule "O" give the information

AUDITOR'S REPORT (Contd.)

required by the Companies Act, 1956, in the manner so required and give a true and fair view :-

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

DAS & PRASAD
Chartered Accountants
(B.N.AGARWALA)
Partner
M. No. 011709

Place : Kolkata

Date : 5th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The company has a regular programme of physical verification of fixed assets in a phase manner to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - (c) In our opinion, the company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the Company is not an issue.
- ii. In respect of its inventories:
 - (a) The inventory of the company has been physically verified by management during the year. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. As informed to us, the Company has neither given any deposits, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 4 (iii) of the Companies (Auditors' Report 2003) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in the internal control system.
- v. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956.
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, The Company has not accepted any deposits from the public. Therefore the provision of clause 4 (vi) of the Companies (Auditors' Report Order 2003) are not applicable to the company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

viii. We have reviewed the books of account and records maintained by the Company relating to its manufacturing activity pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that the prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

ix. In respect of statutory dues:

- (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale tax, customs duty, excise duty and cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs. 85.55 lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Particulars	Financial Year to which the matter pertains	Forum where dispute is pending	Amount (Rs.in lacs)
Sales Tax	1998-1999	Appellate Tribunal	7.01
Income Tax	1999-2000	High Court	1.99
	2005-2006	CIT (Appeal)	35.93
Central Excise	2005-2006	CESTAT Mumbai	0.55
	to 2007-2008	Commissioner (Appeals) Central Excise	40.07
			85.55

- x. The Company has neither accumulated losses as at March 31, 2009 nor has incurred any cash losses during the financial year ended on that date.
- xi. Based on our audit procedures and the information and explanations given to us by the management, in our opinion, the Company has not defaulted in repayment of dues to a financial institution or bank as at the balance sheet date.
- xii. In our opinion and according to the information and explanations given to us, based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a "financial institution" as defined in clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debenture and other investments.
- xv. According to information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the term loans outstanding at the beginning of the year have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us, we have conducted a general examination of the Balance Sheet of the Company, we report that no funds raised by the Company have been used for long-term investments.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the period covered by our audit report, the Company has not raised any money by public issues.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

DAS & PRASAD
Chartered Accountants
(B.N.AGARWALA)
Partner

M. No. 011709

Place : Kolkata

Date : 5th June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	A	62,550,000	625,00,000
Reserves & Surplus	B	<u>702,722,054</u>	<u>720,349,111</u>
		765,272,054	782,899,111
Loan Fund :			
Secured Loans	C	890,835,337	1,036,196,125
Deferred Tax Liability		<u>128,957,494</u>	<u>148,945,065</u>
		<u>1,785,064,885</u>	<u>1,968,040,301</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	D	1,265,788,302	1,265,788,302
Less: Depreciation		<u>341,076,609</u>	<u>341,076,609</u>
		924,711,693	924,711,693
Capital Work-in-Progress		<u>222,056</u>	<u>222,056</u>
		924,933,749	924,933,749
Investments			
	E	146,862,075	146,862,075
Current Assets, Loans & Advances			
Inventories		355,157,605	355,157,605
Sundry Debtors		317,895,333	317,895,333
Cash & Bank Balances		36,049,356	36,049,356
Loans, Advances & Other Current Assets		<u>407,261,584</u>	<u>407,261,584</u>
		1,116,363,878	1,116,363,878
Less :			
Current Liabilities & Provision	G	<u>220,119,401</u>	<u>220,119,401</u>
		896,244,477	896,244,477
		<u>1,785,064,885</u>	<u>1,968,040,301</u>
Significant Accounting Policies and Notes on Accounts			
O			

The schedules referred to above forms an integral part of the Financial Statement.

As per our separate report attached

For and on behalf of the Board of Directors

For **DAS & PRASAD**
Chartered Accountants

(**CA. B. N. AGARWALA**)
Partner
(M. No. 011709)

Place : Kolkata
Date : 5th June, 2009

SUSHIL PATWARI

CHAIRMAN & MANAGING DIRECTOR

SUNIL PATWARI

VICE CHAIRMAN & MANAGING DIRECTOR

M. K. OGRA

DIRECTOR

J. TIWARI

COMPANY SECRETARY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the Year ended 31st March, 2009 Rs.	For the Year ended 31st March, 2008 Rs.
INCOME :			
Sales & Export Revenue		2,665,269,205	3,290,557,800
Other Income	H	6,249,692	3,607,009
Increase (Decrease) in Stock	I	(9,086,985)	117,354,105
		<u>2,662,431,912</u>	<u>3,411,518,914</u>
EXPENDITURE :			
Purchases	J	1,135,136,504	1,883,194,297
Manufacturing Expenses	K	1,080,122,648	944,337,011
Selling & Distribution Expenses	L	170,397,854	219,682,987
Establishment & Other Expenses	M	179,532,058	111,714,957
Interest	N	70,804,237	63,829,029
Depreciation	D	63,571,131	61,497,952
		<u>2,708,554,432</u>	<u>3,284,256,233</u>
Profit / (Loss) for the year		(46,122,520)	127,262,681
Provision for Taxation		-	(23,800,000)
MAT Credit Entitlement for earlier years		292,277	-
Provision for Fringe Benefit Tax		(10,000)	(600,000)
Deferred Tax Assets/(Liability)		19,987,372	(18,507,350)
(Short)/Excess Provision for Taxation for earlier year		(267,903)	(109,194)
(Short)/Excess Provision for Fringe Benefit Tax for earlier year		(292,280)	(60,532)
Balance brought forward from Previous Year		3,252,520	35,898,494
Profit / (Loss) available for appropriations		<u>55,465</u>	<u>120,084,099</u>
APPROPRIATIONS :			
General Reserve		-	85,233,559
Proposed Dividend		-	9,374,775
Distribution Tax thereon		-	1,593,243
Balance Carried to Balance Sheet		<u>6,255,465</u>	<u>23,882,522</u>
		<u>55,465</u>	<u>120,084,099</u>
Basic / Diluted Earning Per share (Rs.)		(1.41)	6.87
Significant Accounting Policies and Notes on Accounts	O		

The schedules referred to above forms an integral part of the Financial Statement.

As per our separate report attached

For and on behalf of the Board of Directors

For **DAS & PRASAD**
Chartered Accountants

(**CA. B. N. AGARWALA**)
Partner
(M. No. 011709)
Place : Kolkata
Date : 5th June, 2009

SUSHIL PATWARI

CHAIRMAN & MANAGING DIRECTOR

SUNIL PATWARI

VICE CHAIRMAN & MANAGING DIRECTOR

M. K. OGRA

DIRECTOR

J. TIWARI

COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (PURSUANT TO CLAUSE-32 OF THE LISTING AGREEMENT)

	2008-2009 (Rs.)	2007-2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax and extra ordinary items	(46,132,520)	127,262,681
Adjustment for :		
Depreciation	63,571,131	61,497,952
Interest Charged (net)	79,804,237	63,829,029
Investment Income	(852,575)	1,909,737
Loss/(Profit) on sale of Fixed Assets (net)	(2,606,669)	(859,297)
Operating Profit Before Working Capital Changes & extra ordinary items.	93,783,604	253,640,102
Adjustment for :		
Trade and other Receivables	297,066,798	(115,052,820)
Inventories	21,775,419	(187,922,771)
Trade payable	(31,761,199)	47,566,651
Cash Generated from Operation	380,864,622	(1,768,838)
Direct Taxes paid	(1,186,859)	(19,367,806)
Net Cash (Outflow) / Inflow from Operating Activity	379,677,763	(21,136,644)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets (Inclusive of Capital Work on P.P. etc.)	(80,845,668)	(41,288,182)
Purchase of Investments	(60,000,000)	(144,804,322)
Sale of Investment	-	1,363,640
Difference on Derivatives & Future Transactions	-	(2,830,877)
Interest received on Loans & deposits	1,838,856	3,934,719
Dividend received	852,575	57,500
Sale of Fixed Assets	6,792,665	15,736,992
Net cash (Outflow) from Investing Capital Activities	(131,361,572)	(167,830,530)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of share capital	-	54,456,300
Interest Paid	(81,643,093)	(67,763,748)
Long term Borrowings	(40,916,217)	(41,867,314)
Short term Borrowings	(124,225,177)	221,681,674
Dividend & Dividend Tax	(10,703,025)	(9,109,291)
Net cash Inflow/ (outflow) from financing Activities	(263,487,512)	157,397,621
Net increase/(decrease) in cash & cash equivalents	(15,171,321)	(31,569,553)
Cash & Cash equivalents As At 01.04.2008 (Opening Balance)	36,049,356	67,618,909
Cash & Cash equivalents As At 31.03.2009 (Closing Balance)	20,878,035	36,049,356

Significant Accounting Policies and Notes on Accounts - O

The schedule referred to above forms an integral part of the Cash Flow Statement.

As per our separate report attached

For and on behalf of the Board of Directors

For **DAS & PRASAD**
Chartered Accountants

(**CA. B. N. AGARWALA**)
Partner
(M. No. 011709)

Place : Kolkata
Date : 5th June, 2009

SUSHIL PATWARI

SUNIL PATWARI

M. K. OGRA

J. TIWARI

CHAIRMAN & MANAGING DIRECTOR

VICE CHAIRMAN & MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 'A'		
SHARE CAPITAL :		
Authorised		
3,00,00,000 Equity Shares of Rs. 5/- each	150,000,000	150,000,000
Issued		
1,25,10,000 Equity Shares of Rs. 5/- each	62,550,000	62,550,000
Subscribed & Paid up:		
1,24,99,700 Equity Shares of Rs. 5/- Each (15,00,000 Equity Shares of Rs. 5/- each were allotted as fully paidup Bonus share of capitalisation of General Reserve)	62,498,500	
Add: 10,300 Equity Forfeited Shares (Amount originally paid up)	51,500	
	62,550,000	62,550,000
SCHEDULE 'B'		
RESERVES & SURPLUS:		
Capital Reserve:		
As per last Account	3,000,000	3,000,000
General Reserve:		
As per last Account	464,766,441	
Add: Transfer from Profit & Loss Account	550,000,000	85,233,559
Share Premium Reserve:		
As per last Account	87,716,589	
Add : During the year on conversion of equity Share Warrants.	55,647,000	
	143,363,589	143,363,589
Share forfeiture Reserve	103,000	103,000
Profit & Loss Account:		
Balance as per Profit & Loss Account	6,255,465	23,882,522
	702,722,054	720,349,111
SCHEDULE 'C'		
SECURED LOANS:		
Term Loans :		
Rupee Loan	505,516,969	552,433,186
Working Capital Loans	385,318,368	483,762,939
(Refer Note no B-3 of Schedule - O)	890,835,337	1,036,196,125

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE "D"
FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
	As at 31st March 2008	Addition during the year	Adjustment/ Disposed/ Sales	As at 31st March 2009	Upto 31st March 2008	For the year	Adjustment For Deduction	Upto 31st March 2009	As at 31st March 2009 As at 31st March 2008
Land & Site Development	2,360,829	275,000	-	2,635,829	-	-	-	-	2,635,829 2,360,829
Land (Lease Hold)	19,180,515	-	-	19,180,515	430	201,900	-	251,569	18,928,946 19,130,846
Office Premises	14,288,713	-	-	14,288,713	25	22,580	-	3,157,871	11,110,842 11,343,422
Factory Building	164,632,882	5,921,877	-	165,170,759	38,63,172	5,898	-	44,211,590	126,343,179 125,959,120
Godown	-	7,275,714	-	7,275,714	-	3,692	-	5,622	7,270,092 -
Plant & Machinery	1,029,838,766	64,765,430	12,25,520	1,102,229,686	288,96,208	55,639,547	8,63,320	336,019,315	746,329,671 740,876,678
Furniture & Fixtures	6,993,550	264,80	-	7,258,350	35,14	1,377	-	3,999,241	3,259,115 3,441,056
Air Conditioner	1,098,009	212,897	-	1,310,906	37,467	3,036	-	382,253	928,652 770,852
Vehicles	9,262,258	1,028,910	1,117,25	11,408,423	28	15,336	554,149	3,223,778	5,950,135 6,399,666
Computer	3,956,262	120,442	-	4,076,704	26,914	32,520	-	2,971,668	1,105,036 1,308,114
Office Equipments	2,159,218	68,522	-	2,227,740	8,0179	10,823	-	941,002	1,286,739 1,319,039
Labour Quarter	3,686,574	-	-	3,686,574	218,576	59,765	-	278,341	3,388,232 3,447,998
Refrigerator	50,100	-	-	50,100	16,643	2,380	-	19,023	31,077 33,457
Old Machine in Hand	8,320,616	-	-	8,320,616	-	-	-	-	8,320,616 8,320,616
Grand Total	1,265,788,302	79,933,598	13,372,465	1,332,349,435	341,076,609	63,571,133	9,186,469	395,461,273	936,888,161 924,711,693
Previous Year	1,221,478,954	77,791,234	33,481,886	1,265,788,302	292,812,956	61,497,952	13,234,299	314,076,609	924,711,693 928,665,999

Notes :

- Office Premises includes Rs.1,500/- towards cost of shares of co-operative society.
- Addition to Plant & Machinery and Factory Building being exchange rate difference of Rs. 1,22,21,286/- adjusted (previous year deduction of Rs. 1,92,498/-)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 'E'		
INVESTMENTS : LONG TERM		
Trade (At Cost)		
(Equity Share/Units - fully paid of Rs.10/- each unless otherwise stated)		
Unquoted :		
5,420 Sundaram BNP Paribas (Midcap Appreciation)	500,000	500,000
47,975 Sundaram BNP Paribas Equity Multiplier Fund	479,753	479,753
50,000 Sundaram BNP Paribas Select Small Cap	500,000	500,000
Quoted:		
115,600 Nagreeka Capital & Infrastructure Ltd of Rs. 5/- each	578,000	578,000
300,000 Rupa & Co. Ltd	60,000,000	-
213,000 Sterlite Ind(l) Ltd. of Rs. 2/-each (Previous Year)	144,804,322	144,804,322
	<u>206,162,075</u>	<u>146,862,075</u>
Aggregate Book value of:		
a) Quoted Investments	145,382,322	145,382,322
b) Unquoted Investments	479,753	1,479,753
Aggregate market value of quoted investments	159,008,900	159,008,900
SCHEDULE "F"		
CURRENT ASSETS, LOANS & ADVANCES :		
Inventories (As taken valued & certified by the management)		
Stores, Spare parts & Packing material	13,235,086	13,235,086
Raw materials	153,890,730	153,890,730
Finished goods	171,778,023	171,778,023
Work in Progress	13,717,741	13,717,741
Waste	2,536,025	2,536,025
	<u>355,157,605</u>	<u>355,157,605</u>
SUNDRY DEBTORS:		
(unsecured, considered good)		
over six months	450,116	450,116
others	317,445,217	317,445,217
	<u>372,558</u>	<u>317,895,333</u>
CASH & BANK BALANCES:		
Cash in Hand	3,393,125	2,423,466
With Scheduled Banks:		
In Current Accounts	15,273,029	18,674,971
In Unpaid Dividend Account	1,355,310	1,090,317
In Fixed Deposits (Fixed deposit of Rs. NIL are in lien with Bank, Previous Year Rs.138.61 lacs)	856,571	13,860,602
	<u>20,878,035</u>	<u>36,049,356</u>
LOANS, ADVANCES & OTHER CURRENT ASSETS :		
(Unsecured Considered good)		
Advances (Recoverable in cash or in kind or for value to be received)*	204,752,536	250,224,087
Deposits	18,665,454	24,202,949
Advance Income Tax and TDS Receivable	6,617,632	20,562,879
Other Government Receivables	122,736,692	112,271,669
	<u>352,772,314</u>	<u>407,261,584</u>
	<u>768,405,093</u>	<u>1,116,363,878</u>

* Advances includes Rs. 50.00 Lacs (Previous Year Rs. 600.00 Lacs) towards Share Application Money.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "G"		
CURRENT LIABILITIES & PROVISIONS :		
A. CURRENT LIABILITIES :		
Sundry Creditors for Goods, Services & Expenses (Refer Note 5a to notes to the accounts)	89,648,237	102,091,723
Unclaimed Dividend	1,355,310	1,090,317
Book Overdraft on reconciliation	22,836,814	48,617,420
Advance against sales	11,766,427	31,372,562
	<u>125,606,788</u>	<u>183,172,022</u>
B. PROVISION :		
Provision for Taxation	750,000	24,400,000
Proposed Dividend	-	9,374,775
Tax on Proposed Dividend	-	1,593,243
Provision for Gratuity	1,867,783	1,579,361
	<u>128,224,571</u>	<u>220,119,401</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
SCHEDULE "H"		
OTHER INCOME		
Dividend	2,575	57,500
Sundry Balance written Back	91,478	496,068
Insurance & Other Claim	98,970	1,000,334
Profit on Sale of Fixed Assets	2,606,669	859,297
Exchange Rate Difference	-	330,170
Profit on Sale of Units	-	863,640
	<u>6,249,692</u>	<u>3,607,009</u>

SCHEDULE "I":

INCREASE/(DECREASE) IN STOCK

Closing Stock:			
Finished goods	160,927,136	171,778,023	
Work-in-progress	16,098,051	13,717,741	
Waste	1,919,618	2,536,025	
	<u>178,944,805</u>	<u>188,031,789</u>	
Less: Opening Stock:			
Finished goods	171,778,024	51,593,111	
Work-in-progress	13,717,741	17,523,249	
Waste	2,536,025	1,561,324	
	<u>188,031,790</u>	<u>70,677,684</u>	
	<u>(9,086,985)</u>	<u>117,354,105</u>	

SCHEDULE "J": PURCHASES:

TRADING GOODS:

Trading goods	1,135,136,504	1,883,194,297
	<u>1,135,136,504</u>	<u>1,883,194,297</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
SCHEDULE "K"		
MANUFACTURING EXPENSES :		
Consumption of Raw Materials :		
Opening Stock	153,890,730	84,110,101
Purchases	<u>893,653,331</u>	<u>825,187,521</u>
	1,047,544,061	909,297,622
Less: Closing Stock	<u>140,202,401</u>	<u>153,890,730</u>
	907,341,660	755,406,892
Consumption of Stores, Spares and Packing Materials	42,978,534	42,235,514
Power & Fuel	125,245,775	134,504,902
Processing Charges	325,553	792,898
Repairs & Maintenance (Plant & Machinery)	2,917,179	5,284,755
Repairs & Maintenance (Building)	<u>1,313,947</u>	<u>6,112,050</u>
	<u>1,080,122,648</u>	<u>944,337,011</u>
SCHEDULE "L":		
SELLING & DISTRIBUTION EXPENSES:		
Outward Freight	10,871,278	144,641,182
Other export expenses	12,972	43,816,683
Commission on sales	1,06,593	20,852,191
Claims & Discounts	5,111	10,372,931
	<u>170,397,854</u>	<u>219,682,987</u>
SCHEDULE "M":		
ESTABLISHMENT & OTHER EXPENSES		
Payment to & Provision for Employees		
Salary, Wages, Bonus & Gratuity		61,965,209
Contribution to Provident Fund & Others		3,462,798
Staff Welfare Expenses		<u>1,154,926</u>
	69,511,383	66,582,933
Rent	400,299	256,022
Rates & Taxes	819,580	707,665
Communication Charges	747,788	4,323,029
Travelling & Conveyance Expenses	565,756	10,301,076
Miscellaneous Expenses	14,914,487	19,838,360
Insurance Premium	1,988,929	2,754,995
Forex Loss	73,213,874	-
Loss on Derivatives & Future Transactions (Net)	-	2,830,877
Directors' Remuneration	<u>5,370,000</u>	<u>4,120,000</u>
	<u>179,532,058</u>	<u>111,714,957</u>
SCHEDULE "N":		
INTEREST		
On Term Loans*	27,851,238	30,087,987
On Others	36,325,232	28,220,162
Bank Charges	<u>17,466,623</u>	<u>9,455,599</u>
	81,643,093	67,763,748
Less: Received		
from Banks & others (T.D.S Rs. 2,99,733/-		
Previous Year Rs.7,14,084/-)	<u>1,838,856</u>	<u>3,934,719</u>
	<u>79,804,237</u>	<u>63,829,029</u>

*Interest on Term Loan is net of Interest Subsidy of Rs. 2,57,61,564/- (Previous year 2,85,75,657/-)

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT :

The financial statements are prepared as a going concern under historical cost convention on accrual basis, except those with significant uncertainty and in accordance with the Companies Act, 1956 Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

2. FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets is inclusive of pre-operative expenses (Net of revenue) incurred up to the date of Commissioning of project/plant, exchange losses or gains arising on specific foreign currency loan taken for acquiring the assets.

3. CAPITAL WORK IN PROGRESS :

Pre-operative expenses incurred on Capital Work in Progress allocated to related Fixed assets on Pro-rata Basis.

4. CASH FLOW :

The Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India

5. DEPRECIATION AND AMORTISATION :

- Depreciation has been provided as per Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 and the relevant Accounting Standard issued by the Institute of Chartered Accountants of India. Plant & Machinery have been considered to be continuous Process Plants as defined in the said schedule on technical assessment and depreciation has been provided accordingly.
- Leasehold Land is being amortised over the lease period.

6. INVESTMENTS :

- Quoted Investments are stated at Cost. Provision for diminution in long term investment is made only, if such a decline is other than temporary.
- Unquoted investments are stated at Cost.

7. VALUATIONS OF INVENTORIES :

Raw Materials	:	Valued at Cost or Net Realisable Value whichever is lower (Cost is computed using "Weighted Average Cost Method").
Work-in-Progress	:	Valued at Cost or Net Realisable Value whichever is lower (Cost includes material Cost plus appropriate share of overheads) (Costs computed Using "Weighted Average Cost Method").
Finished goods :		
i) Manufacturing goods :	:	At Cost or Net Realisable Value whichever is lower (Cost includes Cost of Purchase, Conversion Cost, and other Cost i.e. overhead) (Cost is computed using "Weighted Average Cost Method").
ii) Trading goods	:	At Cost or Net Realisable Value whichever is lower (Cost is computed using "Specific Identification Method").
Packing Materials, Stores & Spare Parts	:	At Cost or Net Realisable Value whichever is lower (Cost is Computed Using "FIFO Method")
Waste	:	At Realisable Value

8. RECOGNITION OF INCOME AND EXPENDITURE :

- Items of Income & Expenditure are recognised on accrual basis.
- Sales & Purchases are accounted for as and when deliveries are effected.

9. PROVISION, CONTINGENT LIABILITIES & CONTINGENT ASSETS :

Provision involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised not disclosed in the financial statement.

10. RETIREMENT BENEFITS TO EMPLOYEES :

Leave Encashment : Accrued liability for leave encashment has been provided for as per actuarial valuation.

Gratuity : Accruing liability for gratuity to employees is covered by the Group Gratuity-Cash-Accumulation Scheme of LIC of India and annual contribution due thereunder are paid/provided in accordance therewith.

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

11. FOREIGN CURRENCY TRANSACTIONS :

- i. **Export Sales** : At the rates as on the date of transactions.
- ii. **Expenditures** : At the rates as on the date of transaction. Outstanding amounts in respect of current assets/current liabilities are translated at the rate as at the close of the year, at the forward contract rates or at the rate at which liabilities/assets are likely to be disbursed/realised, wherever applicable, and the exchange difference thereon is adjusted in the Profit & Loss Account.
- iii. **Foreign Exchange Forward Contract** : Exchange differences in respect of foreign exchange contract (other than for acquisition of fixed assets) is recognised as income or expense over the life of the contract.
- iv. Bank Balance in Foreign Currency Bank Account as on **31.03.2009** is translated at exchange rate as on that date.
- v. Loans in foreign currency for financing the fixed assets are converted at the prevailing exchange rate on the transaction dates. Liabilities payable in foreign currencies on the date of Balance Sheet are restated and all exchange rate differences arising from such restatement are adjusted with the fixed asset.

12. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTION :

The company uses foreign currency forward contracts and currency options to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company designates these hedging instruments as cashflow hedges applying the recognition and measurement principles setout in the "Accounting Standard 30 "Financial Instruments : Regulation and measurement" (AS-30).

In respect of derivative contracts, premium paid, gain/losses on settlement and provision for losses for cash flow hedges are recognized in the Profit and Loss Account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets.

13. BORROWING COSTS :

Borrowing Costs in respect of fixed Assets charged to the respective fixed assets till the date of commercial use and in respect of others, is charged to Profit & Loss Account in the year the same has been incurred.

14. PROVISION FOR CURRENT AND DEFERRED TAX :

Provision for Current Tax is made on the basis of taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

15. IMPAIRMENT OF ASSETS :

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is no indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

16. GOVERNMENT GRANTS/SUBSIDIES :

Government grants/subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants are recognised in the Profit & Loss Account net of any amount deducted from related expenses. Capital grants/subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants/subsidies are credited to the Capital Reserve.

B. NOTES ON ACCOUNTS :

1. **CAPITAL COMMITMENTS** : Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 185.00 Lacs** (Net of advances) (Previous year Rs. 2802.84 Lacs).

2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

- i. Bills discounted with Banks **Rs. 2060.47 lacs** (Previous year Rs. 2709.10 lacs).
- ii. Bank Guarantees of **Rs. 138.50 lacs** (Previous year Rs. 123.50 lacs) issued in favour of Custom, Central Excise & Other Government Authorities.
- iii. **Disputed Statutory Dues :-**
 - a) The Income Tax Assessment of the Company have been completed up to Assessment Year 2006-2007. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year **2000-2001 to 2006-2007 is Rs. 37.92 lacs.**
 - b) Disputed Sales Tax Liability for which appeal is pending before Maharashtra Sales Tax Appellate Tribunal for Financial Year **1998-1999 is Rs. 7.01 lacs.**
 - c) Disputed Central Excise liability for which appeal is pending before different excise authorities relating to financial year from **2005-2006 to 2007-2008 is Rs. 40.62 lacs.**

Based on the decision of the Appellate authorities and the interpretations of the other relevant provisions, the

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

3. SECURED LOAN :

- i. Rupee Term loan from Canara Bank - Kolkata, Oriental Bank of Commerce – Kolkata and State Bank of Patiala – Mumbai is secured by
 - (a) an equitable mortgage ranking pari passu inter-se by deposit of title deeds of all the immovable properties of the company both present and future, relating to its spinning unit premises at Village : Yavluj, District : Kolhapur, Maharashtra and
 - (b) by way of hypothecation ranking pari passu inter-se of all movable properties of the company both present and future including movable machineries, spares, tools & accessories (save & except book debts) subject to prior charges created or to be created in favour of the Company's Bankers, on its stock of Raw Materials, finished goods, consumable stores, book debts & such other movables as may be specifically permitted by the institutions in writing, to secure borrowings for working capital requirements and
 - (c) personal guarantee of some of the Directors of the Company.
 - ii. Working Capital Loan from Canara Bank, Overseas Branch, Kolkata and Mumbai is secured by way of :
 - (a) hypothecation of stock of Raw materials, Work-in-process, finished goods and book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharashtra and stock-in-trade at trading unit Kolkata,
 - (b) Second charge on immovable properties of the company relating to above mentioned spinning unit, and
 - (c) personal guarantee of some of the Directors of the Company.
 - iii. Working Capital Loan from ING Vysya Bank Limited, Overseas Branch, Mumbai is secured by way of :
 - (a) hypothecation of stock of raw materials, work in process, finished goods and book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharashtra and
 - (b) Second charge on immovable properties of the company relating to above mentioned spinning unit, and
 - (c) personal guarantee of some of the Directors of the Company.
 - iv. For the above loan a securitisation agreement entered in between the company, AXIS Bank Limited and the above lenders.
 - v. Term Loans repayable within one year Rs. 156.00 lacs (Previous year Rs. 131.80 lacs).
4. Sales is net of Foreign Exchange difference Debit (Net) Rs. 0.13 lacs (Previous year Debit Rs 460.46 lacs.)
5. a) Sundry creditors includes outstanding dues to all the creditors amounting to Rs. 4,34,645/- (Previous year Rs. 5,56,672/-) and no dues are outstanding for more than 30 days.
- b) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence the information required to be given in accordance with section 22 of the said Act, is not ascertainable. Hence not issued.
6. Based on the information/documents available with the Company, there was no amount due and outstanding as on 31st March, 2009 which is to be transferred to Investors Education and Protection Fund under Section 205C of the Companies Act, 1956.
7. As per Accounting Standard 28 issued by the Institute of Chartered Accountants of India, the company has assessed recoverable value of generating unit based on "value in use" method which has worked out to be much higher than corresponding book value of net assets thereby not warranting further exercise of arriving at their net selling price. This further confirms absence of exigency of making any provision for impairment of asset(s).

		for the Year ended 31st March, 2009	for the Year ended 31st March, 2008
		Rs.	Rs.
8. A) DIRECTORS' REMUNERATIONS :			
Salary		5,370,000	4,120,000
Other Perquisites		60,000	60,000
B) MISCELLANEOUS EXPENSES INCLUDES :			
i) Directors' sitting fees		105,000	113,000
ii) Payment to Statutory Auditors :			
Statutory Audit fees	132,360		134,832
Tax Audit fees	22,060		22,472
Other Services	62,922		132,718
		217,342	290,022

9. Derivative Instruments

(a) In view of notification Number G.S.R. 225 (E) dated 31st March, 2009 issued by Ministry of Corporate Affairs, the Company opted to adjust the exchange differences arising on reporting of long term foreign exchange monetary items. Pursuant to exercise of aforesaid option the Company has debited Rs. 78.51 Lacs to "Foreign currency monetary item Transtation difference Account" that will amortised over the exercise of the option but not beyond 31st march, 2011.

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

(b) The Company uses Forward Exchange contracts and Currency Option to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on Derivative Instruments is as follows :

Forward Exchange Contracts

Currency Pair	(Figure in Lakhs)	
	As at 31st march, 2009	
USD/INR	Buy	Sell
	--	62.50
10. Disclosure pursuant to Accounting Standard - 15 : Employee Benefit		
1. Reconciliation of opening and closing balance of Defined benefit obligation		
Defined Benefit obligation at the beginning of the year	7,195,324	5,847,267
Current Service Cost	990,702	773,635
Interest Cost	513,735	415,522
Actuarial (Gain)/Loss	834,984	750,495
Benefits paid	(479,053)	(591,595)
Defined Benefit obligation at the end of the year	<u>9,055,692</u>	<u>7,195,324</u>
2. Reconciliation of opening and closing balance of Plan Assets		
Fair value of Plan Assets at the beginning of the year	5,647,267	4,686,990
Expected return of Plan Assets	571,015	415,522
Actuarial Gain/(Loss) on Plan Assets	(85,903)	(23,927)
Contribution by Employer	1,548,057	1,160,277
Benefits Paid	(479,053)	(591,595)
Fair value of Plan Assets at the closing of the year	<u>7,201,383</u>	<u>5,647,267</u>
3. Reconciliation of Fair Value of Assets and Liabilities		
Fair value of Plan Assets	7,201,383	5,647,267
Present Value of Obligation	9,055,692	7,195,324
Amount Recognised in Balance Sheet	<u>1,854,309</u>	<u>1,548,057</u>
4. Actuarial Gain Loss Recognised		
Actuarial (Gain)/Loss on obligation	834,984	750,495
Actuarial (Gain)/Loss on Plan Assets	85,903	23,927
Actuarial Gain/ Loss Recognised during the year	<u>920,887</u>	<u>774,422</u>
5. Expenses charged to Profit & Loss account		
Current service cost	990,702	773,635
Interest Cost	513,735	415,522
Expected Return on Plan Assets	(571,015)	(415,522)
Actuarial (Gain)/Loss	<u>920,887</u>	<u>774,422</u>
	<u>1,854,309</u>	<u>1,548,057</u>
6. March, 2009 & 2008 - 100% with Life Insurance of India		
	7%	7%
7. Principal Actuarial Assumption as at		
A. Discount Rate (per annum)	8%	8%
B. Expected Rate of Return of Plan Assets (per annum)	8%	8%
C. Salary Escalation	5%	5.36%
D. Inflation Rate	5%	5%

The Company has also computed and made necessary provisions on account of leave encashment benefits based on actuarial valuation as per Accounting Standard-15(Revised) "Employee Benefits". The total service eligibility as per the Company's leave rules are estimated and provided in the books as a revenue expenditure after making adjustment towards the benefit paid on this account. The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2009.

11. Deferred Tax Liability/(Assets) as on 31st March, 2009 comprises the following :

	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.
a) Deferred Tax Liability Fixed Assets - Depreciation	<u>160,606,764</u>	<u>149,958,749</u>
Total	<u>160,606,764</u>	<u>149,958,749</u>
b) Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	31,649,270	1,013,683
Total	<u>31,649,270</u>	<u>1,013,683</u>
Deferred Tax Liability (Net)	<u>128,957,494</u>	<u>148,945,066</u>

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

12. Information in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

a) The company has two primary business segment viz:

(i) Textile includes Cotton, Knitted Fabric and Raw Cotton and

(ii) Commodity includes Sugar and Iron Ore.

b) Others represents all unallocable items not included in this segments.

c) The Company operates predominantly within the geographical limits of india, accordingly secondary segments have not been considered.

(Rs.in lacs.)

Business Segment

2008-2009

2007-2008

Segment Revenue

Textile

26,564.40

32,203.60

Commodity

88.29

701.98

Segment Result (before interest & Tax)

Textile

403.54

1,845.31

Commodity

3.60

35.02

Total

407.14

1,880.33

Less : Interest

798.04

638.29

Add : Unallocable Income

(70.43)

30.58

Total Profit (Loss) before Extra ordinary Item & Tax

(461.33)

1,272.63

Profit before Tax

(461.33)

1,272.63

Less : Income Tax

285.05

430.77

Net Profit after Tax

(176.27)

841.86

Other Information:

Segment Asset

Textile

15,967.54

18,318.67

Commodity

108.20

172.19

Unallocable

3,057.15

3,390.74

19,132.89

21,881.60

Segment Liability

Textile

11,444.80

13,820.03

Commodity

4.83

167.76

Unallocable

30.55

64.81

Total

11,480.17

14,052.61

Net Worth

7652.72

7,828.99

Capital Expenditure

Textile

797.28

724.08

Unallocable

2.06

2.06

Total

799.34

726.14

Depreciation

Textile

631.50

606.98

Unallocable

4.21

8.00

Total

635.71

614.98

Geographical Segment Revenue

India

3,907.65

4,454.82

Overseas

22,745.04

28,450.76

Total

26,652.69

32,905.58

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

13. Basic and diluted earning per share (EPS) of the face value of Rs. 5/- each is calculated as under :-

	2008-2009	2007-2008
a) Net profit as per Profit and Loss Account available for Equity Share Holders (in Rs.)	(17,627,057)	84,185,605
b) Weighted average number of Equity Shares for Basis Earning Per Share	12,499,700	12,260,684
c) Earning Per Share (Weighted Average) - (in Rs.) Basic / Diluted	(1.41)	6.87

14. Additional information under part II of Schedule VI of the Companies Act, 1956 :

Description	Unit	for the Year ended 31st March, 2009		for the Year ended 31st March, 2008	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
A. Capacity & Production :					
Licensed Capacity/ Registered Capacity	Spindle	56,784		56,784	
Installed Capacity	Spindle	55,440		55,440	
Actual Production :					
Cotton Yarn	Kg	10,180,878		9,799,003	
Knitted Fabrics	Kg	111,453		120,076	
B. Opening Stock/Purchase/Sales and Closing Stock					
Opening Stock :					
Cotton Yarn	Kg	680,763		137,447	12,468,212
Knitted Fabrics	Kg	30,325		18,967	2,226,246
Raw Cotton	M.T.	1,064	60,810,466	614	28,430,019
Iron Ore	M.T.	5,867	8,468,634	5,867	8,468,634
			171,778,023		51,593,111
Purchases :					
Cotton Yarn	Kg	9,569,542	11,870,691	11,870,691	1,225,989,478
Knitted Fabrics	Kg	46,570	50,213,733	418,570	50,213,733
Sugar	M.T.	-	4,186	4,186	47,223,360
Iron ore fines	M.T.	-	8,749	8,749	18,805,840
Raw Cotton	M.T.	835	58,948,168	9,836	540,961,886
			1,135,136,504		1,883,194,297
Sales :					
Cotton Yarn	Kg	18,717,428	2,470,532,980	20,547,561	2,470,532,980
Knitted Fabrics	Kg	486,656	61,917,138	486,656	61,917,138
Sugar	M.T.	-	49,302,983	4,186	49,302,983
Iron Ore	M.T.	5,867	8,829,000	8,749	20,879,230
Raw Cotton	M.T.	1,759	135,040,695	9,386	576,311,404
Waste			140,318,738		111,614,065
			2,665,269,205		3,290,557,800
Closing Stock :					
Cotton Yarn	Kg	1,350,719	147,327,110	890,763	96,143,708
Knitted Fabrics	Kg	39,803	5,142,408	70,924	6,355,215
Iron ore fines	M.T.	-	-	5,867	8,468,634
Raw Cotton	M.T.	134	8,457,619	1,064	60,810,466
			160,927,137		171,778,023

Note : 1) Cotton Yarn production includes 5,42,973 Kgs.(Previous Year 3,68,277 Kgs) and Knitted Fabrics Production includes 76 Kgs (Previous year 33 Kgs) inter department transfer.

2) Shortage of Raw Cotton during the year 6 MT (Previous year NIL) and Cotton Yarn 103 Kgs (Previous year 540 Kgs).

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

C. CONSUMPTION OF RAW MATERIALS :

		for the Year ended 31st March, 2009		for the Year ended 31st March, 2008	
	Unit	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Raw Cotton:					
Indigenous	Kg	13,382,307	886,321,238	13,392,610	749,752,333
Cotton Yarn:					
Indigenous	Kg	206,183	21,020,421	55,259	5,654,559
		<u>13,588,490</u>	<u>907,341,660</u>	<u>13,447,869</u>	<u>755,406,892</u>

D. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

(i) Capital Goods	12,102,630	7,571,162
(ii) Stores, Spare Parts	6,016,998	6,866,488

E. VALUE OF CONSUMPTION :

	Percentage	Value (Rs.)	Percentage	Value (Rs.)
(i) Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	907,341,660	100.00	755,406,892
(ii) Stores, Spare Parts & Packing Material				
Imported	8.99	3,798,157	8.99	3,798,157
Indigenous	91.01	38,437,357	91.01	38,437,357
	100.00	42,235,514	100.00	42,235,514

15. EXPENDITURE IN FOREIGN CURRENCY :

a) Interest in rupees on foreign currency loans	3,634,119	6,402,812
b) Travelling	1,324,789	1,832,587
c) Commission	1,664,487	17,064,740
d) Other expenses	28,465,707	28,614,825
	<u>45,089,101</u>	<u>53,914,964</u>

16. EARNING IN FOREIGN CURRENCY :

Export of goods on FOB basis	1,832,799,618	2,590,035,335
------------------------------	---------------	---------------

17. Related parties with whom transactions have taken place during the year.

Key Management Personnels

Sri Sushil Patwari	Chairman and Managing Director
Sri Sunil Patwari	Vice Chairman and Managing Director
Sri K.C. Purohit	Whole Time Director
Sri Mahendra Patwari	Whole Time Director

Associate Company

Nagreeka Capital & Infrastructure Ltd.

Relatives of Key Management Personnels & Others:

Patwari Properties	Sri Satish Patwari
Smt. Anita Patwari	Smt. Rashi Saraf
Smt. Minakshi Patwari	Ishwarlal Mahendra Kumar
Sri Ishwarlal Patwari	Smt. Mala Patwari

	2008-2009	(Rs. in lacs) 2007-2008
Nature of Transactions & with Whom		
Rent to Relatives of Key Management Personnels & Others	1.40	1.40
Rent to Key Management Personnel	0.60	0.60
Nature of Transactions & with Whom		
Remuneration to Key Management Personnels	53.70	41.20
Sitting fees to relative of Key Management Personnels	0.09	0.37
Issue of equity shares to Key Management Personnels	—	326.63
Issue of equity shares to relative of Key Management Personnels	—	217.93
Outstanding Balances as on 31.03.2009		
Deposits/Loans & Advances :		
Key Management Personnels	176.00	176.00

Note : a) There is no doubtful debts as on 31.03.2009 hence no provision is made.

b) There is no amounts written off or written back during the year in respect of debts due from or to related parties.

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

C. CONSUMPTION OF RAW MATERIALS :

		for the Year ended 31st March, 2009		for the Year ended 31st March, 2008	
	Unit	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Raw Cotton:					
Indigenous	Kg	13,382,307	886,321,238	13,392,610	749,752,333
Cotton Yarn:					
Indigenous	Kg	206,183	21,020,421	55,259	5,654,559
		<u>13,588,490</u>	<u>907,341,660</u>	<u>13,447,869</u>	<u>755,406,892</u>

D. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

(i) Capital Goods	12,102,630	7,571,162
(ii) Stores, Spare Parts	6,016,998	6,866,488

E. VALUE OF CONSUMPTION :

	Percentage	Value (Rs.)	Percentage	Value (Rs.)
(i) Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	907,341,660	100.00	755,406,892
	<u>100.00</u>	<u>907,341,660</u>	<u>100.00</u>	<u>755,406,892</u>
(ii) Stores, Spare Parts & Packing Material				
Imported	8.99	3,798,157	8.99	3,798,157
Indigenous	91.01	38,437,357	91.01	38,437,357
	<u>100.00</u>	<u>42,235,514</u>	<u>100.00</u>	<u>42,235,514</u>

15. EXPENDITURE IN FOREIGN CURRENCY :

a) Interest in rupees on foreign currency loans	6,402,812
b) Travelling	1,832,587
c) Commission	17,064,740
d) Other expenses	28,614,825
	<u>53,914,964</u>

16. EARNING IN FOREIGN CURRENCY :

Export of goods on FOB basis	2,590,035,335
------------------------------	---------------

17. Related parties with whom transactions have taken place during the year.

Key Management Personnels

Sri Sushil Patwari	Chairman and Managing Director
Sri Sunil Patwari	Vice Chairman and Managing Director
Sri K.C. Purohit	Whole Time Director
Sri Mahendra Patwari	Whole Time Director

Associate Company

Nagreeka Capital & Infrastructure Ltd.

Relatives of Key Management Personnels & Others:

Patwari Properties	Sri Satish Patwari
Smt. Anita Patwari	Smt. Rashi Saraf
Smt. Minakshi Patwari	Ishwarlal Mahendra Kumar
Sri Ishwarlal Patwari	Smt. Mala Patwari

	2008-2009	(Rs. in lacs) 2007-2008
Nature of Transactions & with Whom		
Rent to Relatives of Key Management Personnels & Others	1.40	1.40
Rent to Key Management Personnel	0.60	0.60
Nature of Transactions & with Whom		
Remuneration to Key Management Personnels	53.70	41.20
Sitting fees to relative of Key Management Personnels	0.09	0.37
Issue of equity shares to Key Management Personnels	—	326.63
Issue of equity shares to relative of Key Management Personnels	—	217.93

Outstanding Balances as on 31.03.2009

Deposits/Loans & Advances :		
Key Management Personnels	176.00	176.00

Note : a) There is no doubtful debts as on 31.03.2009 hence no provision is made.

b) There is no amounts written off or written back during the year in respect of debts due from or to related parties.

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2009

SCHEDULE "O" (Contd.)

18. Additional information as per Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

			4	6	3	8	7
--	--	--	---	---	---	---	---

 State Code

2	1
---	---

Balance Sheet date

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

date - month - year

II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue

				N	I	L
--	--	--	--	---	---	---

 Right Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

 Private Placement

				N	I	L
--	--	--	--	---	---	---

Equity share warrants

				N	I	L
--	--	--	--	---	---	---

III. Position of mobilisation and deployment of funds (Amount in Rs.Thousands)

Total Liabilities

1	9	1	3	2	8	9
---	---	---	---	---	---	---

 Total Assets

1	9	1	3	2	8	9
---	---	---	---	---	---	---

Sources of Funds:

Paid Up Capital

		6	2	5	0
--	--	---	---	---	---

 Reserve & Surplus

	7	0	2	7	2	2
--	---	---	---	---	---	---

Secured Loan

		9	0	0
--	--	---	---	---

 Unsecured Loan

				N	I	L
--	--	--	--	---	---	---

Deferred Tax

			9	
--	--	--	---	--

Application of Funds :

Net Fixed Assets

	9	3	8	0	2	2
--	---	---	---	---	---	---

 Investments

	2	0	6	8	6	2
--	---	---	---	---	---	---

Net Current Assets

			0	1	8	1
--	--	--	---	---	---	---

 Miscellaneous Expenditure

				N	I	L
--	--	--	--	---	---	---

Accumulated Loss

				N	I	L
--	--	--	--	---	---	---

IV. Performance of the Company (Amount in Rs.Thousands)

Turnover (Including Stock Adjustment and other Income)

2	6	6	2	0	3	2
---	---	---	---	---	---	---

 Total Expenditure

2	7	0	8	5	6	4
---	---	---	---	---	---	---

Profit/(Loss) before Tax

		(1)	6	1	8	0
--	--	-----	---	---	---	---

 Profit/(Loss) after Tax

		(-)	1	7	6	2	7
--	--	-----	---	---	---	---	---

Earning per Share

			(1)	4	1
--	--	--	-----	---	---

 Dividend rate %

					0
--	--	--	--	--	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms) :

Item Code No. (ITC Code)	Product Description							
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>5</td><td>2</td><td>.</td><td>0</td><td>5</td></tr></table>			5	2	.	0	5	Cotton Yarn
		5	2	.	0	5		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>6</td><td>0</td><td>.</td><td>2</td><td>0</td></tr></table>			6	0	.	2	0	Knitted Fabric
		6	0	.	2	0		

19. Previous year figures have been regrouped and/or rearranged wherever necessary.

As per our attached report of even date

For **DAS & PRASAD**
Chartered Accountants
(**CA. B. N. AGARWALA**)
Partner
(M. No. 011709)

Place : Kolkata
Date : 5th June, 2009

J. TIWARI
COMPANY SECRETARY

For and on behalf of the Board of Directors

SUSHIL PATWARI	CHAIRMAN & MANAGING DIRECTOR
SUNIL PATWARI	VICE CHAIRMAN & MANAGING DIRECTOR
M. K. OGRA	DIRECTOR