



Nagreeka

EXPORTS LIMITED



**TWENTYTHIRD
ANNUAL
REPORT
2011-2012**

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

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NOTICE

Notice is hereby given that the 23rd 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 Thursday, the 27th September, 2012 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, 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. M. K. Ogra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sushil Patwari, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. M. P. Periwal, 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 an ordinary resolution :

"Resolved that in supersession of the earlier Resolution passed at the eighteenth Annual General Meeting held on 21st September, 2007 and pursuant to the provisions of section 293(1)(d) and all other applicable Provisions, if any, of the Companies Act, 1956, the company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from anyone or more of the Company's Bankers and/or from anyone or more persons, firms, Bodies Corporate, or Financial Institutions by way of Cash, Credit, Advance or Deposits, Loans or Bills discounting or otherwise and whether unsecured by mortgage, charge, hypothecation or lien or pledge of the Company's Assets and Properties whether movable or stock-in-trade and work-in-progress or all or any of the undertakings of the company, notwithstanding the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of Business) will or may exceed the aggregate of the Paid-up capital of the Company and its free reserves, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed an amount of Rs 1500 crores (Rupees One Thousand and Five Hundred Crores only) exclusive of interest and the Board of Directors be and is hereby further authorised to execute such deeds of the debentures and debenture trust deed or mortgage, charge hypothecation, lien, promissory notes, deposits, receipts and other deeds and instruments or writings as they may consider proper and containing such conditions and covenants as the Board may think fit."

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

"Resolved that pursuant to section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act, The Company hereby approves the reappointment and the terms of remuneration of Mr. Sushil Patwari as Managing Director of the Company for a period of 5 years with effect from 1st October, 2011 upon the terms and conditions set out in the Relevant Explanatory Statement and also in the Agreement submitted to this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (here in after referred to as Board which term shall 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 as the Board may deem fit and agreed to Mr. Sushil Patwari".

"Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, during the term of office of Mr. Sushil Patwari, the remuneration as mentioned in the Relevant Explanatory Statement and the Agreement shall be the minimum remuneration".

"Resolved further that the Board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the to the aforesaid resolutions."

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

"Resolved that pursuant to section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act, The Company hereby approves the reappointment and the terms of remuneration of Mr. K.C. Purohit as Whole Time Director of the Company for a period of 5 years with effect from 1st October, 2011 upon the terms and conditions set out in the Relevant Explanatory Statement and also in the Agreement submitted to this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (here in after referred to as Board which term shall 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

NOTICE (Contd.)

form and manner or with such modification as the Board may deem fit and agreed to Mr. Mr. K.C. Purohit".

"Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, during the term of office of Mr. K.C. Purohit, the remuneration as mentioned in the Relevant Explanatory Statement and the Agreement shall be the minimum remuneration"

"Resolved further that the Board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the to the aforesaid resolutions."

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

"Resolved that pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act, the Company hereby approves the reappointment and the terms and conditions of Mr. Mahendra Patwari as Wholtime Director of the Company for period of five years with effect from 1st July, 2012 upon the terms and conditions set out in the Relevant Explanatory Statement and also in the 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 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."

"Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, during the term of office of Mr. Mahendra Patwari, the remuneration as mentioned in the Relevant Explanatory Statement and the Agreement shall be the minimum remuneration".

"Resolved further that the Board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the to the aforesaid resolutions."

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

"Resolved that, pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to alternation of its Articles of Association, in as much as, after clause 48, the following new clause be added and numbered as 48 A :

The Company shall have power, subject to and in accordance with all applicable provisions of the Act and the rules made there under, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserve or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

By order of the Board

For NAGREEKA EXPORTS LTD.

J. TIWARI

(Company Secretary)

Place : Kolkata

Date : 11th August, 2012

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 20/09/2012 to 27/09/2012 (both days inclusive).
6. Members intending to require information, about accounts, to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting (AGM).
7. Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed or unpaid dividends (if any) upto the financial year ended 31st March, 2004 have been transferred to the Investors Education and Protection Fund established by the Central Government.

NOTICE (Contd.)

8. Details of the Directors retiring by rotation / proposed for re-appointment :

Name of Director	Mr. M. K. Ogra	Mr. Sushil Patwari	Mr. M. P. Periwal	Mr. K. C. Purohit	Mr. Mahendra Patwari
Date of Birth	15.09.1930	20.08.1954	12.08.1944	18.06.1932	15.03.1963
Date of Appointment	30.06.2001	06.03.1989	07.08.2008	30.06.2001	01.07.2004
Qualification	Graduate (Maths & Statistics) & Diploma in Statistics & Quality Control	B. Com (H)	Graduate	B. Tech	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	Industrialist having rich business experience
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	1. Nicco Financial Services Ltd. 2. Nicco Engg. Services Ltd. 3. Nicco Biotech Ltd. 4. Nagreeka Capital & Infrastructure Ltd.	1. Rupa & Co. Ltd. 2. Reliance Processors Ltd. 3. Nagreeka Capital & Infrastructure Ltd. 4. Jaidka Motor Company Ltd.	1. Pioneer Protec Ltd. 2. Pioneer Plastic Industries Ltd. 3. Sarda Housing Development Ltd.	None	Nagreeka Foils Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director	1. Nagreeka Capital & Infrastructure Ltd. 2. Nicco Engg. Services Ltd.	1. Rupa & Co. Ltd. 2. Nagreeka Capital & Infrastructure Ltd.	None	None	None

9. Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Maheshwari Datamatics Private Limited.

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

ITEM NUMBER 6 :

Considering the expansion programme of the company at hand, it is proposed to authorize the Board of Directors to borrow money provided, however, that the total borrowing at any point of time will not exceed Rs 1500 crores. The resolution being item number 6 in the notice is intended for the purpose.

The Board of Directors recommends the resolution for approval of the Members.

No Director of the Company is concerned or interested in the resolution being item number 6 of the Notice.

ITEM NUMBER 7 :

Mr. Sushil Patwari has been appointed as Managing Director of the Company, for a period of five years, with effect from 1st October, 2011, in the Board Meeting held on the 29th October, 2011. The Remuneration Committee of the Board of Directors at its Committee Meeting held on 29th October, 2011 unanimously recommended for his reappointment. The brief terms and conditions for his reappointment are as under :-

(a) Salary :

Rs. 2,00,000/- per month with effect from 01.10.2011.

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 2,00,000/- per month.

NOTICE (Contd.)

(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, fixture 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 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 year to the extent not availed shall be allowed to be accumulated upto next two years.

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. 10,000/- 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

xi) Reimbursement of Entertainment/ Travelling Expenses

Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Sushil 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. Sushil Patwari for attending the meetings of the Board of Directors of the Company or any Committee thereof.

xiii) Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Sushil Patwari will be entitled to the above remuneration alongwith perquisites / benefits mentioned above as and by way of minimum remuneration.

Explanation

Provision of Car for use of the Company's business and telephone at residence will not be considered in computing value of perquisites. Personal long distance calls of telephone shall be billed to Mr. Sushil Patwari."

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

The Draft Service Agreement between the Company and Mr. Sushil Patwari is available for inspection by the Member of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

The Board of Directors recommends the resolution for approval of the Members.

Save and except Mr. Sushil Patwari, Mr. Sunil Patwari and Mr. Mahendra Patwari, no Director of the Company is concerned or interested in the special resolution being item number 7 of the Notice.

ITEM NUMBER 8 :

Mr. K.C. Purohit has been appointed as Wholetime Director of the Company for a period of five years with effect from 1st October, 2011, in the Board meeting held on the 29th October, 2011. The Remuneration Committee of the Board of Directors at its Committee Meeting

NOTICE (Contd.)

held on 29th October, 2011 unanimously recommended for his reappointment. The brief terms and conditions for his reappointment are as under :-

(a) Salary :

Rs. 85,000/- per month.

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 1,00,000/- per month.

(b) Perquisites :

i) 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.

ii) Gratuity

As per Gratuity Act, 1972

iii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

iv) Car with Driver

The Company will provide Car with Driver for Company's business.

v) Telephone

Free telephone and fax facilities at residence.

vi) Reimbursement of Entertainment/ Travelling Expenses.

vii) Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. K.C. Purohit will be entitled to the above remuneration alongwith perquisites / benefits mentioned above as and by way of minimum remuneration.

Explanation

Provision of Car for use of the Company's business and telephone at residence will not be considered in computing value of perquisites. Personal long distance calls of telephone shall be billed to Mr. K.C.Purohit."

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

The Draft Service Agreement between the Company and Mr. K.C.Purohit is available for inspection by the Member of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

The Board of Directors recommends the resolution for approval of the Members.

Save and except Mr. K.C.Purohit no Director of the Company is concerned or interested in the special resolution being item number 8 of the Notice.

ITEM NUMBER 9 :

Mr. Mahendra Patwari was reappointed as Wholetime Director of the Company, with effect from 1st July, 2012, for a period of five years, in the Board Meeting held on 26th May, 2012. The Remuneration Committee also recommended his reappointment at its meeting held on 26th May, 2012. The brief terms and conditions of his reappointment are as under :-

(a) Salary :

Rs. 2,00,000/- per month with effect from 1st July, 2012.

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)

NOTICE (Contd.)

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.

iv) Club Fees

Reimbursement of membership fee upto maximum of two clubs in India including admission and life membership fee.

v) Personal Accident Insurance

Personal Accident insurance Policy of such amount as may be decided by the Managing Director / Board, the premium of which shall not exceed Rs. 25,000/- per annum.

vi) Contribution to Provident Fund, Superannuation Fund and Annuity Fund

Company's contribution to Provident Fund, Superannuation and Annuity Fund not exceeding 30% of salary in aggregate.

vii) Gratuity

As per Gratuity Act, 1972

viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

ix) Car with Driver

The Company will provide Car with Driver for Company's business.

x) Telephone

Free telephone and fax facilities at residence, including monthly charges on account of one cellular handset.

xi) Reimbursement of Entertainment / Traveling Expenses

Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Mahendra Patwari during the course of his employment in connection with the business of the Company.

xii) Sitting Fee

No sitting fee shall be paid to Mr. Mahendra Patwari for attending the meetings of the Board of Directors of the Company or any Committee thereof.

xiii) Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Mahendra Patwari will be entitled to the above remuneration alongwith perquisites / benefits mentioned above as and by way of minimum remuneration.

Explanation

Provision of Car for use of the Company's business and telephone at residence and monthly charges on account of one cellular handset will not be considered in computing value of perquisites. Personal long distance calls of telephone shall be billed to Mr. Mahendra Patwari.

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

The Draft Service Agreement between the Company and Mr. Mahendra Patwari is available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

The Board of Directors recommends the special resolution for approval of the Members.

Save and except Mr. Sushil Patwari, Mr. Sunil Patwari and Mr. Mahendra Patwari, no Director of the Company is concerned or interested in the special resolution being item number 9 of the Notice.

ITEM NUMBER 10 :

It is proposed to authorise the Company to buy back its own shares, subject to relevant provisions of the Companies Act, 1956, including any amendment thereof and SEBI guidelines in this regard. The special resolution, being item number 11 in the notice, is intended for the purpose.

The Board of Directors recommends the special resolution for approval of the Members.

No director of the Company is concerned or interested in the special resolution being item number 10 of the notice.

Place : Kolkata

Date : 11th August, 2012

By order of the Board
For NAGREEKA EXPORTS LTD.
J. TIWARI
(Company Secretary)

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 23rd Annual Report on the affairs of your Company together with the Audited Statements of Account for the year ended 31st March, 2012.

FINANCIAL RESULT

	2011-2012 (Rs. In lacs)	2010-2011 (Rs. In lacs)
Revenue from operation	49567.05	55835.02
Other Income	186.20	96.61
	49753.25	55931.63
PBIDT	2555.37	2989.51
Interest	1743.03	1291.86
Depreciation	692.36	665.35
PROFIT BEFORE TAXATION	119.98	1032.30
Taxation	(97.32)	416.67
PROFIT AFTER TAXATION	217.30	615.63
Profit Brought Forward from Previous Year	799.26	256.51
PROFIT AVAILABLE FOR APPROPRIATIONS	1016.56	872.14
APPROPRIATIONS		
Proposed Dividend	—	62.50
Income Tax on Dividend	—	10.38
Balance carried to Balance Sheet	1016.56	799.26
	1016.56	872.14

DIVIDEND

Your Directors intend to plough back entire profit after tax for the year ended 31st March, 2012, for meeting working capital requirement and Capital expenditure on plant upgradation and new projects. As such, no dividend is recommended for the year ended 31st March, 2012.

REVIEW OF OPERATION

During the financial year under review the company has achieved turnover of Rs.49567.05 Lacs against Rs.55835.02 Lacs for the previous year. The profit after tax is also lower at Rs.217.30 Lacs against profit after tax of Rs. 615.63 Lacs in the previous year. The changes in Govt. policy with regard to export of cotton and cotton yarn which occurred between January-March 2011 had tremendous effect on the entire cotton yarn spinning industry. The ban on export of cotton yarn between January-March, 2011, resulted in increase of cotton yarn inventory with spinners. Simultaneously the effect of fluctuating policy for export of raw cotton resulted in prices of raw cotton shooting up between January - March 2011 and thereafter crashing within a very short time in the month of April and May, 2011 by nearly 50% of peak levels. This crash of raw material prices resulted in huge value loss on the inventory on raw material with spinners. This drop in prices together with the rush to liquidate stock of cotton yarn during April - May, 2011 also brought down prices of cotton yarn by approx. 30-40% resulting in huge loss in finished goods inventors. This double whammy on raw material and finished goods significantly eroded the capital of the spinning industry. Your company also suffered on account of these events. Additionally the economic crisis in the euro zone resulted in a recession in demand in Europe for textile products. The Global

event also increased volatility in commodity markets and currency markets which was reflected in wide fluctuations in USD / INR exchange rates.

The cost of power has been continuously increasing during the year. The cost has increased by nearly 15%. Interest rates in the Indian economy have also been going up and during this year there was an increase of approx.1.25% per annum in the base rate. The cost of working capital borrowing also increased significantly. Rising inflation also resulted in increase of other inputs and costs.

Your company has taken on all challenges and after putting in best efforts we have been able to mitigate the effects of these negative developments to achieve results mentioned above.

FUTURE PROSPECT

The future prospects of the company are closely linked with the fortunes of the cotton textile industry. The consumption of cotton textile within India will still grow, although at a slower rate in view of the reduced growth rate of GDP (6.5%). The depreciation of Indian rupee has also improved India's competitiveness in the export market vis-à-vis China, Bangladesh etc. Further as and when the situation of US & Europe improves there should be also increase in business from these countries.

The fortunes of the cotton textile industry depends lot on the availability of quality cotton at competitive prices. The current state of the monsoon in India has created some uncertainty on this account and the actual effect will be known only when the new cotton season starts during October/November, 2012.

The restructured TUF Scheme has been announced with greater focus on technical textile while maintaining incentives for traditional sector. Additionally, the Maharashtra Govt has announced new textile policy offering interest subsidy and capital subsidy in some location in addition to TUF.

The company is in advanced stage of implementing the cotton yarn dyeing and bleaching project at Kagal, Kolhapur at a project cost of Rs.73.05 crores. The project will be operational during quarter January to March 2013. Further, the company is working on projects to increase spinning capacity and enter into weaving activity.

PUBLIC DEPOSIT

Your Company has not accepted any deposits during the year under review within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year, 31st March, 2012, and the profit for that period.

DIRECTORS' REPORT (Contd.)

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

AUDITORS

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

AUDITORS' REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure – "A" to this report.

PARTICULARS OF EMPLOYEES

None of the employees are drawing remuneration exceeding Rs.5.00 Lacs per month or Rs.60.00 Lacs per year. Hence, details required to be furnished in accordance with Sub Section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable.

APPRECIATION

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

ANNEXURE "A" TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULE, 1988.

A. CONSERVATION OF ENERGY

The plant incorporates the latest technology for the conservation of energy. Particulars with respect to Conservation of Energy are given in Form-A.

Form – A

Form for disclosure of particulars with respect to conservation of energy

	Year Ended 31.03.2012	Year Ended 31.03.2011
1. Power Consumption		
i) Electricity		
a) Purchased units (in lacs)	337.42	328.11
Total amount (Rs. In lacs)	2,062.35	1,751.64
Rate per unit (Rs.)	6.11	5.34
b) Own Generation		
Through Diesel Generator		
Total Unit Generated (In lacs)	4.38	2.95
Units per litre of Diesel Oil	3.45	3.40
Cost per unit (Rs.)	11.16	11.17
ii) Coal	Nil	Nil
iii) Furnace Oil	Nil	Nil
iv) Other Internal General	Nil	Nil
2. Consumption per unit of production		
i) Electricity unit per kgs. of yarn	3.80	3.46
ii) Furnace Oil	Nil	Nil

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption as per Form-B :

Indigenous technology alone is used and Research and Development are carried out by separate Textile Research Association for Textile units, SITRA and BITRA and the Company is a member of these associations.

C. FOREIGN EXCHANGE EARNING AND OUTGO

1. Export activities :

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

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

2. Total Foreign Exchange earned and used :

	Year Ended 31.03.2012	Year Ended 31.03.2011
Earning	3872893080	4574744512
Outgo	72428233	112737558

Place : Kolkata
Date : 26th May, 2012

By order of the Board
Sushil Patwari
Chairman

Place : Kolkata
Date : 26th May, 2012

By order of the Board
Sushil Patwari
Chairman

ANNEXURE – B TO DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The textile industry contributes 4% to GDP, 14% to industrial production and 11% to exports of India in addition to employing 3.5 Cr people directly. India is 2nd largest producer and exporter of raw cotton in the world and the largest producer and largest exporter of cotton yarn in the world.

The importance of the textile industry in the Indian economy is thus clear.

The Govt. of India has promoted capacity creation and modernization in the industry vide the TUF. Different incentives are offered to different segments from cotton ginning, spinning, weaving, processing, garmenting etc. Now, special focus is on Technical Textiles.

The economic growth is also boosting the per capita consumption of textiles in India.

The performance and fortunes of the cotton textile industry are very dependent on the availability of adequate cotton of good quality at competitive prices.

Opportunities and Threats :

The Indian economy is still growing, although, at a slower pace, thus, the growth of domestic demand should be visible.

Govt. of Maharashtra has announced a new Textile Policy to promote capacity creation for increased conversion of raw cotton grown in Maharashtra. The recent movements in the currency markets USD/INR have boosted India's competitiveness vis-à-vis countries such as China, Bangladesh etc. The MSP for cotton has been increased significantly, and this should ensure growth of area under cotton. This together with use of BT seeds and better inputs and practices should result in bigger cotton crop.

The Govt. has recently announced a scheme for restructuring of loans to textile companies for an amount of Rs.35,000 Crores.

The high inflation is causing a strong push up in costs. The increasing costs and availability of labour are areas of concern. The shortage and constantly increasing prices of power are hurdles. The rate of interest is also very high and has gone up significantly over the last two years.

The Govt. policies relating to refund of taxes on exports resulting in withdrawal of DEPB and changes/reduction in rates of draw back affect the profitability in exports. Policies relating to export of cotton yarn and raw cotton are critical. The unfettered

export of raw cotton in 2011-12 season has resulted in the industry importing raw cotton during August - October, 2012 inspite of the country producing its biggest crop.

C) Outlook :

There are dark clouds in form of crisis in Euro Zone and US, slowdown in China and India. But, these must give way to a new dawn and this is the hope for the industry and economy.

D) Management perception of Risk and Concern :

The increase in input costs is an area of concern. Further, the increased volatility in commodity markets, particularly, cotton via the exchanges and fund houses have increased the challenges for the industry. Similarly, the fluctuations in the currency markets need to be managed.

In view of these factors, systems and focus to monitor these movements and take actions prudently is very necessary and important.

E) Internal Control System :

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

F) Human Resources/Industrial Relations :

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

G) Cautionary Statement :

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

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

ANNEXURE 'C' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

COMPOSITION

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

The Board met Five times, on the following dates, during the financial year 2011-2012 :

30.05.2011	12.08.2011	29.10.2011	14.11.2011	07.02.2012
------------	------------	------------	------------	------------

The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and committee positions as held by them in other Public Limited Companies as on 31.03.2012 are given below :

Name	Category	No. of Meetings held during the Financial year	No. of Board Meetings attended during 11-12	Whether Attended AGM held on 28.09.11	No. of Directorship in other Public Limited Companies	No. of Committee Positions held in other Public Ltd. Companies		No. of Shares held in the Company as at 31.03.2012
						Chairman	Member	
Mr. Sushil Patwari	Promoter Executive	5	5	Yes	4	None	2	718500
Mr. Sunil Patwari	Promoter Executive	5	3	No	2	None	2	782000
Mr. Mahendra Patwari	Executive	5	0	Yes	1	None	None	447000
Mr. K. C. Purohit	Executive	5	0	No	Nil	None	None	Nil
Mr. M. K. Ogra	Independent	5	5	Yes	4	2	None	Nil
Mr. B. C. Talukdar	Independent	5	5	Yes	2	2	5	Nil
Mr. M. P. Periwal	Independent	5	3	No	3	None	None	Nil
Mr. R. M. Ruia	Independent	5	0	No	1	None	None	18034

3. COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz. Mr. M. K. Ogra as Chairman of the Committee, Mr. Sunil Patwari 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 2011-2012 :

30.05.2011	12.08.2011	14.11.2011	07.02.2012
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ANNEXURE 'C' (Contd.)

ATTENDANCE OF THE AUDIT COMMITTEE MEETING :

Name of the Directors	Number of Meeting Held	Number of Meeting Attended
Mr. M. K. Ogra	4	4
Mr. B. C. Talukdar	4	4
Mr. Sunil Patwari	4	3

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	Promoter Executive
3. Mr. Sunil Patwari	Member	Promoter Executive

The Committee met once during the financial year 2011-2012 on 30.05.2011.

The Committee is prompt in attending to requests received for transfer, as well as issue of duplicate certificates. The number of Complaints received during the Financial Year 2011-2012 are as under :

Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports, Share sent for Transfer and Transmission, Complaints received from SEBI Stock Exchanges and direct from Investors, Registrar of Companies etc.	14
Number of Complaints resolved	14
Number of Complaints pending as on 31.03.2012	NIL

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

C) REMUNERATION COMMITTEE

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

1. Mr. M. K. Ogra	Chairman	Independent Director
2. Mr. B. C. Talukdar	Member	Independent Director
3. Mr. Sunil Patwari	Member	Promoter Executive

The meeting of the Remuneration Committee was held thrice on 30.05.2011, 29.10.2011 & 14.11.2011 during the financial year 2011-2012.

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 2011-2012 :

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2010-11 paid during the year) (Rs.)
1. Mr. Sushil Patwari	—	24,00,000/-	—	—
2. Mr. Sunil Patwari	—	24,00,000/-	30,000/-	—
3. Mr. Mahendra Patwari	—	18,00,000/-	30,000/-	—
4. Mr. K. C. Purohit	—	9,45,000/-	—	—
5. Mr. M. K. Ogra	34,000/-	—	—	—
6. Mr. B. C. Talukdar	32,000/-	—	—	—
7. Mr. R. M. Ruia	—	—	—	—
8. Mr. M. P. Periwal	15,000/-	—	—	—

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. M. K. Ogra	Mr. Sushil Patwari	Mr. M. P. Periwal	Mr. K. C. Purohit	Mr. Mahendra Patwari
Date of Birth	15.09.1930	20.08.1954	12.08.1944	18.06.1932	15.03.1963
Date of Appointment	30.06.2001	06.03.1989	07.08.2008	30.06.2001	01.07.2004
Qualification	Graduate (Maths & Statistics) & Diploma in Statistics & Quality Control	B. Com (H)	Graduate	B. Tech	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	Industrialist having rich business experience
List of other Directorships held excluding foreign companies, Companies under section 25 of the Companies Act, 1956 and Private Companies.	1. Nicco Financial Services Ltd. 2. Nicco Engg. Services Ltd. 3. Nicco Biotech Ltd. 4. Nagreeka Capital & Infrastructure Ltd.	1. Rupa & Co. Ltd. 2. Reliance Processors Ltd. 3. Nagreeka Capital & Infrastructure Ltd. 4. Jaidka Motor Company Ltd.	1. Pioneer Protec Ltd. 2. Pioneer Plastic Industries Ltd. 3. Sarda Housing Development Ltd.	None	Nagreeka Foils Ltd.
Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director	1. Nagreeka Capital & Infrastructure Ltd. 2. Nicco Engg. Services Ltd.	1. Rupa & Co. Ltd. 2. Nagreeka Capital & Infrastructure Ltd.	None	None	None

5. DETAILS OF GENERAL MEETINGS

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

Sr. No.	Year	Location	AGM / EGM	Date	Day	Time	No. of Special Resolution Passed
1.	2010-11	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	22nd A.G.M.	28.09.11	Wednesday	10.30 am	Nil
2.	2009-10	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	21st A.G.M.	28.09.10	Tuesday	10.30 am	Nil
3.	2008-09	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	20th A.G.M.	22.09.09	Tuesday	10.30 am	One

No item was passed by any resolution through postal ballot during the financial year 2011-2012.

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

6. DISCLOSURES

(i) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management

ANNEXURE 'C' (Contd.)

Staffs as defined in Clause 49 of the listing agreement, where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

- (ii) The particulars of transactions between the Company and its related parties in accordance with Accounting Standard 18 are set out in Note No. 32 to the Accounts. These transactions are in the ordinary course and are not likely to have any conflict with the interest of the Company.
- (iii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- (iv) 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.
- (v) 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.
- (vi) 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.

9. GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting	:	23rd	
Date and Time	:	27th September, 2012 at 10.30 A.M.	
Venue	:	Bengal National Chamber of Commerce & Industry 23, R.N. Mukherjee Road, Kolkata-700 001.	
Financial Calendar (Tentative)	:	Year ending – 31st March, 2012	
		First Quarter Results	Before the end of 2nd week of August' 12
		Second Quarter and Half Yearly Results	Before the end of 2nd week of November' 12
		Third Quarter Results	Before the end of 2nd week of February' 13
		Results for year ending 31st March' 13	
		Before end of May' 13	
		Annual General Meeting for the Year ending 31st March' 13	Before end of September'13
Date of Book Closure	:	20th September, 2012 to 27th September, 2012 (both day 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 2012-13.

10. STOCK CODE

Bombay Stock Exchange Limited : 521109

National Stock Exchange of India Limited : NAGREEKEXP

11. PLANT LOCATION

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

12. MEANS FOR COMMUNICATION

The quarterly results are published in the leading English daily Newspaper Financial Express, Business Standard & Economic Times and Bengali Newspapers (Arthik Lipi). Management discussion and analysis form part of the Annual Report.

13. DEMATERIALISATION OF SHARES

An on 31st March, 2012, 95.3651% of the Share Capital comprising 11920346 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) Routine matters :

For any assistance regarding Share transfer and transmissions, change of address, 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 :

ANNEXURE 'C' (Contd.)

Nagreeka Exports Limited, 18, R.N. Mukherjee Road, Kolkata -700 001
Phone Nos. 2248-4922, 2248-4943, Fax : (033) 2248-1693, E-mail ID : compsect.nel@nagreeka.com

OR

Registrar & Share Transfer Agent, Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, Kolkata - 700 001
Phone Nos. 2243-5029, 2243-5809, Fax : (033) 2248-4787, E-mail ID : mdpl@cal.vsnl.net.in Website : www.mdpl.online.com

b) For Redressal of Complaints and Grievances :

The Secretary Telephone Nos. (033) 2248-4922, 2248-4943
Nagreeka Exports Ltd. Fax No. (033) 2248-1693
18, R.N. Mukherjee Road, Kolkata-700 001 E-mail ID : compsect.nel@nagreeka.com

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2012 :

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 500	11019	92.47	1449754	11.60
2) 501 to 1000	441	03.70	371562	02.97
3) 1001 to 2000	210	01.76	326058	02.61
4) 2001 to 3000	67	00.56	168702	01.35
5) 3001 to 4000	45	00.38	157937	01.26
6) 4001 to 5000	24	00.20	109343	00.87
7) 5001 to 10000	41	00.34	301497	02.41
8) 10001 and Above	69	00.58	9614847	76.92
TOTAL	11916	100.00	12499700	100.00

CATEGORY OF SHAREHOLDERS AS ON 31.03.2012 :

Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S HOLDING		
(a) Individual / HUF	4472300	35.78
(b) Bodies Corporate	2105186	16.84
Sub-Total (A)	6577486	52.62
B. PUBLIC HOLDING		
1. INSTITUTIONS		
(a) Mutual Funds and UTI	3300	0.026
(b) Banks/ Financial Institutions	300	0.003
(c) FIIs	300	0.002
Sub-Total (B)(1)	3900	0.032
2. NON-INSTITUTIONS		
(a) Bodies Corporate	2322760	18.58
(b) Individuals		
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2688845	21.51
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	681326	05.45
(c) Any Other		
(i) Non-Resident Individuals	223076	01.78
(ii) Trusts	800	00.01
(iii) Clearing Member	1507	00.01
Sub-Total (B) (2)	5918314	47.35
Grand Total (A) + (B) + (C)	12499700	100.00

ANNEXURE 'C' (Contd.)

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'2011	39.20	27.50	40.00	26.25
May'2011	31.35	24.00	31.45	23.25
Jun'2011	26.25	21.00	27.00	20.30
Jul'2011	23.95	18.10	24.45	20.05
Aug'2011	25.00	16.10	23.50	15.20
Sep'2011	27.00	17.00	27.00	17.85
Oct'2011	25.20	21.25	25.90	21.00
Nov'2011	24.10	15.25	23.00	15.15
Dec'2011	17.95	13.30	18.35	12.35
Jan'2012	19.00	13.40	21.55	13.20
Feb'2012	20.25	15.85	20.50	15.75
Mar'2012	17.90	14.20	18.55	15.05

Place : Kolkata

Date : 26th May, 2012

By order of the Board

Sushil Patwari
Chairman

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, 2012, 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 the records maintained by the Shareholder's 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.

For **DAS & PRASAD**
Chartered Accountants
(**CA. B. N. AGARWALA**)
Partner
M. No. 011709
Firm Regn. No. 303054E

Place : Kolkata

Date : 26th May, 2012

AUDITORS' REPORT

TO THE MEMBERS OF NAGREEKA EXPORTS LIMITED

We have audited the attached Balance Sheet of NAGREEKA EXPORTS LIMITED as at 31st March, 2012, the Profit & Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors Report) Amendment Order, 2004 issued by the Central Government of India in terms of section 227 (4A) 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.
2. Further to our above comments in the Annexure referred to in Paragraph (1) above, we report that :-
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by Companies Act, 1956 have been kept by the company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Profit and Loss Account and Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors, as on 31st March 2012 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 244 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with significant accounting policies and notes on accounts thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Place : Kolkata
Date : 26th day of May, 2012

For **DAS & PRASAD**
Chartered Accountants
FRN - 303054E
(**CA. B. N. AGARWALA**)
Partner
M. No. 011709

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date to the members of Nagreeka Exports Limited on the Financial Statements for the year ended 31st March, 2012)

- 1) In respect of 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 phased manner to cover all the items over a period of 3 years which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c) In our opinion, during the year the Company has not discarded or disposed off any substantial part of its fixed assets and therefore the going concern status of the Company is not affected.
- 2) In respect of its inventories:
 - a) The inventory of the Company has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, the Procedures of physical of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification were not material.
- 3) As informed to us, the Company has neither taken nor granted any secured or unsecured loan from/to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clauses 4(iii) of the order are not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and sale of goods. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5) 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 explanation 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 explanation 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 the prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to information and explanation given to us, the Company has not accepted any deposit from public during the year and as such provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under are not applicable.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However there are some further scopes of improvement by coverage of more areas.
- 8) We have reviewed the books of accounts 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 accurate or complete.
- 9) In respect of statutory due :
 - a) According to the information and explanation given to us and the records of the Company examined by us, the Company is regular in depositing during the year, all undisputed statutory dues including Investor Education and Protection Fund, Provident Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Employees State Insurance and any other statutory dues as applicable, with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as on 31st March 2012 for a period more than six months from the date they become payable.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- b) The disputed statutory dues aggregating to Rs 381.06 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)
Income Tax	1999-2000	High Court	1.99
	2004-2005	High Court	5.67
	2005-2006	CIT (Appeal)	25.93
	2007-2008	CIT (Appeal)	295.19
Central Excise	2005-2006	Commissioner (Appeals) Central Excise	27.13
Service Tax	2004-2005 & 2005-2006	Commissioner (Appeals) Central Excise	25.15
			381.06

- 10) The Company does not have any accumulated losses as at 31st March 2012. It has not incurred cash losses in the current financial as well as in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the records of the Company examined by us and the information and explanations given to us, in our opinion the Company has not defaulted in repayment of dues to a financial institution or bank. No Debentures are issued by the company.
- 12) Based on our audit procedures and according to the records of the Company examined by us and the information and explanations given to us, in our opinion the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or other financial institutions.
- 16) According to the records of the company examined by us and 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.
- 17) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that no funds raised on short term basis have been used for long term investment.
- 18) According to the records of the company examined by us and information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 19) The Company has not issued any debentures and hence no securities or charge have been created.
- 20) The Company has not raised any money by public issue during the year.
- 21) During the course of our examination of the books and records of the Company, 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, either noticed or reported during the year, nor have we been informed of such case by the management.

Place : Kolkata
Date : 26th day of May, 2012

For **DAS & PRASAD**
Chartered Accountants
FRN - 303054E
(**CA. B. N. AGARWALA**)
Partner
M. No. 011709

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	31st March, 2012 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	3	62,550,000	62,550,000	
Reserves & Surplus	4	798,123,470	776,392,887	
		860,673,470		838,942,887
Non Current Liabilities				
Long-term Borrowings	5	453,040,544	522,105,616	
Deferred Tax Liability (net)	6	149,776,446	153,012,847	
		602,816,990		675,118,463
Current Liabilities				
Short term Borrowings	7	1,048,788,269	1,084,532,122	
Trade Payables	8	126,598,961	148,530,359	
Other Current Liabilities	9	115,586,317	152,611,312	
Short term Provisions	11	9,937,650	26,024,029	
		1,300,911,197		1,411,697,822
Total		2,764,401,657		2,925,759,172
ASSETS				
Non Current Assets				
Fixed Assets				
Tangible Assets	10	833,631,959	871,192,051	
Capital Work-in-Progress	10	129,445,100	10,761,210	
		963,077,059	881,953,261	
Non Current Investments	12	142,344,035	142,344,035	
Long Term Loans & Advances	13	26,296,221	23,325,766	
		1,131,717,315		1,047,623,062
Current Assets				
Inventories	14	913,332,157	913,379,932	
Trade Receivables	15	150,117,430	419,329,692	
Cash & Bank Balances	16	54,124,180	37,978,400	
Short-term Loans & Advances	17	515,110,575	507,448,086	
		1,632,684,342		1,878,136,110
Total		2,764,401,657		2,925,759,172

The accompanying notes are forming part of the Financial Statements

1 to 33

As per our report of even date.

For **DAS & PRASAD**
Chartered Accountants
(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm Regn. No. 303054E
Place : Kolkata
Date : 26th May, 2012

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
SUNIL PATWARI Vice Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the Year ended 31st March, 2012 Rs.	For the Year ended 31st March, 2011 Rs.
INCOME			
Revenue from Operation	18	4,956,705,179	5,583,502,476
Other Income	19	18,620,344	9,661,274
Total Revenue		4,975,325,523	5,593,163,750
EXPENDITURE			
Cost of Material Consumed	20	1,489,645,187	1,406,249,549
Purchase of Traded Goods	21	2,856,136,194	3,401,409,631
Change in inventories of Finished Goods, Stock in Process and Stock in Trade	22	(279,052,740)	(214,480,372)
Employees Benefit Expenses	23	109,900,669	94,223,458
Finance Costs	24	174,302,802	129,185,833
Depreciation	10	69,236,242	66,535,076
Other Expenses	25	543,158,758	606,810,466
Total Expenses		4,963,327,112	5,489,933,641
Profit Before Tax		11,998,412	103,230,109
Tax Expenses			
Current Tax		(9,500,000)	(20,425,000)
Deferred Tax		3,236,401	(20,916,764)
MAT Credit Entitlement		17,519,686	-
Taxes for earlier years		(1,523,916)	(324,850)
Profit / (Loss) for the year		21,730,583	61,563,495
Basic / Diluted Earnings Per Share (of Rs. 5 each)		1.74	4.93

The accompanying notes are forming part of
the Financial Statements **1 to 33**

As per our report of even date.

For **DAS & PRASAD**
Chartered Accountants
(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm Regn. No. 303054E
Place : Kolkata
Date : 26th May, 2012

For and on behalf of the Board of Directors

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, 2012

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before extra ordinary items and tax	11,998,412	103,230,109
Additions :		
Depreciation and amortisation	69,236,242	66,535,076
Loss on sale / write off of assets	166,808	233,794
Finance Cost	150,137,875	129,185,833
Interest Income	(13,893,532)	(6,954,279)
Dividend Income	(1,671,600)	(757,190)
Net (gain) on sale of Investments	(117,333)	—
Operating Profit Before Working Capital	215,856,871	291,473,343
Adjusted for :		
(Increase) / Decrease in Trade and other Receivables	273,879,195	(289,636,176)
(Increase) / Decrease in Inventories	47,775	(232,609,706)
(Increase) / Decrease in Trade and other Payables	(45,488,380)	100,335,921
Cash Generated from Operation	444,295,462	(130,436,618)
Direct Taxes Paid / Refund received	(17,776,398)	(10,647,935)
Net Cash Flow from / (used in) Operating Activities	426,519,064	(141,084,553)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure on Fixed Assets, including Capital Advances	(150,966,739)	(64,210,137)
Sale of Fixed Assets	439,890	342,194
Purchase of Current Investments	(500,000)	—
Sale of Current Investments	617,333	60,000,000
Interest received on Loans & deposit	13,893,532	6,954,279
Dividend received	1,671,600	757,190
Net Cash Flow from / (used in) Investing Activities	(134,844,384)	3,843,525
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long-term borrowings	(69,065,072)	(22,221,803)
Net increase / (decrease) in working capital borrowings	(49,038,003)	317,940,397
Finance Cost	(150,137,875)	(128,491,126)
Dividends Paid	(6,249,850)	—
Tax on Dividend	(1,038,100)	—
Net Cash Flow from / (used in) Financing Activities	(275,528,900)	167,227,468
Net increase/(decrease) in cash & cash Equivalents (A+B+C)	16,145,780	29,986,440
Cash & Cash equivalents at the beginning of the year	37,978,400	7,991,960
Cash & Cash equivalents at the end of the year	54,124,180	37,978,400
The accompanying notes are forming part of the Financial Statements		

As per our report of even date.

For **DAS & PRASAD**
Chartered Accountants
(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm Regn. No. 303054E
Place : Kolkata
Date : 26th May, 2012

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
SUNIL PATWARI Vice Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary

NOTES forming part of the Financial Statements for the year ended 31st March, 2012

1. COMPANY OVERVIEW :

The company was incorporated on 6th March, 1989 under the laws of republic of india and has its registered office at kolkata, West bengal. The company is engaged in manufacturing and export of cotton yarn and other various merchandise. The shares of the company are listed in National stock exchange and Bombay stock exchange. Company has set up 100% export oriented unit with the state of art, Plant with export capacity of 55440 spindles at Kolhapur in Maharashtra. The Company was also awarded International standard organization certificate for export performance. The Company's marketing network is spread over in various countries. The Company also doing trading in export of cotton yarn and various commodities. The Company is merchant exporter also. The Company has taken up for setting of yarn deying and cotton bleaching plant at Kolhapur.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

a) BASIS OF PREPERATION 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.

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the schedule VI (Revised) to the companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

b) 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.

c) CAPITAL WORK IN PROGRESS :

All pre-operative project expenditure (net of income accrued) incurred upto the date of commercial production is capitalised.

d) CASH FLOW STATEMENT:

Cash flows are reported using indirect method, where by profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

e) DEPRECIATION AND AMORTISATION :

i) 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.

ii) Lease Hold Land is being amortised over the lease period.

f) INVESTMENTS :

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

ii. Unquoted investments are stated at Cost.

g) 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 overhead)(Cost is 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

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

- h) **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.
- i) **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 nor disclosed in the financial statement.
- j) **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 there under are paid /provided in accordance therewith.
- k) **FOREIGN CURRENCY TRANSACTIONS :**
- Export Sales :** At the rates as on the date of transactions.
 - 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.
 - Foreign Exchange Forward Contract :** Exchange differences in respect of foreign exchange contract (other than for acquisition of fixed assets) are recognised as income or expense over the life of the contract.
 - Bank Balance in Foreign Currency Bank Account as at close of the year is translated at exchange rate as on that date.
 - 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.
- l) **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 designate these hedging instruments as cash flow 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 & 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.
- m) **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.
- n) **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.
Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, deferred MAT credit entitlement is separately recognized under the head "Long-Term loans and Advances".
Deferred MAT credit entitlement is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.
- o) **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 an 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.
- p) **GOVERNMENT GRANTS / SUBSIDIES :**
Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit & Loss Account either as income or 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.

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
3. SHARE CAPITAL :		
Authorised Share Capital		
3,00,00,000 Equity Shares of Rs. 5/- each (3,00,00,000)	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued		
1,25,10,000 Equity Shares of Rs. 5/- each (1,25,10,000)	62,550,000	62,550,000
	<u>62,550,000</u>	<u>62,550,000</u>
Subscribed and Paid up		
1,24,99,700 Equity Shares of Rs. 5/- Each (1,24,99,700)	62,498,500	62,498,500
Add : 10,300 Equity Forfeited Shares (Amount originally paid up)	51,500	51,500
	<u>62,550,000</u>	<u>62,550,000</u>
i) Reconciliation of number of Equity Shares and amount outstanding		
	2011-12	2010-11
	Number	Rs.
Shares Outstanding at April 1, 2011	12,499,700	62,498,500
Shares Outstanding at March 31, 2012	12,499,700	62,498,500
ii) The details of Shareholders holding more than 5% shares :-		
	As at 31st March, 2012	As at 31st March, 2011
Name of the Share Holder	Nos.	%
Agarwal Galvanishing Pvt. Ltd.	675,600	5.40%
Mala Patwari	891,700	7.13%
Sunil Patwari	712,000	5.70%
Nagreeka Synthetics Pvt. Ltd.	940,270	7.52%
iii) The Company has one class of equity share having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held.		
4. RESERVES AND SURPLUS :		
	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
Capital Reserve :		
As per last Account	3,000,000	3,000,000
Share Premium Reserve :		
As per last Account	143,363,589	143,363,589
General Reserve :		
As per last Account	550,000,000	550,000,000
Share forfeiture Reserve :		
As per Last Account	103,000	103,000
Profit & Loss Account :		
As per Last Account	79,926,298	25,650,753
Add : Profit for the Year	21,730,583	61,563,495
	<u>101,656,880</u>	<u>87,214,248</u>
Less : Proposed Dividend	—	6,249,850
Less : Tax on Dividend	—	1,038,100
	<u>101,656,880</u>	<u>79,926,298</u>
Total	<u><u>798,123,470</u></u>	<u><u>776,392,887</u></u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
5. LONG TERM BORROWINGS :		
Secured		
Term Loan from Bank	373,632,544	79,408,000
Total	373,632,544	79,408,000
i) MATURITY PROFILE		
	Within 1-2 Yr.	Within 2-3 Yr.
Term Loans from Bank	79,408,000	73,815,655
ii) 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, Maharastra 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.		
iii) Working Capital Term Loan from Canara Bank, Overseas Branch, Kolkata 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, Maharastra 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.		
iv) For the above loan a securitisation agreement entered in between the Company, AXIS Bank Limited and the above lenders.		
	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
6. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability Fixed Assets - Depreciation	150,974,385	153,983,083
Deferred Tax Assets		
Disallowance Under Income Tax Act, 1961	1,197,939	970,236
Total	149,776,446	153,012,847
7. SHORT TERM BORROWING :		
Secured Loans		
Working Capital Loans from Bank	1,048,788,269	1,084,532,122
Total	1,048,788,269	1,084,532,122
i) Working Capital Loan from Canara Bank, Overseas Branch, Kolkata & Mumbai , Oriental Bank of Commerce, Overseas Branch, Kolkata, Allahabad Bank, Industrial Finance Branch, Kolkata, State Bank of Patiala - Commercial Branch, Mumbai and ICICI Bank Limited, Kolkata are secured by way of :		
(a) First charge by way of hypothecation of stock of Raw materials, Work-in-process, finished goods and book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharastra and stock-in-trade at trading unit Kolkata, both present and future in a form and manner satisfactory to the bank, ranking pari pasu with each other participating working capital banks.		

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

- (b) Second charge on all the fixed assets of the company, both present and future ranking pari passu with each other participating working capital banks.
- (c) Personal guarantee of some of the Directors of the Company.
- ii) Previous Year working Capital Loan includes working capital loan from ING Vysya Bank Limited, Overseas Branch, Mumbai was secured by way of :
- (a) hypothecation of stock of raw materials, work in process, Finished goods, book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharastra 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.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
8. TRADE PAYABLES :		
Small Scale Industries	119,371	45,083
Others	126,479,590	148,485,276
Total	126,598,961	148,530,359

- i) The Company Has not received any information its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006." Hence, the information required to be given in accordance section 22 of the said Act, is not ascertainable. Hence, not disclosed.

9. OTHER CURRENT LIABILITIES :

Interest accrued and due on borrowings	2,167,654	694,707
Unpaid Dividends	1,515,913	1,333,339
Statutory Remittances	4,388,087	2,979,853
Payables on Purchase of Fixed Assets	27,673,972	13,256,750
Advances from Customers	36,526,302	77,738,123
Book Overdraft on Reconciliation	43,314,390	56,608,540
Total	115,586,317	152,611,312

- i) Based on the information/documents available with the Company, there was no unpaid dividend amount due and outstanding as on 31st March, 2012 which to be transferred to Investors Education and Protection Fund under Section 205C of the Companies Act, 1956.

11. SHORT TERM PROVISIONS :

Provision for Employee Benefits	7,132,007	6,150,760
Provision for Gratuity	1,997,311	2,804,695
	9,129,318	8,955,455
Provision - Others		
Provision for Tax (net of advance tax Rs. 12,74,844/- & MAT Credit of Rs. 73,97,113/-) (As at 31 March , 2011 Rs. 1,06,44,376/-)	808,332	9,780,624
Provision for Proposed Equity Dividend	—	6,249,850
Provision for Tax on Proposed Dividend	—	1,038,100
	808,332	17,068,574
Total	9,937,650	26,024,029

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

NOTE NO. : 10

FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 31st March 2011	Addition during the year	Adjustment/ Disposed/ Sales	As at 31st March 2012	Upto 31st 31st March 2011	For the year	Adjustment For Deduction	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
Land & Site Develop.	2635829	—	—	2635829	—	—	—	—	2635829	2635829
Land (Lease Hold)	19180515	22,123,605	—	41304120	655369	266390	—	921759	40382361	18525146
Office Premises	14268713	—	—	14268713	3623031	232580	—	3855611	10413102	10645682
Factory Building	178567612	—	—	178567612	55621059	5931664	—	61552723	117014889	122946553
Godown	7275714	—	—	7275714	491640	243009	—	734649	6541065	6784074
Plant & Machinery	1144075211	2495643	—	1146570854	451344226	60553486	—	511897712	634673142	692730985
Furniture & Fixtures	7384598	28000	—	7412598	4924601	468304	—	5392905	2019693	2459997
Air Conditioner	1490047	339185	—	1829232	519937	76168	—	596105	1233127	9701110
Vehicles	9608635	6963132	1665734	14906033	4280533	1045686	1059036	4267183	10638850	5328102
Computer	4722644	255727	2162966	2815406	3649420	461628	2162966	1948082	867324	1073224
Office Equipments	2687979	289724	—	2977703	1170936	128442	—	1299378	1678325	1517043
Non Factory Building	5578719	—	—	5578719	422036	90933	—	512969	5065750	5156683
Refrigerator	50100	54222	—	104322	23783	4342	—	28125	76197	26317
Old Machine in Hand	392306	—	—	392306	—	—	—	—	392306	392306
Grand Total	1397918622	32549239	3828700	1426639160	526726571	69502632	3222002	593007201	833631959	871192051
Previous Year	1329416731	69641194	1139301	1397918624	460754811	66535078	563316	526726573	871192051	868661920
Capital Work in Progress									129445100	10761210

Notes :

- Office Premises includes Rs. 1,500/- towards cost of shares of co-operative society.
- Amortisation of Lease Hold Land of Rs. 2,66,390/- has been transferred to Pre-operative Expenses under the Capital Work-in-progress at Dying Bleaching Plant.
- Addition to Lease Hold Land during the year includes Rs. 5,000/- towards cost of shares of West Bengal Hosiery Park Infrastructure Ltd.

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
12. NON CURRENT INVESTMENTS		
Trade (At Cost)		
(Equity Share/Units - fully paid of Rs.10/- each unless otherwise stated)		
A. Investment in Equity Shares		
Quoted :		
115,600 Nagreeka Capital & Infrastructure Ltd. of Rs. 5/- each	578,000	578,000
796,000 Sterlite Ind (I) Ltd. of Rs. 1/- each	135,286,282	135,286,282
Unquoted :		
62,500 Tirumala Mart P. Ltd.	5,000,000	5,000,000
B. Investment in Mutual Fund (unquoted)		
— Sundaram BNP Paribas (Midcap Appreciation) (Previous Year 5420)	—	500,000
47,975 Sundaram BNP Paribas Equity Multiplier Fund	479,753	479,753
500,000 Sundaram BNP Paribas Select Small Cap	500,000	500,000
50,000 SBI Gold Fund (Previous Year NIL)	500,000	—
	142,344,035	142,344,035
Aggregate Book value of :		
a) Quoted Investments	135,864,282	195,864,282
b) Unquoted Investments	6,479,753	6,479,753
Aggregate market value of quoted investments :	90,423,920	141,374,840
13. LONG TERM LOANS & ADVANCES		
Unsecured, considered good		
Security Deposit	1,272,364	980,954
Security Deposit to Related Parties	17,600,000	17,600,000
MAT Credit Entitlement	7,423,857	4,744,812
	26,296,221	23,325,766
14. INVENTORIES		
Raw Material	228,955,299	281,872,867
Work-in-Progress	24,259,757	23,334,084
Finished Goods	207,038,618	274,345,959
Stock-in-Trade	422,581,398	304,546,412
Stores, Spares, Packing Material & Fuel	17,490,144	18,567,769
Waste Cotton	13,006,941	10,712,841
	913,332,157	913,379,932
15. TRADE RECEIVABLES		
(Unsecured, considered good)		
Over Six Months	579,060	535,431
Others	149,538,370	418,794,261
Total	150,117,430	419,329,692

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
16. CASH AND CASH EQUIVALENTS		
Cash in Hand	3,822,099	2,599,157
Balances with Banks :		
i) in Current Accounts	2,037,339	24,253,316
ii) in Deposit Accounts	5,338,828	7,482,588
iii) in Earmarked Accounts		
Unpaid Dividend Accounts	1,515,913	1,333,339
Balances held as margin money or security against borrowings, guarantees and other commitments	41,410,000	2,310,000
Total	54,124,180	37,978,400
17. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security Deposits	17,297,491	15,420,520
Income Tax for Earlier Years	19,727,103	7,106,262
Prepaid Expenses	6,805,544	2,121,959
Loans & Advances to Employees	3,470,110	3,725,291
Balance with Statutory / Government Authority	102,715,278	110,999,708
Other Loans & Advances	365,095,043	368,074,346
Total	515,110,568	507,448,086
i) Other Loans & Advances include a sum of Rs. 71,31,296/- which is under litigation.		
	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
18. REVENUE FROM OPERATION		
Sales of Products		
Finished Goods	1,931,960,847	1,678,634,117
Traded Goods	2,664,620,295	3,701,791,551
Waste	175,712,932	153,991,846
	4,772,294,073	5,534,417,514
Other Operating Revenues		
Scrap	1,371,571	1,219,354
Duty Drawback and other Export Incentives	183,039,535	47,865,608
	184,411,106	49,084,962
Total	4,956,705,179	5,583,502,476
i) Sale of products comprises		
Manufactured Goods		
Cotton Yarn	1,829,756,240	1,556,137,396
Knitted Fabrics	37,200,866	19,622,008
Waste	175,712,932	153,991,846
Cloth	65,003,742	97,746,321
Total - Sale of Manufactured Goods	2,107,673,779	1,827,497,571

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Traded Goods		
Cotton Yarn	2,236,094,495	3,380,024,237
Knitted Fabrics	134,709,482	227,072,954
Sugar	195,490,714	—
Raw Cotton	98,325,604	99,822,752
Total - Sale of Traded Goods	2,664,620,295	3,706,919,943
Total - Sale of Products	4,772,294,073	5,534,417,514
Other Operating Revenues		
Sale of Scrap	1,371,571	1,219,354
Duty drawback and other Export Incentives	183,039,535	47,865,608
Total - Other Operating Revenues	4,956,705,179	5,583,502,476
19. OTHER INCOME :		
Interest Income		
Bank Deposits (T.D.S. Rs. 1,53,564/- Previous Year Rs. 43,640)	2,386,657	465,458
Others (T.D.S. Rs. 11,21,320/- Previous Year Rs. 598,393/-)	11,506,875	6,488,821
Dividend Income		
From Long-term Investments	1,671,600	757,190
Net Gain on Sale of		
Long-term Investments	117,333	—
Other Non-Operating Income	2,937,879	1,949,805
Total	18,620,344	9,661,274
20. COST OF MATERIAL CONSUMED :		
Opening Stock	281,872,867	265,012,136
Add : Purchases	1,211,622,298	1,423,110,280
Add : Transfer from Stock-in-Trade	225,105,322	—
	1,718,600,486	1,688,122,416
Less : Closing Stock	228,955,299	281,872,867
Cost Of Material Consumed	1,489,645,187	1,406,249,549
i) Material consumed comprises		
Raw Cotton	1,382,730,410	1,253,209,264
Cotton Yarn	35,216,944	61,454,906
Cloth	71,697,833	91,585,379
Total	1,489,645,187	1,406,249,549
21. PURCHASE OF TRADED GOODS :		
Cotton Yarn	2,419,885,860	2,904,087,565
Knitted Fabrics	97,411,869	241,270,678
Sugar	192,900,000	—
Raw Cotton	145,938,465	256,051,388
Total	2,856,136,194	3,401,409,631

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
22. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	207,038,618	274,345,959
Stock-in-Trade	422,581,398	304,546,412
Work-in-Progress	24,259,757	23,334,084
Waste	13,006,941	10,712,841
	<u>666,886,714</u>	<u>612,939,296</u>
Inventories at the beginning of the year		
Finished Goods	274,45,959	81,129,669
Stock-in-Trade	304,546,412	294,392,858
Less : Transfer to Finished Goods	(225,105,322)	—
Work-in-Progress	23,334,084	17,071,500
Waste	10,712,841	5,864,897
	<u>387,833,974</u>	<u>398,458,924</u>
Net (increase) / decrease	<u>(279,052,740)</u>	<u>(214,480,372)</u>
23. EMPLOYEES BENEFIT EXPENSES		
Salaries and Wages	102,335,394	87,888,242
Contributions to provident and other funds	5,501,657	4,848,753
Staff Welfare Expenses	2,063,618	1,486,463
Total	<u>109,900,669</u>	<u>94,223,458</u>
	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
i) Disclosure pursuant to Accounting Standard - 15 : Employee Benefit		
(a) Reconciliation of Opening & Closing balance of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	13,763,232	10,603,840
Current Service Cost	1,316,178	1,170,011
Interest Cost	1,101,059	848,307
Actuarial (Gain) / Loss	2,263,695	819,517
Benefit Paid	(799,370)	321,557
Present Value of obligations as at end of year	<u>17,644,794</u>	<u>13,763,232</u>
(b) Reconciliation of Opening & Closing balance of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	12,295,091	9,342,003
Expected return of Plan Assets	1,248,068	843,765
Actuarial Gain / (Loss) on Plan Assets	—	—
Contribution by Employer	2,936,793	2,430,880
Benefit Paid	(799,370)	(321,557)
	<u>15,680,582</u>	<u>12,295,091</u>
(c) Reconciliation of Fair Value of Assets & Obligation		
Fair Value of Plan Assets	15,680,582	12,295,091
Present Value of Obligation	17,664,794	13,763,232
Amount Recognised in Balance Sheet	<u>1,964,212</u>	<u>1,468,141</u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(d) Acturial (Gain) / Loss Recognised		
Acturial (Gain) / Loss on Obligation	(2,263,695)	(1,462,631)
Acturial (Gain) / Loss on Plan Assets	—	—
Acturial (Gain) / Loss Recognised during the year	<u>(2,263,695)</u>	<u>(1,462,631)</u>
(e) Expenses Charged to Profit & Loss Account		
Current Service Cost	1,316,178	1,170,011
Interest Cost	1,101,059	848,307
Expected Return on Plan Assets	(1,248,068)	(843,765)
Acturial (Gain) / Loss	2,263,695	293,588
	<u>3,432,864</u>	<u>1,468,141</u>
(f) March'2012 & March'2011 - 100% with Life Insurance of India Ltd.	7%	7%
(g) Principal Acturial Assumption as at 31st March 2011.		
A. Discount Rate (per annum)	8%	8%
B. Expected Rate of Return of Plan Assets (per annum)	8%	8%
C. Salary Escalation	5%	5%
D. Inflation Rate	5%	5%
ii) 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 benefit obligation were carried out at 31st March 2012.		
	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
24. FINANCE COST		
Interest	150,137,875	104,859,766
Bank Charges	24,164,927	24,326,067
Total	<u>174,302,802</u>	<u>129,185,833</u>
25. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores, Spares & Packing Material	51,439,048	49,550,190
Power and Fuel	211,124,559	178,463,404
Processing Charges	1,705,133	1,125,283
Repairs and Maintenance - Building	885,930	870,819
Repairs and Maintenance - Machinery	6,530,362	3,206,188
	<u>271,685,032</u>	<u>233,215,884</u>
Selling & Distribution Expenses		
Outward Freight	89,685,028	126,444,683
Other Export Expenses	35,241,281	32,303,032
Commission on Sale	80,540,517	142,989,862
Claims & Discounts	9,388,462	6,582,550
	<u>214,855,288</u>	<u>308,320,127</u>
Establishment & Other Expenses		
Rent	1,112,466	949,620
Rates and Taxes	2,007,439	1,833,119
Communication Charges	4,727,837	4,278,108
Travelling and Conveyance	15,300,658	12,086,411

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Insurance	1,399,811	1,716,426
Loss on Sale of Fixed Assets	166,808	233,794
Miscellaneous Expenses	31,903,419	44,176,977
	<u>56,618,438</u>	<u>65,274,455</u>
Total	543,158,758	606,810,466
i) Miscellaneous Expenses includes payment to Statutory Auditor as :		
Statutory Audit Fees	187,510	165,450
Tax Audit Fees	33,090	22,060
Other Services	74,011	46,436
Total	294,611	233,946

26. CAPITAL COMMITMENTS :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 2948.91 Lacs** (Net of advances) (Previous Year Rs. Nil Lacs).

27. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

- Bills discounted with Banks **Rs. 4199.76 Lacs** (Previous Year Rs. 5918.49 lacs).
- Bank Guarantees of **Rs. 371.37 Lacs** (Previous Year Rs. 341.70 lacs) issued in favour of Custom, Central Excise & Other Government Authorities.
- Disputed Statutory Dues :-**
 - The Income Tax Assessment of the Company have been completed up to Assessment Year 2009-2010. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year **2000-2001, 2005-2006, 2006-2007 & 2008-2009** are **Rs. 328.78**.
 - Disputed Central Excise liability for which appeal is pending before different excise authorities relating to financial year from **2005-2006** is **Rs. 27.13 Lacs**.
 - Disputed Central Service Tax liability for which appeal is pending before different Service Tax authorities relating to financial year from **2004-2005, 2005-2006 & 2009-2010** is **Rs. 25.15 Lacs**.

Based on the decision of the Appellate authorities and the interpretations of the other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

28. 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 used 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).

29. The Company has only one business segment i.e. Textiles and thus no further disclosure are required in accordance with Accounting Standard 17 notified by companies (Accounting Standards) Rules, 2006 (As amended) of the Companies Act,1956.

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Geographical Segments		
Export Revenues (Including Export Benefits)	4,172,507,543	4,782,096,667
Domestic Revenues (Net of Excise Duty)	784,197,636	801,405,809
Total	4,956,705,179	5,583,502,476

NOTES forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
30. Basic and diluted earning per share (EPS) of the face value of Rs. 5/- each is calculated as under :-		
Net profit as per Profit and Loss Account available for Equity Share Holder (in Rs.)	21,730,583	61,563,495
Weighted average number of Equity Shares for Basic Earning Per Share	12,499,700	12,499,700
Basic / Diluted Earning Per Share (Weighted Average) (in Rs.)	1.74	4.93

31. DIRECTORS REMUNERATIONS

Salary	7,545,000	7,320,000
Other Perquisites	60,000	60,000
Directors sitting fees	81,000	73,000

32. 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.
Nagreeka Foils Limited
Nagreeka Synthetics Private Limited.

Relatives of Key Management Personnels & Others :

Patwari Properties
Smt. Minakshi Patwari
Smt. Anita Patwari

	(Rs. In lacs) 2011-2012	(Rs. In lacs) 2010-2011
Nature of Transactions & with Whom		
Rent to Relatives of Key Management Personnels & Others	1.74	1.74
Rent to Key Management Personnel	0.60	0.60
Loans & Advances from Associates	1050.86	1,044.46
Repayment of Loans & Advances from Associates	1050.86	1,044.46
Purchase of goods from Associates	—	1,877.67
Remuneration to Key Management Personnels	75.45	73.45
Outstanding Balances as on 31.03.2012		
Deposits/Loans & Advances :		
Key Management Personnels	176.00	176.00

33. The financial statements for the year ended March 31, 2011 had been prepared as per applicable, pre-revised schedule VI to the companies Act, 1956. Consequent to the notification of Revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per revised Schedule VI. Accordingly the previous year figures have also been classified to confirm to this year classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principle followed for preparation of financial statements.

As per our report of even date.

For **DAS & PRASAD**
Chartered Accountants
(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm Regn. No. 303054E
Place : Kolkata
Date : 26th May, 2012

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
SUNIL PATWARI Vice Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary

NAGREEKA EXPORTS LIMITED

Registered Office : 18, R. N. Mukherjee Road, Kolkata - 700 001

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Name of the Shareholder (in Block Letters).....

Members' Folio / ID Number.....

Name of the Proxy (in Block Letters) To be filled if the Proxy attends instead of the Member.....

No. of Share held.....

I hereby record my presence at the 23rd Annual General Meeting to be held on Thursday, 27th September, 2012 at 10:30 A.M. at BENGAL NATIONAL CHAMBERS OF COMMERCE AND INDUSTRY, 23, R. N. Mukherjee Road, Kolkata -700 001.

Member's Proxy's Signature

NOTES :

1. To be signed at the time of handing over this slip.
2. Shareholders are requested to advice, indicating their folio numbers, the change in their address if any, to the Company.

-----TEAR HERE-----

NAGREEKA EXPORTS LIMITED

Registered Office : 18, R. N. Mukherjee Road, Kolkata - 700 001

PROXY FORM

Folio / ID No.

I / We.....

of.....

being a member/members of the above named Company, hereby appoint.....

of.....

or failing him.....

of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting to be held on Thursday, 27th September, 2012 at 10:30 A.M. at BENGAL NATIONAL CHAMBERS OF COMMERCE AND INDUSTRY, 23, R. N. MUKHERJEE ROAD, KOLKATA - 700 001

Signed.....

Date.....

Affix Re. 1
Revenue
Stamp

NOTES :

1. The instrument of proxy form shall be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A proxy need not be a member.

BOOK POST

If undelivered please return to :
M/s. Maheshwari Datamatics Pvt. Ltd.
(Unit : Nagreeka Exports Ltd.)
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001.

CREATIVE - 2554 5949