

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
		Ms. Surabhi Sanganeria	—	Director
COMPANY SECRETARY	:	Shri J. Tiwari		
BANKERS	:	Canara Bank, Overseas Branch, Kolkata, Mumbai Oriental Bank of Commerce, Overseas Branch, Kolkata State Bank of Patiala, Commercial Branch, Mumbai Allahabad Bank, Industrial Finance Branch, Kolkata		
AUDITORS	:	M/s. Das & Prasad Chartered Accountants 4, Chowringhee Lane Kolkata - 700 016		
TRANSFER AGENT	:	M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001		
REGISTERED OFFICE	:	18, R. N. Mukherjee Road Kolkata - 700 001		
CORPORATE OFFICE	:	21-22, Kala Bhavan, 3, Mathew Road Mumbai - 400 004		
WORKS	:	1. Village Yavluj, Taluka Pandhala, Dist. Kolhapur (Maharashtra) 2. Plot No. T-48, MIDC, Kagal-Hatkanangale Five Star Industrial Area, Village - Talandage Taluka Hatkanangale, Dist. Kolhapur (Maharashtra) 3. C-26, Panaki Industrial Estate Site - 1, Kanpur - 208 022		

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 26th Annual Report on the affairs of your Company together with the Audited Statements of Account for the Year ended March 31, 2015.

FINANCIAL RESULT

	2014-2015 (Rs. In lacs)	2013-2014 (Rs. In lacs)
Revenue from operation	47252.66	63028.47
Other Income	586.89	464.25
	<u>47839.56</u>	<u>63492.72</u>
PBIDT	3171.36	3986.52
Interest	2112.77	1985.55
Depreciation	606.85	992.83
PROFIT BEFORE TAXATION	451.74	1008.14
Adjustment of Tax	53.29	-521.73
PROFIT AFTER TAXATION	505.03	486.41
Profit Brought Forward from Previous Year	1798.61	1385.32
PROFIT AVAILABLE FOR APPROPRIATIONS	2303.64	<u>1871.73</u>
APPROPRIATIONS		
Proposed Dividend	0	62.49
Income Tax on Dividend	0	10.62
Balance carried to Balance Sheet	<u>2303.64</u>	<u>1798.61</u>
	2303.64	<u>1871.73</u>

DIVIDEND

Your Directors intend to plough back entire profit after tax for the year ended 31/03/2015, for meeting working capital requirement and capital expenditure on plant up gradation. As such no dividend is recommended for the year ended 31/03/2015.

PERFORMANCE REVIEW

The Indian Textile Industry performed reasonably well during the fiscal year 2013-14 and was expected to continue the trend in the F.Y. 2014-15 also. However the Industry could not perform as expected due to numerous reasons. The major causes were export of cotton yarn to china dropped nearly 23% due to significant changes in Chinese Procurement policies. There was a sharp reduction in raw material prices in line with reduction in commodity prices globally. This created expectation of lower prices in the entire chain leading to reduced prices and volumes. Consequently, yarn prices also fell significantly leading to lower sales turnover. Your Company being an Export Oriented spinning mill has to carry several months requirement of raw cotton for maintaining quality, thus incurring substantial value losses on such inventories impacting profitability of the company. Cost of Power, Salaries & Wages continued to rise during the year, the interest rates remained high thereby putting extreme pressure on margins.

During the financial year under review the company's total revenues sharply came down to Rs.47252.66 lacs against Rs. 63028.47 lacs in the previous year due to substantial reduction in exports of outsourced yarns for reasons mentioned above. The profit before tax is Rs. 451.74 lacs against Rs. 1008.14 lacs in the previous year, a decrease of 55.19%.

The Company's yarn dyeing and fibre bleaching facility at kagal has found good market acceptance for its products and capacity utilisation is growing.

The Company is further proposing a garment unit, for supplying of readymade garments, at D-6, Roma Industrial Estate, Kanpur - 208001, Uttar Pradesh.

DIRECTORS' REPORT (Contd.)

Particulars of Directors and Key Managerial Personnel

Mr. Sushil Patwari, DIN 00023980, is liable to retire by rotation and being eligible offers himself to be re-appointed. The company has received declaration from the Director specifying his eligibility to be appointed as such.

In accordance to the requirements of sec. 149(1) of the Companies Act, 2013, Ms. Surabhi Sanganeria, DIN 06987772, was appointed as an Additional Director in the Board Meeting dated 13th November, 2014. Her term of office expires at this ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Surabhi Sanganeria as an Independent Director.

The Company has received declaration from Ms. Sanganeria confirming that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance to the requirements of sec. 203 of the Companies Act, 2013, Mr. Sushil Patwari is proposed to be appointed as an Executive Chairman and consequently he shall vacate the position of Managing Director of the Company. The Board has vide its meeting dated 28/05/2015 approved the appointment of Mr. Sushil Patwari as the Executive Chairman of the Company with effect from 01/06/2015 till 30/09/2016, subject to the approval of the Members in the ensuing Annual General Meeting.

Mr. Kedar Nath Bansal was appointed as the Chief Finance Officer vide Board Meeting dated 29/05/2014. There is no other change in the office of any Key Managerial Personnel.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is disclosed in detail in the Corporate Governance Report and is attached to this report.

INDEPENDENT DIRECTORS DECLARATION

The Non Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and Rules made there-under and meet with requirement of Clause 49 of the Listing Agreement entered into with the stock Exchanges. Formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued.

MANAGEMENT DISCUSSION AND ANALYSIS

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges the Management Discussion and Analysis in a separate report is annexed hereto and marked as Annexure - "B".

CORPORATE GOVERNANCE & CSR

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a separate report on Corporate Governance with Auditors Certificate thereon is enclosed as part of this annual report and marked as Annexure "C". Requisite Certificate from the Auditors of the Company, namely M/s Das & Prasad, 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. A detailed report under Corporate Social Responsibility (CSR) is also included in the same. Your Directors are proud to be part of such noble initiative.

Number of meetings of the Board of Directors

The details of the number of meeting of the Board of Directors held during the year forms part of the Corporate Governance Report.

Board Evaluation

As recommended by the Nomination and Remuneration Committee, an evaluation framework was adopted by the Board during the

DIRECTORS' REPORT (Contd.)

year. Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carried out an annual performance evaluation of its own performance, the Directors individually as well as of its various committees. After taking into consideration the feedback of the Directors the overall Board Evaluation covered various aspects more fully disclosed in the Corporate Governance section.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent director was carried out by the Independent Directors at their separate meeting. The Board of directors expressed their satisfaction with the evaluation process.

Directors' Responsibility Statement

Pursuant to the requirement of Section 134 (3)(c) of the Companies Act, 2013 and based on the representations received from the management, the directors hereby confirm having :

- (a) followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;
- (b) selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss of the company for that period;
- (c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act. Their are adequate controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) prepared the annual accounts on a going concern basis; and
- (e) laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company transferred Rs. 2,69,855/- only on account of Unpaid/ Unclaimed Dividend of 2006-07 to the INVESTOR EDUCATION AND PROTECTION FUND in terms of section 124(6) of the Companies Act, 2013 on 12/12/2014 and complied with the statute.

Material Changes effecting the Company

There were no significant and material orders passed by any regulators or courts or tribunal impacting the going concern status and company's operations in future.

There were no material changes and commitments effecting the financial position of the Company occurring between 31st March, 2015 and the reporting date.

Deposits

Your Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and accordingly no amount was outstanding as on the date of Balance Sheet.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

DIRECTORS' REPORT (Contd.)

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti Sexual Harassment Policy in line with the requirements of the "Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013". Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment.

All employees (Permanent, Contractual, Temporary, Trainees) are covered under this Act.

The following is a summary of Sexual Harassment complaints received and disposed off during the year 2014-2015:

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The full particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013 are given in the Notes to the Financial Accounts.

AUDITORS AND SECRETARIAL AUDIT

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Das & Prasad (FRN 303054E), 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 139 and 141 (3)(g) of the Companies Act, 2013 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.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s M.K. Sharma & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The same is attached as Annexure "E" and forms an integral part of this Report.

AUDITORS' REPORT

There are no qualification, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report and, therefore, do not call for any further explanation under Section 134 of the Companies Act, 2013.

COST AUDITORS

M/s V. J. Talati & Co. Cost Accountants, was appointed as Cost Auditors for issuing Cost Audit Report of the Company for the F.Y 2014-15.

ANNUAL RETURN EXTRACT

Pursuant to sec. 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the details forming part of extract of the annual return in Form No. MGT - 9 is Annexed herewith as Annexure "F"

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of Companies (Accounts) Rules, 2014 is given in Annexure -"A" to this report.

DIRECTORS' REPORT (Contd.)

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 Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable.

The information required pursuant section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the Employees of the Company is detailed separately as Annexure D to the report.

APPRECIATION

We are thankful to various agencies of the Central and State Government(s) for their support and Co-operation. Your Directors are also thankful to all stakeholders including customers, bankers and suppliers for their continued assistance, co-operation and support. Your Directors wish to place on record their sincere appreciation of all employees for their commitment and contribution to the Company. The Directors are also grateful for the confidence, faith and trust reposed by the shareholders of the Company.

By order of the Board

Place: Kolkata
Date: 28th May, 2015



Sushil Patwari
Chairman & Managing Director

ANNEXURE "A" TO DIRECTORS' REPORT

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

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in Annexure - "A" to this report.

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.

	Year Ended 31.03.2015	Year Ended 31.03.2014
Power Consumption		
1 Electricity		
Purchased Units (in Lacs)	393.73	370.59
Total Amount (Rs. In Lacs)	2,412.49	2229.32
Rate per Unit (Rs.)	6.13	6.02
2 Own Generation		
Through Diesel Generator		
Total Units Generated (in lacs)	5.00	3.73
Unit per litre of Diesel Oil	3.43	3.39
Cost per unit (Rs.)	17.70	15.08
Coal	NIL	NIL
Furnance Oil	NIL	NIL
Other internal generation	NIL	NIL
Consumption of unit of production		
Electricity Unit per kgs of yarn	3.42	3.69
Furnance Oil	NIL	NIL

B. TECHNOLOGY ABSORPTION

Effort 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. TOTAL FOREIGN EXCHANGE EARNED AND USED

	Year Ended 31.03.2015	Year Ended 31.03.2014
Earning	3400452350	4806197899
Outgo	143758467	147841476

By order of the Board

Place: Kolkata
Date: 28th May, 2015

Sushil Patwari
Chairman & Managing Director

ANNEXURE “B” TO DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Economic Outlook

India's Textile Industry plays a significant role in the economic development of the country. India's Macro economic scenario remained gloomy during the initial months of financial year 2014-15. There is considerable hope that new government will create an environment conducive to Business and Industry. The growth in global trade and concentration of trade in Asia will drive investments in Asian countries having strong supply base for textile and apparel products. India will have an advantage from the investment point of view due to its strong manufacturing competitiveness and presence of complete supply chain.

The global textile and apparel trade is expected to grow at 6% CAGR to US\$ 1,180 billion by 2020 with apparel, fabric and yarn occupying the major share. The industry directly employs well over 170 million people worldwide, predominantly in Asia.

In 2014, the global fiber consumption was around 87 million tons of which India is 2nd largest grower of cotton fibre and also 2nd largest user of raw cotton after China.

(b) Industry Structures and Development

The Indian Textile Industry has a much coveted place in the overall industrial scenario of India. It contributes nearly 5% to GDP, 14.5% to industrial production and 12% to exports. India is just next to China as producer and exporter of raw cotton in the world.

The overall textile and garment exports are expected to reach \$ 41 billion in 2014-2015 as against the target of \$ 45 billion. The slippage is mainly because China, which accounts for over 70% of India's cotton and 40% of yarn supplies, has cut down on its purchases. Moreover, export demand from US & Europe continues to be sluggish.

Exports from the textile and clothing industry mainly consists of garment sector which accounts for around 40%, and spinning sector around 25%, remaining being shared by other sectors like manmade textiles, cotton, wool and woolen textiles, silk handloom products, handicrafts and coir products. After discontinuation of textiles export quota in year 2004, exports from this industry substantially increased from around USD 15 billion in 2005 to USD 41 billion in 2014-15. Similarly, India's share of textiles and clothing exports in the total world exports, which was below 3% in the year 2004 is almost touching 5% as of now.

It is expected that the percolation of the benefits of India's growing economy will cause sharp upward momentum of textile products in the country.

(c) Opportunities and Threats

The textile industry needs some incentives to export products to countries such as Bangladesh, Vietnam, China & Cambodia. These countries import textile items in large volumes for converting them into finished products such as garments. Currently, domestic textile exporters are given 2% export incentive for outbound shipments only to The US, The EU, Canada and Japan. The Government of India is favorably disposed of towards extending the 2% export incentive to Bangladesh, Vietnam and Cambodia also.

The viability of spinning industry solely depends on adequate availability of quality cotton at competitive prices. Over the years cotton production in India has grown significantly and its cotton production is likely to exceed that of China which has been world's biggest producer of cotton so far. This could be achieved due to various steps taken to improve farm management practices, adoption of BT cotton seeds which covers 95% of the areas sown and use of appropriate technology to give higher yield. Within last 15 years, the cotton production in India has almost trebled while the area under cultivation has increased only by 40% due to increase in the yield from 278 kg/hectare to 518 kg/hectare during this period.

The rising cost of inputs continues to roil the sentiment of textile manufacturers. Further, the textile industry is grappling with the problem skilled manpower.

(d) Outlook

The outlook for the textile industry in India is not very bright mainly because of economic crisis in Euro Zone, and weak demand from US and China.

The area under cotton in the coming cotton season is likely to drop by 7 - 10% due to violent fluctuations in the prices of cotton. However, if Monsoon is favourable and adequate rainfall is received at proper time, the crop is likely to be same as the previous year. As of now, the cotton has already been sown in the northern region and in other parts of the country and sowing will begin next month. As already explained, with adoption of better technology, availability of good quality seeds, the country will continue to produce adequate crop.

In the new Foreign Trade Policy 2015-20, while the government has introduced measures for improving ease of doing business and simplified procedures but some of the benefits available to the cotton yarn exports have been withdrawn, like Market Linked Focus Products and Focus Market Schemes. Industry bodies like FIEO and TEXPROCIL have taken up these issues with the concerned ministries for restoration of these benefits.

On the domestic front also India is poised for a healthy growth, in view of rising population, sustained increase in per capita income and disposable surplus, favourable demographic profile and changing lifestyle. Surveys carried out by Textiles Committee

ANNEXURE "B" TO DIRECTORS' REPORT (Contd.)

also corroborate this. Besides, Government of India is becoming increasingly sensitive to the needs of the textile industry and taking ameliorative measures in regard to debt restructuring scheme, extension of TUFS and TMC in the Twelfth Five Year Plan. Happily, new Government has announced that it will get necessary impetus for boosting exports of textiles. Another area is rapid growth of technical textiles for which Government has been providing encouraging support.

(e) Management Perception of Risk and Concern

The availability of cotton directly impacts the viability of the spinning industry. Over the years India has adopted various improvements in farming practices, use of Bt cotton seeds and other yields increasing methodologies that has made its cotton production grow significantly. Within last 15 years, the cotton production in India has almost trebled while the area under cultivation has increased only by 40%, this was made possible due to the large yield increase. India is likely to become the world's largest producer of cotton in the future.

The area under cotton in the coming cotton season is likely to drop by 7 - 10% due to violent fluctuations in the prices of cotton. However, if monsoon is favourable and adequate rainfall is received at proper time, the crop is likely to be same as the previous year. As already explained, with adoption of better technology, availability of good quality seeds, the country will continue to produce adequate crop. Adequate availability of raw cotton at right prices is crucial for the Company any disruption in the supply and/or violent changes in the cost structure would affect the profitability of the Company.

The textile industry is constantly grappling with the problem of availability of skilled manpower. Further the rising cost of inputs continues to spoil the sentiment of textile manufacturers.

The outlook for the textile industry in India is affected by economic crisis in Euro Zone, and weak demand from US and China.

It is imperative for the growth of the Spinning Industry that some incentives to boost exports of cotton yarn. Such as restoring of FMS FPS, MLFP, Incremental Exports etc., are put in place. Industry bodies like FIEO and TEXPROCIL have taken up these issues with the concerned ministries for restoration of these benefits.

On the domestic front also India is poised for a healthy growth, in view of rising population, sustained increase in per capita income and disposable surplus, favourable demographic profile and changing lifestyle. Surveys carried out by Textiles Committee also corroborate this. Besides, Government of India is becoming increasingly sensitive to the needs of the textile industry and taking measures in regard to debt restructuring scheme, extension of TUFS and TMC in the Twelfth Five Year Plan. The government has announced that it will provide support to the textile industry for boosting exports of textiles.

The increased volatility in commodity market has increased the challenges for the industry.

Volatility in foreign currency exchange rates vis-a-vis Indian Rupee is another area of concern since a sizeable production of cotton yarn is exported by your Company. The Company has in place various Management Information Systems, which enable the management to take decisions on exposures relating to exports, imports, foreign currency loans, etc. The Company continues to strengthen these systems to minimize the risk involved due to adverse movement of exchange rates.

(f) 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.

(g) 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 program 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.

(h) 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

- i) The Company’s Board at present has Nine (9) directors comprising of two Managing Directors, two Whole Time Directors and five Non-Executive Directors. The Company has a Chairman. The number of non-executive Directors are more than 50% of total number of Directors and also the strength of Independent Directors is more than 50% of the of the total number of Directors. Further, the Company has one Woman Director on Board.
- ii) 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 5 times, on the following dates, during the financial year 2014-15:

29.05.2014	12.08.2014	10.09.2014	13.11.2014	10.02.2015
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The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and committee positions as held by them in other Public Limited Companies as on 31.03.2015 are given below:

Name	Category	No. of Board Meeting held during the Financial Year 14-15	No. of Board Meetings attended during 14-15	Whether Attended AGM held on 10.09.14	No. of Directorship in other Public Limited Companies	No. of Committee Positions held in other Public Limited Companies		No. of Shares held in the Company as at 31.03.2015
						Chairman	Member	
Mr. Sushil Patwari	Promoter Executive	5	5	Yes	4	None	2	568500
Mr. Sunil Patwari	Promoter Executive	5	4	No	4	None	4	712000
Mr. Mahendra Patwari	Promoter Executive	5	4	Yes	1	None	None	312000
Mr. K. C. Purohit	Executive	5	2	No	Nil	None	None	Nil
Mr. M. K. Ogra	Independent	5	5	Yes	5	2	None	Nil
Mr. B. C. Talukdar	Independent	5	5	Yes	3	2	3	Nil
Mr. M.P. Periwal	Independent	5	2	No	5	None	None	Nil
Mr. R. M. Ruia	Independent	5	2	No	1	None	None	Nil
Ms. Surabhi Sangneria*	Independent	5	Nil	N.A.	1	None	None	Nil

ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

* Ms. Surabhi Sanganeria was appointed as an Additional Director of the Company w.e.f. 13/11/2014 in accordance to the requirement of Sec. 149(1) of the Companies Act, 2013.

During the year under reporting, informations as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration. Formal letter of Appointment were issued to all Independent Directors as provided in the Companies Act, 2013. Policy for familiarisation of Independent Directors with the Company including their roles, rights, responsibilities, business model and nature of industry of the Company were duly formulated and implemented.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 20th March, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties. The performance evaluation of the Independent Directors was carried out by the entire Board which also evaluated the performance of the Board as a whole and also that of the Chairman of the Board. The Board also carried out evaluation of its various Committees and the Directors expressed their satisfaction with the evaluation process.

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 2014-15:

29.05.2014	12.08.2014	13.11.2014	10.02.2015
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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	2

Necessary quorum was present at the meeting. Representatives of Statutory Auditors of the Company were invited to the meetings, as and when required. The Chairman of the Audit Committee was present in the last Annual General Meeting.

B) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders / Investors Grievance Committee was rechristened as Stakeholders' Relationship Committee at the Board Meeting held on 29th May, 2014.

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 four times on the following dates during the financial year 2014-15:

29.05.2014	12.08.2014	13.11.2014	10.02.2015
------------	------------	------------	------------

The Committee is prompt in attending to the requests received for transfers, as well as issue of duplicate certificates. The number of Complaints received during the Financial Year 2014-15 are as under:

Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports , Shares sent for Transfer and Transmission, Complaints received from SEBI, Stock Exchanges and direct from Investors, Registrar of Companies etc.	2
Number of Complaints resolved	2
Number of Complaints pending as on 31.03.2015	NIL

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

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

C) NOMINATION AND REMUNERATION COMMITTEE

To align with the requirements prescribed under the provisions of section 178 of the Companies Act, 2013 and the revised Clause 49 (IV) of the Listing Agreement, the Remuneration Committee was rechristened as Nomination and Remuneration Committee at the Board Meeting held on 29th May, 2014.

Terms of Reference of the Committee is as under:

The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:-

- to identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- to formulate the criteria for performance evaluation of Independent Directors and the Board;
- to carry out performance evaluation of Independent Directors along with the Board as a whole ;
- to evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

The Nomination and 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 Committee met twice during the financial year 2014-2015 on 29.05.2014 and on 12.03. 2015.

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 2014-15

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2014-15 paid during the year) (Rs.)
1. Mr. Sushil Patwari	-	33,00,000/-	-	-
2. Mr. Sunil Patwari	-	36,00,000/-	85,000/-	-
3. Mr. Mahendra Patwari	-	33,00,000/-	85,000/-	-
4. Mr. K. C. Purohit	-	10,20,000/-	-	-
5. Mr. M.K.Ogra	41,000/-	-	-	-
6. Mr. B.C.Talukdar	33,000/-	-	-	-
7. Mr.Rajendra Mahavir Prasad Ruia	10,000/-	-	-	-
8. Mr. Mahavir Prasad Periwal	10,000/-	-	-	-
9. Ms. Surabhi Sanganeria	-	-	-	-

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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

THE Company has also formed Corporate Social Responsibility (CSR) Committee with the following Directors as per the requirements of Sec. 135 of the Companies Act, 2013:

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

ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

The main focus of the Company in the CSR activities will be as under :

- (i) Work actively in areas of Eradication of extreme hunger and poverty;
- (ii) Provide opportunity and financial assistance for the Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Rural development.

The Company is working primarily in the field of woman empowerment and promoting woman education and tribal education. The Committee members met twice on 12/08/2014 and 20/03/2015 respectively to review the policy and implementations and to monitor the implementation procedures of the CSR activities undertaken by the Company.

Average net profit of the company for last three financial years:

Average Net Profit: Rs. 5,90,74,052/-

Prescribed CSR Expenditure (Two percent of the amount as stated above)

The Company is required to spend Rs. 11,81,481/-

Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year 2014-15 is Rs. 11,81,481/-
- (b) Amount unspent, if any is NIL
- (c) Amount spent in excess of required , if any Rs. 3,21,519/-
- (d) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the Project or programs Financial year 2014-2015	Cumulative expenditure Upto to the reporting period	Amount spent Directly or through Implementing Agency
1	Women empowerment & education	Education	Srimadhapur, Sikar, Rajasthan		13,63,000/-	13,63,000/-	Patwari Charity Trust on account of GDML Patwari PG College for Girls.
2.	Rural development	Education & Rural development	Alipurduar, West Bengal		1,40,000/-	1,40,000/-	Friends of Tribal Society for One Teacher School.
TOTAL					15,03,000/-	15,03,000/-	

PREVENTION OF INSIDER TRADING CODE:

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed the Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company’s securities. During the year under review there has been due compliance with the said code.

VIGIL MECHANISM

The Company has adopted a vigil mechanism, which includes whistle blower policy and has established necessary mechanism in line of the requirements of the Companies Act, 2013 and the Listing Agreement. The policy provides safeguard against

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

victimization of employees who avail the mechanism for reporting any unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. No person or personnel are denied access to the Audit Committee. Protected disclosures can be made by a whistle blower through any electronic or physical communication to the Audit Committee Chairman.

4. SUBSIDIARY

The Company does not have any subsidiary Company.

5. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPERATION OF FINANCIAL STATEMENTS

The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

6. DETAILS OF NON- COMPLIANCE BY THE COMPANY IN THE LAST THREE YEARS.

Your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges and SEBI Regulations. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any other Statutory Authority in connection with violation of Capital Market norms, rules, regulations, etc. in the last three years.

7. DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING:

Name of Director	Mr. Sushil Patwari	Ms. Surabhi Sanganeria
Date of Birth	20/08/1954	12/10/1977
Date of appointment	06/03/1989	13/11/2014
Qualification	B. Com	B.Com., ACA, ACS
Expertise in specific Functional area	Industrialist having rich business experience	Having rich experience in industrial and Corporate Laws
List of other Directoship held excluding foreign companies, companies under section 25 of the Companies Act, 1956 and Private Companies	1. Nagreeka Capital & Infrastructure Ltd. 2. Rupa & Co. Ltd. 3. Jaidka Motor Co. Ltd. 4. Reliance Processors Ltd.	1. Nagreeka Capital & Infrastructure Ltd.
Chairman / Member of the committees of the Board of other Companies in which he / she is a Director	Stakeholders Relationship Committee Nagreeka Capital & Infrastructure Ltd.	NONE
Shareholding in the Company	568500	NIL

8. DETAILS OF GENERAL MEETINGS

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

Sr.No	Year	Location	AGM / EGM	Date	Day	Time	No. of Special Resolution Passed
1.	2013-14	Bengal National Chamber of Commerce and Industry, 23, R. N. Mukherjee Road Kolkata - 700 001	25th A.G.M	10.09.14	Wednesday	10.30 am	2
1.	2012-13	Bengal National Chamber of Commerce and Industry, 23, R. N. Mukherjee Road Kolkata - 700 001	24th A.G.M	24.09.13	Tuesday	10.30 am	1
2.	2011-12	Bengal National Chamber of Commerce and Industry, 23, R. N. Mukherjee Road Kolkata - 700 001	23rd A.G.M.	27.09.12	Thursday	10.30 am	4

ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

No item was passed by any resolution through postal ballot during the financial year 2014-15.

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

9. DISCLOSURES

- (i) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management Staffs as defined in Clause 49 of the listing agreement, where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (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.

10. 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.

11. 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(V) of the listing agreement was placed before the Board, who took the same on record.

12. GENERAL SHAREHOLDER INFORMATION:

The Company has paid the Annual Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2015-16.

Annual General Meeting	26th	
Date and Time	: Monday, 28th September, 2015 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, 2016	
	First Quarter Results	Before end of 2nd week of August'15
	Second Quarter and Half Yearly Results	Before end of 2nd week of November'15
	Third Quarter Results	Before end of 2nd week of February'16
	Audited results for Fourth Quarter and year ending 31st March, 2016	Before end of May '16
	Annual General Meeting for Year ending 31st March'16	Before end of September'16
Date of Book Closure	: 21st September, 2015 to 28th September, 2015 (both days inclusive)	
Listing of Stock Exchanges	: 1. Bombay Stock Exchange Limited 2. National Stock Exchange of India Limited	

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

13. STOCK CODE:

Bombay Stock Exchange Limited : 521109
National Stock Exchange of India Limited : NAGREEKEXP

14. PLANT LOCATION

1. Village Yavluj, Taluka Panhala, Dist . Kolhapur, Maharashtra.
2. Plot No. T-48, MIDC, KAGAL-Hatkanangale Five star Industrial Area
Village:Talandage Taluka Hatkanangale, Dist. Kolhapur (Maharashtra)
3. C-26, Panaki Industrial Estate, Site - 1, Kanpur - 208 022

15. MEANS FOR COMMUNICAION

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.

16. DEMATERIALISATION OF SHARES

As on 31st March, 2015, 95.5035% of the Share Capital comprising 11937646 shares are in dematerialized form. Under the depository system the International Securities Identification Number (ISIN) allotted to the company's shares is INE 123B01028. The Company has not issued any Share during the period under reporting. The Equity shares are listed with both NSE and BSE and the Annual Listing Fees for 2015-16 was duly been paid.

17. 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:

Nagreeka Exports Limited, 18, R. N. Mukherjee Road, Kolkata - 700 001.
Phone No. 2248-4922, 2248-4943, Fax No. (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. 2248-2248, 2243-5809, Fax No. (033) 2248-4787, E-mail ID: mdpldc@yahoo.com. Website: www.mdpl.in

b) For Redressal of Complaints and Grievances:

The Secretary
Nagreeka Exports Ltd.
18, R.N. Mukherjee Road
Kolkata - 700 001.

Telephone Nos.(033) 2248-4922, 2248-4943
Fax No. (033) 2248-1693
E-mail ID: compsect.nel@nagreeka.com

DISTRIBUTION OF SHARE HOLDING PATTERN BY SIZE AS ON 31.03.2015

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 500	9862	93.01	1253278	10.03
2) 501 to 1000	362	3.41	302785	2.42
3) 1001 to 2000	145	1.37	227175	1.82
4) 2001 to 3000	60	0.60	151247	1.21
5) 3001 to 4000	39	0.37	137547	1.10
6) 4001 to 5000	22	0.21	100114	0.80
7) 5001 to 10000	38	0.36	271884	2.17
8) 10001 and Above	75	0.71	10055670	80.45
TOTAL	10603	100.00	12499700	100.00

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

CATEGORY OF SHAREHOLDERS AS ON 31.03.2015:

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	0.003
(d) Qualified Foreign Investor	500	0.004
Sub- Total(B)(1)	4400	0.035
2. NON-INSTITUTIONALS		
(a) Bodies Corporate	2186938	17.49
(b) Individuals		
(i) Individual shareholders holding nominal share capital Upto Rs. 1 Lakh.	2504587	20.04
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1019619	8.16
(c) Any Other		
(i) Non- Resident Individuals	204035	1.63
(ii) Clearing Member	2635	0.02
Sub-Total(B)(2)	5917814	47.34
Grand Total (A+B+C)	12499700	100.00

18. MARKET PRICE DATA (Rs.)

MONTH	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'2014	24.25	18.05	24.35	19.55
May'2014	30.00	17.50	30.90	18.20
Jun'2014	28.25	22.00	28.00	22.00
Jul'2014	34.85	25.30	36.00	24.50
Aug'2014	37.00	25.10	33.40	25.10
Sep'2014	34.85	26.00	35.50	25.25
Oct'2014	34.00	27.65	34.00	28.50
Nov'2014	34.30	25.00	32.40	26.15
Dec'2014	31.90	25.00	30.70	24.60
Jan'2015	30.50	23.25	28.50	24.10
Feb'2015	27.00	21.00	25.95	21.65
Mar'2015	25.00	17.50	25.60	18.40

For & on behalf of the Board

Place: Kolkata
Date: 28.05.2015

Mr. Sushil Patwari
Chairman & Managing Director

ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of Sub-clause (III)E of Clause 49 of the Listing Agreement with Stock Exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the Financial Year ended 31st March, 2015.

For & on behalf of the Board

Place: Kolkata
Date: 28.05.2015

Mr. Sushil Patwari
Chairman & Managing Director

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, 2015, 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 compliance 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 Stakeholders Relationship 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.

Place : Kolkata
Date : 28th May,2015

For **DAS & PRASAD**
Chartered Accountants
Firm’s Registration No. 303054E

(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm Regn. No. 303054E

ANNEXURE “D” TO DIRECTORS’ REPORT

Statement under Section 197(12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(ii)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15	Mr. Sushil Patwari Mr. Sunil Patwari Mr. Mahendra Patwari Mr. K. C. Purohit	31.62 : 1 35.31 : 1 32.43 : 1 9.77 : 1		
	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the financial year 2014-15 Director : Mr. Sushil Patwari, CMD Mr. Sunil Patwari, MD Mr. Mahendra Patwari, WTD Mr. K. C. Purohit, WTD C.F.O. : Mr. Kedar Nath Bansal C.S. : Mr. Jitendra Tiwari		37.5% 16.8% 37.9% Unchanged Unchanged 17%		
	The above increase in remuneration to the Directors and CFO was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per industry benchmarks.				
(iii)	The percentage increase in the median remuneration of employees in the financial year;		8.62%		
(iv)	The number of permanent employees on the rolls of company		868		
(v)	The explanation on the relationship between average increase in remuneration and company performance	The average increase is based on the objectives of remuneration policy of the company, which is designed to retain the employees into this organization. Pay mix is designed to reflect the performance and is aligned to the long term interests of the Company.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Change in Revenue as % Change in EBDITA as % Change in PBT as % Change in PAT as % Change in EPS as %	-24.65% -20.45% -55.19% 3.83% 3.83%		
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in Comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Financial Year ended	Closing Price (NSE)	Market Capitalisation	Price Earning Ratio
		31/03/2015	21.95	274368415	5.43
		31/03/2014	20.70	258743790	5.32
		Financial Year ended	Closing Price (NSE)	Market Capitalisation	Price Earning Ratio
		31/03/2015	21.90	273743430	5.42
		31/03/2014	20.70	258743790	5.32
	The maiden public issue was in 1994. Since then there was one Scheme of Arrangement in 2006-07 and face value reduced to Rs. 5/- each. Therefore the offer price during public offer and present market price are not comparable.				
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the last financial period on an average 10.62% increase on salaries was made to employees other than the managerial personnel against an increase of 11.07% of the Managerial remunerations. The same is based on the remuneration policy of the Company rewarding persons as per their contributions to the company's success and responsibility sharing.			

ANNEXURE “D” TO DIRECTORS’ REPORT (Contd.)

(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	KMP Name	Salary increase	Revenue change as	EBIDTA change as	PAT change as
		Mr. Sushil Patwari, CMD	37.5			
		Mr. Sunil Patwari, MD	16.8			
		Mr. Mahendra Patwari, WTD	37.9	-24.65	-20.45	3.83
		Mr. K. C. Purohit, WTD	NIL			
		Mr. K.N. Bansal, CFO	NIL			
		Mr. J. Tiwari, CS	17			
(x)	The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on recommendation of the Nomination and Remuneration Committee as per remuneration policy for Directors, Key Managerial Persons and Employees.					
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year					N.A.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company					Yes



ANNEXURE "E" TO DIRECTORS' REPORT (Contd.)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nagreeka Exports Limited
18, R. N. Mukherjee Road
6thFloor, Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nagreeka Exports Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit. We hereby report that the Company has, during the audit period covering the financial year ended on 31st March, 2015, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - (f) The other regulations of the Securities & Exchange Board of India as may be applicable to the Company;
- (vi) Other laws applicable to the Company:
 1. Factories Act, 1948,
 2. Employee Provident Fund Act (EPF) Act, 1952,
 3. Payment of Bonus Act, 1965,
 4. The Maharashtra Labour Welfare Fund Act, 1953.

ANNEXURE “E” TO DIRECTORS’ REPORT (Contd.)

(vii) Other Laws applicable to the Company as per the Representation given by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.
- (ii) The Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable, since notified and effective from July 1, 2015.)

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors atleast seven days to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at Board Meetings as represented by the management were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **M.K.Sharma & Associates**
Company Secretaries

CS Manoj Kumar Sharma
(Proprietor)
ACS No. 12932
C P No: 3137

Place : Kolkata
Date : May 28, 2015

Note : This report is to be read with our letter of even date which is annexed as “Annexure - I” and forms and integral part of this report.

ANNEXURE - "I"

To,
The Members,
Nagreeka Exports Limited,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M.K.Sharma & Associates**
Company Secretaries

CS Manoj Kumar Sharma
(Proprietor)
ACS No. 12932
C P No: 3137

Place : Kolkata
Date : May 28, 2015

ANNEXURE - "F" TO DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | |
|--|---|
| i) CIN | : L18101WB1989PLC046387 |
| ii) Registration Date | : 06/03/1989 |
| iii) Name of the Company | : NAGREEKA EXPORTS LIMITED |
| iv) Category / Sub-Category of the Company | : Public Company |
| v) Address of the Registered office and contact details | : 18, R. N. Mukherjee Road, 6th Floor, Kolkata - 700 001. |
| vi) Whether listed company | : Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : Maheswari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn	17111	87.11%
2	MS Billet	27141	14.82%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NO HOLDING/ SUBSIDIARY/ ASSOCIATE COMPANIES

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	4472300	0	4472300	35.7793	4472300	0	4472300	35.7793	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2105186	0	2105186	16.8419	2105186	0	2105186	16.8419	0.0000
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	6577486	0	6577486	52.6212	6577486	0	6577486	52.6212	0.0000

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	6577486	0	6577486	52.6212	6577486	0	6577486	52.6212	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1100	2200	3300	0.0264	1100	2200	3300	0.0264	0.0000
b) Banks/FI	100	200	300	0.0024	100	200	300	0.0024	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	0	300	300	0.0024	0	300	300	0.0024	0.0000
h) Foreign Venture Capital Funds									
i) Others (specify)									
Qualified Foreign Investor	500	0	500	0.0040	500	0	500	0.0040	0.0000
Sub-total(B)(1):-	1700	2700	4400	0.0352	1700	2700	4400	0.0352	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2217453	1701	2219154	17.7537	2185237	1701	2186938	17.4959	-1.4517
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2151939	434053	2585992	20.6884	2084134	420453	2504587	20.0372	-3.1479
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	889830	0	889830	7.1188	1019619	0	1019619	8.1571	14.5858

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

c) Others (Specify)									
Non Resident Indians	89679	123600	213279	1.7063	82135	121900	204035	1.6323	-4.3342
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	9559	0	9559	0.0765	2635	0	2635	0.0211	-72.4344
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	5358460	559354	5917814	47.3437	5373760	544054	5917814	47.3436	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5360160	562054	5922214	47.3789	5375460	546754	5922214	47.3788	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11937646	562054	12499700	100.0001	11952946	546754	12499700	100.0000	0.0000

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	NAGREEKA SYNTHETICS PRIVATE LIMITED	940270	7.5223	0.0000	940270	7.5223	0.0000	0.0000
2	MALA PATWARI	891700	7.1338	0.0000	891700	7.1338	0.0000	0.0000
3	SUNIL PATWARI	712000	5.6961	0.0000	712000	5.6961	0.0000	0.0000
4	NAGREEKA FOILS LIMITED	584916	4.6794	0.0000	584916	4.6794	0.0000	0.0000
5	INDIA OVERSEAS EXPORTS PRIVATE LIMITED	580000	4.6401	0.0000	580000	4.6401	0.0000	0.0000
6	SUSHIL PATWARI	568500	4.5481	0.0000	568500	4.5481	0.0000	0.0000
7	MINAKSHI PATWARI	389600	3.1169	0.0000	389600	3.1169	0.0000	0.0000
8	MAHENDRA PATWARI	312000	2.4961	0.0000	312000	2.4961	0.0000	0.0000
9	SATISH PATWARI	310000	2.4801	0.0000	310000	2.4801	0.0000	0.0000
10	MAHENDRA PATWARI	262500	2.1001	0.0000	262500	2.1001	0.0000	0.0000

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

11	ISHWAR LAL PATWARI	195000	1.5600	0.0000	195000	1.5600	0.0000	0.0000
12	ISHWAR LAL PATWARI	155000	1.2400	0.0000	155000	1.2400	0.0000	0.0000
13	SUSHIL PATWARI	150000	1.2000	0.0000	150000	1.2000	0.0000	0.0000
14	RASHI SARAF	100000	0.8000	0.0000	100000	0.8000	0.0000	0.0000
15	ANITA PATWARI	90000	0.7200	0.0000	90000	0.7200	0.0000	0.0000
16	USHA PATWARI	86000	0.6880	0.0000	86000	0.6880	0.0000	0.0000
17	ISHWAR LAL PATWARI	70000	0.5600	0.0000	70000	0.5600	0.0000	0.0000
18	SUNIL PATWARI	70000	0.5600	0.0000	70000	0.5600	0.0000	0.0000
19	SARITA PATWARI	70000	0.5600	0.0000	70000	0.5600	0.0000	0.0000
20	RAHUL PATWARI	20000	0.1600	0.0000	20000	0.1600	0.0000	0.0000
21	PRATYUSH PATWARI	20000	0.1600	0.0000	20000	0.1600	0.0000	0.0000
	TOTAL	6577486	52.6212	0.0000	6577486	52.6212	0.0000	0.0000

iii) Change in Promoters' Shareholding (please specify, if there is no change) : **NO CHANGE**

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	HITESH RAMJI JAVERI				
	At the beginning of the year	75000	0.6000	75000	0.6000
	As on 19/09/2014 - Transfer			103906	0.8313
	As on 30/09/2014 - Transfer			118002	0.9440
	At the end of the year			118002	0.9440
2	MEENAKSHI N RUIA				
	At the beginning of the year	51000	0.4080	51000	0.4080
	At the end of the year			51000	0.4080
3	ALPS VINIYOG PRIVATE LIMITED				
	At the beginning of the year	421706	3.3737	421706	3.3737
	At the end of the year			421706	3.3737

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

4	AGARWAL GALVANISING P LTD				
	At the beginning of the year	814823	6.5187	814823	6.5187
	At the end of the year			814823	6.5187
5	KETAN T GOSAR (HUF)				
	At the beginning of the year	0		0	
	As on 11/07/2014 - Transfer			30000	0.2400
	As on 25/07/2014 - Transfer			36267	0.2901
	As on 01/08/2014 - Transfer			40092	0.3207
	As on 08/08/2014 - Transfer			50416	0.4033
	As on 14/08/2014 - Transfer			51967	0.4157
	As on 22/08/2014 - Transfer			52267	0.4181
	As on 05/09/2014 - Transfer			46767	0.3741
	As on 12/09/2014 - Transfer			48767	0.3901
	As on 19/09/2014 - Transfer			47196	0.3776
	As on 30/09/2014 - Transfer			50250	0.4020
	As on 10/10/2014 - Transfer			50252	0.4020
	As on 24/10/2014 - Transfer			53453	0.4276
	As on 07/11/2014 - Transfer			4426	0.0354
	As on 14/11/2014			0	
	At the end of the year			0	
6	SHREE VINIYOG PRIVATE LIMITED				
	At the beginning of the year	348400	2.7873	348400	2.7873
	At the end of the year			348400	2.7873
7	SRI KRISHNA VINIYOG PRIVATE LIMITED				
	At the beginning of the year	454636	3.6372	454636	3.6372
	At the end of the year			454636	3.6372
8	HARSHA HITESH JAVERI				
	At the beginning of the year	57150	0.4572	57150	0.4572
	As on 19/09/2014 - Transfer			127150	1.0172
	At the end of the year			127150	1.0172
9	Gopal Jhunjhunwala				
	At the beginning of the year	45000	0.3600	45000	0.3600
	At the end of the year			45000	0.3600

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

10	KAUSHALYADEVI RADHESHYAM AGARWAL				
	At the beginning of the year	0		0	
	As on 23/05/2014 - Transfer			13569	0.1086
	As on 30/05/2014 - Transfer			30912	0.2473
	As on 06/06/2014 - Transfer			43159	0.3453
	As on 13/06/2014 - Transfer			50209	0.4017
	As on 20/06/2014 - Transfer			54568	0.4366
	As on 30/06/2014 - Transfer			52112	0.4169
	As on 04/07/2014 - Transfer			51678	0.4134
	As on 11/07/2014 - Transfer			34433	0.2755
	As on 18/07/2014 - Transfer			23719	0.1898
	As on 25/07/2014 - Transfer			22183	0.1775
	As on 01/08/2014 - Transfer			11814	0.0945
	As on 08/08/2014 - Transfer			10732	0.0859
	As on 22/08/2014 - Transfer			16645	0.1332
	As on 29/08/2014 - Transfer			17020	0.1362
	As on 12/09/2014 - Transfer			11428	0.0914
	As on 19/09/2014 - Transfer			9428	0.0754
	As on 30/09/2014 - Transfer			5862	0.0469
	As on 17/10/2014 - Transfer			14131	0.1131
	As on 24/10/2014 - Transfer			21231	0.1699
	As on 07/11/2014 - Transfer			26231	0.2099
	As on 12/12/2014 - Transfer			31881	0.2551
	As on 31/12/2014 - Transfer			36418	0.2914
	As on 30/01/2015 - Transfer			38525	0.3082
	As on 06/02/2015 - Transfer			40564	0.3245
	As on 06/03/2015 - Transfer			10564	0.0845
	As on 13/03/2015			0	
	At the end of the year			0	
11	SARITA R RUIA				
	At the beginning of the year	64510	0.5161	64510	0.5161
	At the end of the year			64510	0.5161

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

12	DILIPKUMAR H PARMAR				
	At the beginning of the year	192295	1.5384	192295	1.5384
	As on 04/04/2014 - Transfer			200000	1.6000
	At the end of the year			200000	1.6000
13	JYOTI GULATI				
	At the beginning of the year	52144	0.4172	52144	0.4172
	As on 04/04/2014 - Transfer			52244	0.4180
	As on 11/07/2014 - Transfer			45744	0.3660
	As on 18/07/2014 - Transfer			39104	0.3128
	As on 01/08/2014 - Transfer			34104	0.2728
	As on 22/08/2014 - Transfer			29104	0.2328
	As on 12/09/2014 - Transfer			16304	0.1304
	As on 30/09/2014 - Transfer			14000	0.1120
	As on 24/10/2014 - Transfer			9999	0.0800
	As on 19/12/2014 - Transfer			6999	0.0560
	At the end of the year			6999	0.0560
14	DURGA SUBHASH MORE				
	At the beginning of the year	16321	0.1306	16321	0.1306
	As on 10/10/2014 - Transfer			15321	0.1226
	As on 17/10/2014 - Transfer			15026	0.1202
	As on 24/10/2014 - Transfer			14826	0.1186
	As on 14/11/2014 - Transfer			15777	0.1262
	As on 05/12/2014 - Transfer			15311	0.1225
	As on 19/12/2014 - Transfer			15910	0.1273
	As on 31/12/2014 - Transfer			17553	0.1404
	As on 09/01/2015 - Transfer			17579	0.1406
	As on 23/01/2015 - Transfer			17641	0.1411
	As on 06/02/2015 - Transfer			33111	0.2649
	As on 13/02/2015 - Transfer			35076	0.2806
	As on 06/03/2015 - Transfer			44026	0.3522
	As on 13/03/2015 - Transfer			64076	0.5126
	As on 20/03/2015 - Transfer			74740	0.5979
	As on 27/03/2015 - Transfer			75377	0.6030
	At the end of the year			35377	0.2830

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	SUSHIL PATWARI				
	At the beginning of the year	568500	4.5481	568500	4.5481
	At the end of the year			568500	4.5481
2	MAHENDRA PATWARI				
	At the beginning of the year	312000	2.4961	312000	2.4961
	At the end of the year			312000	2.4961
3	SUNIL PATWARI				
	At the beginning of the year	712000	5.6961	712000	5.6961
	At the end of the year			712000	5.6961
4	RAJENDRA MAHAVIR RUIA				
	At the beginning of the year	19934	0.1600	19934	0.1600
	At the end of the year			19934	0.1600

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	220.77			
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due	NIL			
Total (i+ii+iii)	220.77			
Change in Indebtedness during the financial year				
• Addition				
• Reduction	32.66			
Net Change	-32.66			
Indebtedness at the end of the financial year				
i) Principal Amount	188.11			
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due	NIL			
Total (i+ii+iii)	188.11			

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Sushil Patwari, CMD	Mr. Sunil Patwari, MD	Mr. Mahendra Patwari, WTD	Mr. K.C. Purohit, WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.00	36.00	33.00	10.20	112.20
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	0.85	0.85	-	1.70
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	33.00	36.85	33.85	10.20	113.90
	Ceiling as per the Act	42.00	42.00	42.00	42.00	168.00

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. M. K. Ogra	Mr. B. C. Talukdar	Mr. R. M. Ruia	Mr. M. P. Periwal	Ms. S. Sanganeria	
3.	Independent Directors						
	• Fee for attending board committee meetings	0.41	0.33	0.10	0.10	-	0.94
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	0.41	0.33	0.10	0.10	-	0.94
4.	Other Non-Executive Directors						
	• Fee for attending board committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.41	0.33	0.10	0.10	-	0.94
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, '61 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.96	7.20	9.16
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify			
5.	Others, please specify	-	-	-
	Total 1.96	1.96	7.20	9.16

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeals made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF "NAGREEKA EXPORTS LIMITED" Standalone Financial Statements

We have audited the accompanying standalone financial statements of "Nagreeka Exports Limited" ("the Company"), which comprises the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DAS & PRASAD**
Chartered Accountants
Firm's Registration No. 303054E

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

Place : Kolkata
Date : 28th May, 2015

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2015, we report that:

(i) In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to the information and explanations given to us there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 4 (v) of the Order are not applicable to the Company.
- (vi) 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 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) 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 Investors Education and Protection Fund, Provident Fund, Employees' State Insurance, • Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanation provided to us, there were no outstanding statutory dues as on 31st March, 2015 for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- b) The disputed statutory dues aggregating Rs. 397.12 lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sl No	Name of the statute	Nature of the dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	1.99	1999-2000	High Court
			5.67	2004-2005	High Court
			25.93	2005-2006	CIT(Appeals)
			93.87	2009-2010	CIT(Appeals)
			217.38	2010-2011	CIT(Appeals)
2	Central Excise Act, 1944	Excise Duty	27.13	2005-2006	CCE(Appeals)
3	Finance Act, 1994	Service Tax	25.15	2004-2005 & 2005-2006	CCE(Appeals)

- c) According to the information and explanation given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of Companies Act, 2013 and rules there under has been transferred to such fund within time.
- (viii) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The company has not defaulted in repayment of dues to financial institutions, banks during the year.
- (x) 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 a banks or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **DAS & PRASAD**
Chartered Accountants
Firm's Registration No. 303054E

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

Place : Kolkata
Date : 28th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	Rs.	As at 31st March, 2015 Rs.	Rs.	As at 31st March, 2014 Rs.
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	3	62,550,000		62,550,000	
Reserves and surplus	4	<u>925,486,310</u>	988,036,310	<u>876,327,627</u>	938,877,627
Non Current Liabilities					
Long-term Borrowings	5	653,691,098		802,440,589	
Deferred tax liabilities (net)	6	<u>179,259,502</u>	832,950,600	<u>184,485,310</u>	986,925,899
Current Liabilities					
Short term borrowings	7	1,227,376,027		1,405,292,093	
Trade Payables	8	237,582,192		226,054,827	
Other Current Liabilities	9	111,869,741		186,451,538	
Short term Provisions	10	<u>13,885,083</u>	1,590,713,043	<u>36,382,959</u>	1,854,181,417
Total			<u>3,411,699,953</u>		<u>3,779,984,943</u>
ASSETS					
Non Current Assets					
Fixed Assets					
Tangible Assets	11	1,292,367,090		1,325,151,775	
Capital Work in progress	11	<u>21,953,257</u>		<u>16,452,451</u>	
		<u>1,314,320,347</u>		<u>1,341,604,226</u>	
Non current Investments	12	142,434,235		142,434,235	
Long Term Loans & Advances	13	<u>40,982,708</u>	1,497,737,290	<u>32,827,520</u>	1,516,865,981
Current Assets					
Inventories	14	713,918,231		939,340,580	
Trade Receivables	15	226,437,992		285,881,523	
Cash & Bank Balances	16	14,823,284		19,191,036	
Short-term loans & advances	17	<u>958,783,156</u>	1,913,962,663	<u>1,018,705,823</u>	2,263,118,962
Total			<u>3,411,699,953</u>		<u>3,779,984,943</u>
Significant Accounting Policies and Notes on Accounts	1 TO 34				

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

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants

(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm's Regn. No. 303054E

Place : Kolkata
Date : 28th May, 2015

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary
K. N. BANSAL Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
INCOME			
Revenue from operation	18	4,725,266,478	6,302,846,620
Other Income	19	58,689,455	46,425,397
Total Revenue		<u>4,783,955,933</u>	<u>6,349,272,017</u>
EXPENDITURE			
Cost of Material Consumed	20	1,326,737,350	1,512,509,038
Purchase of Traded Goods	21	2,195,938,704	3,676,226,378
Change in inventories of Finished Goods, Stock in Process and Stock in Trade	22	80,865,297	(59,305,282)
Employees Benefit expenses	23	178,956,032	162,395,945
Finance Costs	24	211,276,680	198,555,275
Depreciation	11	60,684,796	99,283,263
Other Expenses	25	684,323,330	658,793,364
Total Expenses		<u>4,738,782,189</u>	<u>6,248,457,980</u>
Profit before tax		45,173,744	100,814,036
Tax expenses			
Current Tax		(8,700,000)	(27,700,000)
Deferred Tax (Liability) / Assets		5,225,808	(23,535,436)
MAT Credit Entitlement		8,700,000	-
Taxes for earlier years		103,166	(937,980)
Profit / (Loss) for the year		<u>50,502,718</u>	<u>48,640,620</u>
Basic / Diluted Earnings Per Share (of Rs. 5 Each)		4.04	3.89

Significant Accounting Policies and
Notes on Accounts

1 TO 34

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

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants

(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm's Regn. No. 303054E

Place : Kolkata
Date : 29th May, 2014

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary
K. N. BANSAL Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before extra ordinary items and tax	45,173,744	100,814,036
Additions :		
Depreciation and amortization	60,684,796	99,283,263
Loss on sale / write off of assets	(80,000)	-
Finance Cost	185,245,722	174,605,017
Interest Income	(54,958,529)	(42,806,133)
Dividend Income	(1,702,371)	(1,709,730)
Operating Profit Before Working Capital	234,363,361	330,186,453
Adjusted for :		
(Increase) / Decrease in Trade and other Receivables	116,746,339	(272,010,404)
(Increase) / Decrease in Inventories	225,422,350	(112,885,159)
(Increase) / Decrease in Trade and other Payables	19,510,489	(48,835,608)
Cash Generated from Operation	596,042,539	(103,544,717)
Direct Taxes Paid / Refund Received	(18,627,756)	(19,431,118)
Net Cash Flow from / (used in) Operating Activities	577,414,783	(122,975,836)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure on Fixed Assets, Including Capital Advances	(34,744,951)	(78,612,785)
Sale of Fixed Assets	80,000	-
Purchase of Current Investments	-	-
Interest received on Loans and Deposits	54,958,529	42,806,133
Dividend Received	1,702,371	1,709,730
Net Cash Flow from / (used in) Investing Activities	21,995,949	(34,096,922)
C. CASH FLOW FROM FINANCEING ACTIVITIES :		
Net Increase in Long Term borrowings	(148,749,491)	(65,267,525)
Net increase / (decrease) in working capital borrowings	(262,471,259)	400,046,373
Finance Cost	(185,245,722)	(174,605,017)
Dividends Paid	(6,249,850)	(6,249,850)
Tax on Dividend	(1,062,162)	(1,013,882)
Net Cash Flow from / (used in) Financing Activities	(603,778,483)	152,910,099
Net Increase / (Decrease) in cash & cash Equivalents (A+B+C)	(4,367,751)	(4,162,659)
Cash & Cash equivalents at the beginning of the year	19,191,036	23,353,694
Cash & Cash equivalents at the end of the year	14,823,284	19,191,036

The Accompanying notes are forming part of the Financial Statements

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants

(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm's Regn. No. 303054E

Place : Kolkata
Date : 29th May, 2014

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary
K. N. BANSAL Chief Financial Officer

NOTES forming part of the Financial Statements for the year ended 31st March, 2014

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. Company has set up 100% export oriented unit with the state of art, Plant with manufacturing capacity of 55440 spindles at Kolhapur in Maharashtra. The company has also set up yarn dying and cotton bleaching plant at Kagal Kolhapur. 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 is also doing trading of cotton yarn and various commodities. The company is Merchant exporter also.

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, 2013 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 III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization 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 expenses incurred on Capital Work in Progress allocated to related fixed assets on Pro-rata Basis.

d) CASH FLOW:

Cash Flows are reported using Indirect Method, where by profit / (Loss) before extraordinary items and its tax is adjusted for the effects of transaction 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 on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.
- ii) Lease Hold Land is being amortized 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, 2014 (Contd.)

h) RECOGNITION OF INCOME AND EXPENDITURE :

- i) Items of Income & Expenditure are recognised on accrual basis.
- ii) 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 :

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

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

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 set out 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.

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, 2015 (Contd.)

	As at 31st March, 2015		As at 31st March, 2014	
	Rs.	Rs.	Rs.	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 paidup)	<u>51,500</u>		<u>51,500</u>	
		<u>62,550,000</u>		<u>62,550,000</u>
i) Reconciliation of number of Equity Shares and amount Outstanding				
		2014-15		2013-14
		Number	Rs.	Number
Shares Outstanding as at April 1, 2014	12,499,700	62,498,500	12,499,700	62,498,500
Shares Outstanding as at March 31, 2015	12,499,700	62,498,500	12,499,700	62,498,500
ii) The details of Shareholders holding more than 5% shares :-		As at 31st March, 2015		As at 31st March, 2014
Mala Patwari	891,700	7.13%	891,700	7.13%
Sunil Patwari	712,000	5.70%	712,000	5.70%
Nagreeka Synthetics Pvt. Ltd.	940,270	7.52%	940,270	7.52%
Agarwal Galvanising P. Ltd	815,423	6.52%	815,423	6.52%
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, 2015		As at 31st March, 2014
Capital Reserve :		Nos.	%	Nos.
As per last Balance Sheet		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	
Less : Depreciation in respect of assets whose useful life is over	<u>1,344,034</u>	548,655,966	-	550,000,000
Share Forfeiture Reserve				
As per Last Account		103,000		103,000
Profit & Loss Account				
As per last account	179,861,038		138,532,429	
Add: Profit / (Loss) for the year	<u>50,502,718</u>		<u>48,640,620</u>	
		<u>230,363,755</u>		<u>187,173,049</u>
Less : APPROPRIATION				
Less : Proposed Dividend	-		6,249,850	
Less : Tax on dividend	-		<u>1,062,162</u>	
Total		<u>925,486,310</u>		<u>876,327,627</u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015		As at 31st March, 2014	
	Rs. Non Current	Rs. Current	Rs. Non Current	Rs. Current
5. LONG TERM BORROWINGS :				
Secured				
Term Loan From Bank	501,083,098	152,608,000	649,832,589	152,608,000
	<u>501,083,098</u>	<u>152,608,000</u>	<u>649,832,589</u>	<u>152,608,000</u>
i) MATURITY PROFILE	Within 1-2 Yr.	Within 2-3 Yr.	Within 3-4 Yr.	Beyond 4 Yr.
Term Loans from Bank	148,850,129	134,899,530	80,618,684	136,714,755
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, Maharashtra and				
(b) by way of hypothecation ranking pari passu inter-se of all movable properties of the company both present and future including movable machineries, spares, tools & accessories (save & except book debts) subject to prior charges created or to be created in favour of the Company's Bankers, on its stock of Raw Materials, finished goods, consumable stores, book debts & such other movables as may be specifically permitted by the institutions in writing, to secure borrowings for working capital requirements and				
(c) Personal guarantee of some of the Directors of the Company.				
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, Maharashtra and stock-in-trade at trading unit Kolkata,				
(b) Second charge on immovable properties of the company relating to above mentioned spinning unit, and				
(c) Personal guarantee of some of the Directors of the Company.				
iv) For the above loan a securitisation agreement entered in between the Company, AXIS Bank Limited and the above lenders.				
v) Rupee Term loan from Canara Bank - Kolkata is secured by				
(a) an equitable mortgage ranking exclusive charges inter-se by deposit of title deeds of all the immovable properties of the company both present and future, relating to its Dying & Bleaching unit premises at Village : Kagal, District : Kolhapur, Maharashtra				
(b) all the existing securities for other regular limits will be available as co-lateral security on pari passu basis				
		As at 31st March, 2015		As at 31st March, 2014
		Rs.		Rs.
6. DEFERRED TAX LIABILITY (NET)				
Deferred Tax Liability Fixed Assets - Depreciation		181,273,631		186,879,155
Deferred Tax Assets				
Disallowance under Income Tax Act, 1961		2,014,129		2,393,845
Total		<u>179,259,502</u>		<u>184,485,310</u>
7. SHORT TERM BORROWING :				
Secured Loans				
Working Capital Loans from Bank		1,227,376,027		1,405,292,093
Total		<u>1,227,376,027</u>		<u>1,405,292,093</u>
i) Working Capital Loan from Canara Bank, Overseas Branch, Kolkata & Mumbai , Oriental Bank of Commerce, Overseas Branch, Kolkata, Allahabad Bank, Industrial Finance Branch, Kolkata and State Bank of Patiala - Commercial Branch, Mumbai are secured by way of :				

NOTES forming part of the Financial Statements for the year ended 31st March, 2014 (Contd.)

- (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, Maharashtra, Dying & Bleaching unit premises at Village : Kagal, District : Kolhapur, Maharashtra and stock-in-trade at trading unit Kolkata & Mumbai, both present and future in a form and manner satisfactory to the bank, ranking pari passu with each other participating working capital banks.
- (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.

	<u>As at</u> <u>31st March, 2015</u>	<u>As at</u> <u>31st March, 2014</u>
	Rs.	Rs.
8. TRADE PAYABLES :		
Small Scale Industries	-	-
Others	237,582,192	226,054,827
Total	<u><u>237,582,192</u></u>	<u><u>226,054,827</u></u>
i) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006." Hence, the information required to be given in accordance with section 22 of the said Act, is not ascertainable. Hence, not disclosed.		
9. OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	-	-
Unpaid dividends	903,613	960,442
Statutory remittances	2,085,614	2,290,684
Payables on purchase of fixed assets	1,971,666	7,293,412
Advances from customers	32,549,920	16,992,880
Book Overdraft on Reconciliation	74,358,928	158,914,121
Total	<u><u>111,869,741</u></u>	<u><u>186,451,538</u></u>
i) Based on the information/documents available with the Company, there was an unpaid dividend amounting to Rs. 2,69,855/- due relating to (2006-2007) and outstanding as on 31st March, 2014 which has been transferred to Investors Education and Protection Fund under Section 125 of the Companies Act, 2013.		
10. SHORT TERM PROVISIONS		
Provision for employee benefits	9,324,819	11,920,410
Provision for Gratuity	2,524,935	1,919,615
	<u><u>11,849,754</u></u>	<u><u>13,840,025</u></u>
Provision - Others		
Provision for tax (net of advance tax Rs.NIL and Tax Deducted at Source Rs 66,64,671/- (As at 31 March, 2014 net of advance tax Rs. 96,63,752 and Tax deducted at Source Rs 29,36,248/-)	2,035,329	15,230,922
Provision for proposed equity dividend	-	6,249,850
Provision for tax on proposed dividends	-	1,062,162
	<u><u>2,035,329</u></u>	<u><u>22,542,934</u></u>
Total	<u><u>13,885,083</u></u>	<u><u>36,382,959</u></u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

NOTE NO. : 11

TANGIBLE ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (At Cost)			DEPRECIATION				NET BLOCK			
	As at 31st March 2014	Addition during the year	Adjustment/ Disposed/ Sales	As at 31st March 2015	Upto 31st March 2014	For the Year	Adjustment For Deduction	Depreciation Written back	Upto 31st March 2015	As at 31st March 2015	As at 31st March 2014
Land & Site Development	2,635,829	-	-	2,635,829	-	-	-	-	-	2,635,829	2,635,829
Land (Lease Hold)	68,383,082	-	-	68,383,082	1,532,362	574,951	-	-	2,107,313	66,275,769	66,850,720
Office Premises	14,268,713	-	-	14,268,713	4,320,771	224,842	-	-	4,545,613	9,723,100	9,947,942
Factory Building	327,241,633	-	-	327,241,633	78,065,915	10,071,324	-	-	88,137,239	239,104,394	249,175,718
Godown	7,275,714	-	-	7,275,714	1,220,667	227,650	-	-	1,448,317	5,827,397	6,055,047
Plant & Machinery	1,618,662,164	24,149,271	-	1,642,811,434	657,442,727	45,032,062	-	-	702,474,789	940,336,645	961,219,437
Furniture & Fixtures	13,493,151	1,407,430	-	14,900,581	7,054,033	904,913	(251,149)	-	8,210,095	6,690,486	6,439,118
Air Conditioner	2,583,141	182,544	-	2,765,685	806,309	345,951	(136,997)	-	1,289,257	1,476,428	1,776,832
Vehicles	17,339,033	2,542,014	1,917,614	17,963,433	7,143,202	1,647,747	1,917,614	-	6,873,335	11,090,098	10,195,831
Computer	3,925,161	801,248	433,351	4,293,058	2,317,668	787,217	79,902	-	3,024,983	1,268,075	1,607,493
Office Equipments	3,669,074	161,638	-	3,830,712	1,607,323	563,952	(687,729)	-	2,759,004	1,071,708	2,061,751
Non Factory Building	7,445,058	-	-	7,445,058	717,592	281,007	-	-	998,599	6,446,459	6,727,466
Refrigerator	104,322	-	-	104,322	38,037	23,180	(14,710)	-	75,927	28,395	66,285
Old Machine in Hand	392,306	-	-	392,306	-	-	-	-	-	392,306	392,306
Grand Total	2,087,418,381	29,244,145	2,350,965	2,114,311,561	762,266,606	60,684,796	1,006,931	-	821,944,471	1,292,367,090	1,325,151,775
Previous Year	2,025,401,147	62,160,334	143,100	2,087,418,381	663,126,443	99,283,263	143,100	-	762,266,606	1,325,151,775	-
Capital Work in Progress										21,953,257	

Notes :

- Office Premises includes Rs.1,500/- towards cost of shares of co-operative society.
- Lease Hold Land includes Rs. 5,000/- towards cost of shares of West Bengal Hosiery Park Infrastructure Ltd.
- Includes Rs. 13,44,034/- (Previous Year NIL) on account of adjustment due to transitional provision of schedule II of the Companies Act 2013 as on 1st April, 2014.

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
11. FIXED ASSETS :		
Tangible Assets	1,292,367,090	1,325,151,775
Annexure Attached		
12. NON CURRENT INVESTMENTS		
Unquoted :		
47,975 Sundaram BNP Paribas Equity Multiplier Fund	479,753	479,753
5,00,000 Sundaram BNP Paribas Select Small Cap	500,000	500,000
50,000 SBI Gold Fund	500,000	500,000
62,500 Tirumala Mart P. Ltd	5,000,000	5,000,000
Quoted:		
1,15,600 Nagreeka Capital & Infrastructure Ltd of Rs. 5/- each	578,000	578,000
82 Bajaj Finance Ltd of Rs. 10/- each	90,200	90,200
4,77,600 Sesa Sterlite Ltd of Rs. 1/- each	135,286,282	135,286,282
	142,434,235	142,434,235
Aggregate Book value of:		
a) Quoted Investments	135,954,482	135,954,482
b) Unquoted Investments	6,479,753	6,479,753
Aggregate market value of quoted investments:	92,926,300	91,573,222
	As at 31st March, 2015	As at 31st March, 2014
13. LONG TERM LOANS & ADVANCES		
(Unsecured, considered goods)		
Security Deposit	4,168,352	4,713,164
Security Deposit to Related Parties	17,600,000	17,600,000
MAT Credit Entitlement	19,214,356	10,514,356
	40,982,708	32,827,520
14. INVENTORIES		
Raw Material	159,560,857	307,581,371
Work-in-progress	42,899,037	34,920,015
Finished Goods	205,297,482	197,396,456
Stock-in-Trade	263,008,535	357,866,559
Stores, Spares, Packing Material & Fuel	33,783,323	29,569,862
Waste Cotton	9,368,997	12,006,317
	713,918,231	939,340,580
15. TRADE RECEIVABLES		
(Unsecured, considered good)		
Over Six Months	2,218,896	2,164,163
Others	224,219,096	283,717,360
Total	226,437,992	285,881,523
i) Over Six Months Trade Receivables include a sum of Rs. 20,98,960/- receivable, which is under litigation.		

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
16. CASH AND CASH EQUIVALENTS		
Cash in Hand	1,222,383	6,915,687
Balances with banks		
(i) In current accounts	2,987,248	1,376,895
(ii) In deposit accounts	9,710,040	9,938,012
(iii) In earmarked accounts		
Unpaid dividend accounts	903,613	960,442
Balances held as margin money or security against borrowings, guarantees and other commitments	-	-
Total	<u>14,823,284</u>	<u>19,191,036</u>
17. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security Deposits	10,100,675	10,960,710
Advance Income Tax (Net of Provision of Taxation)	27,678,186	24,178,186
Prepaid Interest & Expenses	6,931,750	8,055,904
Advances to Employees	13,067,633	5,060,836
Balance with statutory / government Authority	136,652,038	175,900,678
Other Loans & Advances	764,352,874	794,549,510
Total	<u>958,783,156</u>	<u>1,018,705,823</u>
i) Other Loans & Advances include a sum of Rs. 35,62,036/- receivable, which is under litigation.		
	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
18. REVENUE FROM OPERATION		
Sale of Products		
Finished Goods	2,123,432,810	2,186,195,374
Traded Goods	2,362,839,969	3,797,485,872
Waste	64,480,730	141,950,477
	<u>4,550,753,510</u>	<u>6,125,631,723</u>
Other operating revenues		
Jobwork Charges	48,209,803	24,280,272
Scrap	1,755,313	567,291
Duty drawback and other export incentives	124,547,852	152,367,334
	<u>174,512,968</u>	<u>177,214,897</u>
Total	<u>4,725,266,478</u>	<u>6,302,846,620</u>
	As at 31st March, 2015	As at 31st March, 2014
i) Sale of products comprises		
Manufactured goods		
Dyed Yarn	181,190,933	160,496,759
Cotton Yarn	1,736,390,875	1,875,531,814
Knitted Fabrics	42,819,373	33,996,744
Waste	64,480,730	141,950,477
Bleached Cotton	109,654,907	39,025,818
Cloth	53,376,722	77,144,239
Total - Sale of manufactured goods	<u>2,187,913,540</u>	<u>2,328,145,851</u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rs.	Rs.
Traded goods		
Cotton Yarn	1,602,280,685	3,614,701,424
B Twing Bag	3,534,348	-
Maize	8,007,643	-
M S Billet	708,923,719	-
Tin Free Steel	14,800,118	-
Readymade Garment	61,612	745,836
Rice	25,231,844	110,690,562
Raw Cotton	-	71,348,050
Total - Sale of traded goods	<u>2,362,839,969</u>	<u>3,797,485,872</u>
Total - Sale of products	<u>4,550,753,510</u>	<u>6,125,631,723</u>
Other operating revenues		
Jobwork Charges	48,209,803	24,280,272
Sale of scrap	1,755,313	567,291
Duty drawback and other export incentives	124,547,852	152,367,334
Total - Other operating revenues	<u>4,725,266,478</u>	<u>6,302,846,620</u>
19. OTHER INCOME :		
Interest Income		
Bank Deposits (TDS RS 3,77,565/- Previous Year Rs1,52,161/-)	3,472,757	2,031,815
Others (TDS RS. 51,13,812/- Previous Year Rs. 39,69,145/-)	51,485,772	40,774,318
Dividend income		
from long-term investments	1,702,371	1,709,730
Net gain on sale of		
Fixed Assets	80,000	-
Investment	-	-
Other non-operating income	1,948,555	1,909,534
Total	<u>58,689,455</u>	<u>46,425,397</u>
20. COST OF MATERIAL CONSUMED :		
Opening stock	307,581,371	263,822,751
Add: Purchases	1,407,159,333	1,689,228,443
Less : Inter Department Transfer	(228,442,497)	(132,960,785)
	1,486,298,207	1,820,090,409
Less: Closing stock	159,560,857	307,581,371
Cost of material consumed	<u>1,326,737,350</u>	<u>1,512,509,038</u>
i) Material consumed comprises		
Raw Cotton	1,148,978,859	1,230,532,968
Cotton Yarn	281,269,117	320,370,345
Cotton	65,844,326	25,718,022
Cloth	59,087,544	68,848,487
	1,555,179,847	1,645,469,823
Less : Inter Department Transfer		
Cotton Yarn	(163,809,483)	(103,535,116)
Cotton	(64,633,014)	(29,425,669)
Total	<u>1,326,737,350</u>	<u>1,512,509,038</u>
21. PURCHASE OF TRADED GOODS :		
Cotton Yarn	1,289,728,813	3,579,122,508
Knitted Fabrics	11,645,799	-
Readymade Garment	63,300	231,650
MS Billets	701,501,722	-
B Twill Bag (Jute)	3,058,017	-
Cloth	151,496,968	-
Maize	6,852,070	-
Teen Free Steel (High Sea)	14,390,652	-
Rice	17,201,363	96,872,220
Raw Cotton	-	-
Total	<u>2,195,938,704</u>	<u>3,676,226,378</u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rs.	Rs.
22. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Inventories at the end of the year		
Finished goods	205,297,482	197,396,456
Stock-in-trade	263,008,535	357,866,559
Work-in-progress	42,899,037	34,920,015
Waste	9,368,997	12,006,317
	520,574,051	602,189,347
Inventories at the beginning of the year:		
Finished goods	196,646,456	140,689,440
Stock-in-trade	365,860,338	366,078,116
Work-in-progress	26,926,236	22,260,257
Waste	12,006,317	13,856,253
	601,439,347	542,884,065
Net (increase) / decrease	80,865,297	(59,305,282)
23. EMPLOYEES BENEFIT EXPENSES		
Salaries and wages	162,952,634	145,543,171
Contributions to provident and other funds	8,705,232	6,436,557
Staff welfare expenses	7,298,166	10,416,217
Total	178,956,032	162,395,945
	As at	As at
	31st March, 2015	31st March, 2014
	Rs.	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	24,935,096	21,750,918
Current Service Cost	2,099,723	1,926,557
Interest cost	1,994,808	1,740,073
Actuarial (Gain) / Loss	(1,167,031)	1,783,521
Benefit paid	(856,318)	(2,265,973)
Present value of obligations as at end of year	27,006,278	24,935,096
(b) Reconciliation of opening & closing balance of Plan Assets		
Fair value of Plan Assets at the beginning of the year	23,267,080	19,941,665
Expected return of Plan Assets	2,164,934	1,836,721
Actuarial Gain / (Loss) on Plan Assets	-	-
Contribution by Employer	4,002,470	3,754,667
Benefit Paid	(856,318)	(2,265,973)
	28,578,166	23,267,080
(c) Reconciliation of Fair Value of Assets & Obligation		
Fair value of Plan Assets	28,578,166	23,267,080
Present Value of Obligation	27,006,278	24,935,096
Amount Recognised in Balance Sheet	(1,571,888)	1,668,016

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
(d) Acturial (Gain) / Loss Recognised		
Acturial (Gain) / Loss on Obligation	1,167,031	(1,783,521)
Acturial (Gain) / Loss on Plan Assets	-	-
Acturial (Gain) / Loss Recognised during the year.	<u>1,167,031</u>	<u>(1,783,521)</u>
(e) Expenses charged to Profit & Loss Account		
Current service cost	2,099,723	1,926,557
Interest Cost	1,994,808	1,740,073
Expected Return on Plan Assets	(2,164,934)	(1,836,721)
Acturial (Gain) / Loss	<u>(1,167,031)</u>	<u>1,783,521</u>
	<u>762,566</u>	<u>3,613,430</u>
(f) March'2015, March'2014 & March'2013 - 100% with Life Insurance Corporation of India Ltd.		
(g) Principal Acturial Assumption as at 31st March, 2015.		
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, 2015.		
	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
24. FINANCE COST		
Interest :		
Interest	185,245,722	174,605,017
Bank Charges	26,030,959	23,950,258
Total	<u>211,276,680</u>	<u>198,555,275</u>
25. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores, Spares & Packing Material	118,710,972	86,329,592
Power and Fuel	276,697,458	249,464,340
Processing Charges	24,313,849	1,507,731
Repairs and maintenance - Buildings	2,290,446	1,296,010
Repairs and maintenance - Machinery	12,720,255	6,080,887
	<u>434,732,979</u>	<u>344,678,560</u>
Selling & Distribution Expenses		
Outward Freight	78,732,490	122,238,709
Other Export Expenses	33,824,939	46,854,495
Commission on Sale	56,844,331	83,566,384
Claims & Discounts	8,299,580	4,178,936
	<u>177,701,340</u>	<u>256,838,524</u>
Establishment & Other Expenses		
Rent	964,084	893,600
Rates and taxes	2,654,612	4,539,629
Communication Charges	6,191,444	5,408,315
Travelling and conveyance	23,440,358	21,799,173

NOTES forming part of the Financial Statements for the year ended 31st March, 2014 (Contd.)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rs.	Rs.
Insurance	1,985,318	2,037,154
Expenses towards CSR Activities	1,503,000	-
Miscellaneous Expenses	35,150,195	22,598,408
	<u>71,889,011</u>	<u>57,276,279</u>
Total	<u>684,323,330</u>	<u>658,793,364</u>
i) Miscellaneous Expenses includes payment to Statutory Auditor as :		
Statutory Audit Fees	230,338	202,248
Tax Audit Fees	33,708	22,472
Other Services	72,951	88,483
	<u>336,997</u>	<u>313,203</u>
26. CAPITAL COMMITMENTS: Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. NIL (Net of advances) (Previous Year Rs. 160.19 Lacs).		
27. CORPORATE SOCIAL RESPONSIBILITY : As per Section 135 of the Companies Act 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The Company is working primarily in the field of woman empowerment and promoting women education and tribal education. The funds were primarily transferred to the trust for the said purpose. Amount to be spent on CSR : Rs. 11,81,481/-, Amount actually spent on CSR : Rs. 15,03,000/-.		
28. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :		
i. Bills discounted with Banks Rs. 2669.52 Lacs (Previous Year Rs. 7197.21 lacs).		
ii. Bank Guarantees of Rs. 325.15 Lacs (Previous Year Rs. 305.55 lacs) issued in favour of Custom, Central Excise & Other Government Authorities.		
iii. Disputed Statutory Dues :		
a) The Income Tax Assessment of the Company have been completed up to Assessment Year 2013-2014. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year 2000-2001, 2005-2006, 2006-2007, 2010-2011 & 2011-2012 are Rs. 344.84 Lacs.		
b) 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.		
c) 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. 15.15 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.		
29. 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)		
30 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, 2015	For the year ended 31st March, 2014
	Rs.	Rs.
Geographical Segments		
Export Revenues (Including Export Benefits)	3,456,940,452	4,958,565,233
Domestic Revenues (Net of Excise Duty)	1,268,326,026	1,344,281,387
Total	<u>4,725,266,478</u>	<u>6,302,846,620</u>

NOTES forming part of the Financial Statements for the year ended 31st March, 2015 (Contd.)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rs.	Rs.
31. 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.)	50,502,718	48,640,620
Weighted average number of Equity Shares for Basis Earning Per Share	12,499,700	12,499,700
Basic / Diluted Earning Per Share (Weighted Average) - in Rs.	4.04	3.89
32. DIRECTORS REMUNERATIONS		
Salary	11,220,000	8,920,000
Other Perquisites	120,000	60,000
Directors Sitting fees	94,000	111,000
33. Related parties with whom transactions have taken place during the year		
Key Management Personnel's		
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		
Relatives of Key Management Personnel's & Others :		
Patwari Properties		
Smt. Minakshi Patwari		
Smt. Anita Patwari		
	(Rs. in Lacs)	(Rs. in Lacs)
	2014-2015	2013-2014
Nature of Transaction & with Whom		
Rent to Relatives of Key Management Personnel's & Other	4.20	2.34
Rent to Key Management Personnel	1.20	0.60
Remuneration to Key Management Personnels	112.20	89.20
Outstanding Balances as on 31.03.2015	-	-
Deposit / Loans & Advances :		
Key Management Personnels	176.00	176.00
34. The Previous Year figures has been re-grouped / re-arranged wherever necessary to conform to the current year presentation.		

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants

(CA. B. N. AGARWALA)
Partner
M. No. 011709
Firm's Regn. No. 303054E

Place : Kolkata
Date : 28th May, 2015

For and on behalf of the Board of Directors

SUSHIL PATWARI Chairman & Managing Director
M. K. OGRA Director
J. TIWARI Company Secretary
K. N. BANSAL Chief Financial Officer