

## **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 eight directors comprising of two Managing Directors, two Whole Time Directors and four Non-Executive Directors. The Company has Chairman. The numbers of non-executive Directors are equal to 50% of total number of Directors.
- 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 Eight times, on the following dates, during the financial year 2009-2010:

22.04.09	05.06.09	31.07.09	08.10.09	28.10.09	08.12.09	30.01.10	18.02.10
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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 31.03.2010 are given below:

Name	Category	No. of Board Meetings held during the Financial year	No. of Board Meetings attended during 09-10	Whether Attended AGM held on 22.09.10	No. of Directorships in other Public Limited Companies	No. of Committee Positions held in other Public Limited Companies		No. of Shares held in the Company as at 31.03.10
						Chairman	Member	
Mr. Sushil Patwari	Promoter Executive	8	8	Yes	3	None	4	568500
Mr. Sunil Patwari	Promoter Executive	8	8	Yes	1	None	2	712000
Mr. Mahendra Patwari	Executive	8	5	No	1	None	None	312000
Mr. K. C. Purohit	Executive	8	2	No	Nil	None	None	Nil
Mr. M. K. Ogra	Independent	8	4	Yes	4	2	None	Nil
*Mr. K. L. Agarwal	Independent	8	1	No	Nil	None	None	Nil
Mr. B. C. Talukdar	Independent	8	4	No	2	1	3	Nil
Mr. M.P. Periwal	Independent	8	1	No	3	None	None	Nil
Mr.R.M. Ruia	Independent	8	2	No	1	None	None	1900
*Mr. D.P. Agarwal	Promoter	8	Nil	No	10	None	None	Nil

\* Mr. D.P. Agarwal resigned from the Board w.e.f. 30<sup>th</sup> September, 2009.

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

### 3. COMMITTEES OF THE BOARD

#### A) AUDIT COMMITTEE

The Audit Committee comprises of four Directors viz. Mr. M. K.Ogra as Chairman of the Committee, Mr. Sunil Patwari, Mr. K. L. Agarwal and Mr. B. C. Talukdar as its members, Mr. J. Tiwari, Company Secretary, is the Secretary of the Audit Committee. The terms of reference of the Audit Committee are as contained in the Corporate Governance Clause 49 of the Listing Agreement.

The Audit Committee met on the following dates during the financial year 2009-2010:

22.04.09	05.06.09	31.07.09	28.10.09	30.01.10
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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	5	4
Mr. B.C.Talukdar	5	4
Mr. K.L.Agarwal	5	1
Mr. Sunil Patwari	5	5

Necessary quorum was present at the meeting. Representatives of Statutory Auditors of the Company were invited to the meetings, as and when required.

## **B) SHARE HOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

The Company has an independent Shareholders' Grievance Committee.  
The Committee comprises of:

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

The Committee met two times during the financial year 2009-2010 on 05.01.2009 & 31.07.09.

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 2009-10 are as under:

Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports , Share sent for Transfer and Transmission, Complaints received from SEBI Stock Exchanges and direct from Investors, Registrar of Companies etc.	14
Number of Complaints resolved	14
Number of Complaints pending as on 31.03.2010	Nil

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

## **C) REMUNERATION COMMITTEE**

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

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

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

The Company has paid remuneration to Executive Directors according to approval granted by the members of the Company in the concerned Annual General Meetings.

Given below are the details of remuneration to Directors during the financial year 2009-2010:

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

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

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

<b>Name of Director</b>	<b>Mr. K.C. Purohit</b>	<b>Mr. Sushil Patwari</b>	<b>Mr. Mahendra Patwari</b>
Date of Birth	18.06.1932	20.08.1954	15.03.1963
Date of appointment	30.06.2001	06.03.1989	01.07.2004
Qualification	B.Tech	B.Com (H)	B.E. from IIT Powai, Mumbai
Expertise in specific Functional area	Industrial having rich business experience	Industrial having rich business experience	Industrialist having rich business experience
List of other Directorship held excluding foreign companies, companies under section 25 of the Companies Act, 1956 and Private Companies.	Nil	Rupa & Co. Ltd Reliance Processors Ltd Nagreeka Capital & Infrastructure Ltd.	1. Nagreeka Foils Ltd.
Chairman / Member of the committees of the Board of other Companies in which he / she is a Director	None	Nagreeka Capital & Infrastructure Ltd Rupa & Co. Ltd	None

## 5. 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.	2008-09	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	20 <sup>th</sup> A.G.M	22.09.09	Tuesday	10.30 am	One
2.	2007-08	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	19 <sup>th</sup> A.G.M.	16.09.08	Tuesday	10.30 am	Nil
3.	2006-07	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	18 <sup>th</sup> A.G.M.	21.09.07	Friday	10.30 am	Nil

No item was passed by any resolution through postal ballot during the financial year 2009-10.

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

## 6. DISCLOSURES

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

(iii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

(iv) Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means properly defined.

(v) No penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(vi) Management Discussion and Analysis forms part of the Annual Report to the members and it includes discussion on matters as required under the provisions of clause 49 of the listing agreement with stock exchange.

## **7. CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGEMENT STAFF**

The Company adopted a Code of Conduct for its Directors and Senior Management Staff. The Code has also been posted on the company's website.

## **8. CEO'S CERTIFICATION**

A Certificate duly signed by the Chairman and Managing Director relating to Financial Statements and Internal Controls and Internal Control Systems for financial reporting as per the format provided in amended Clause 49 of the listing agreement was placed before the Board, who took the same on record.

## **9. GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting	:	21 <sup>st</sup>	
Date and Time	:	28 <sup>th</sup> September, 2010, at 10.30 A.M.	
Venue	:	Bengal National Chamber of Commerce & Industry.	
Financial Calender (Tentative)	:	Year ending – 31 <sup>st</sup> March, 2011	
		First Quarter Results	Before the end of 2 <sup>nd</sup> week of August'10
		Second Quarter and Half Yearly Results	Before end of 2 <sup>nd</sup> week of November'10
		Third Quarter Results	Before end of 2 <sup>nd</sup> week of February'11
		Results for year ending 31 <sup>st</sup> March'10	Before end of May '11
		Annual General Meeting for Year ending 31 <sup>st</sup> March'11	Before end of September '11
Date of Book Closure	:	21 <sup>st</sup> September, 2010 to 28 <sup>th</sup> September, 2010 (Both days inclusive)	
Listing of Stock Exchanges	:	1. Bombay Stock Exchange Limited 2. National Stock Exchange of India Limited	

The Company has paid the Annual Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2010-11..

## **10. STOCK CODE:**

Bombay Stock Exchange Limited : 521109

National Stock Exchange of India Limited : NAGREEKEXP

## **11. PLANT LOCATION**

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

## **12. MEANS FOR 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.

### 13. DEMATERIALISATION OF SHARES

As on 31<sup>st</sup> March, 2010, 93.8041% of the Share Capital comprising 11725236 shares are in dematerialized form. Under the depository system the International Securities Identification Number (ISIN) allotted to the company's shares is INE 123B01028.

### 14. ADDRESS FOR CORRESPONDENCE

#### a) Routine Matters:

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

Nagreeka Exports Limited, 18, R. N. Mukherjee Road, Kolkata – 700 001.

Phone No. 2248 4922, 2248 4943, Fax No. (033) 2248 1698, E-mail ID: compsect.nel@nagreeka.com

OR

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

Phone Nos. 2243-5029, 2243-5809, Fax No.(033) 2248-4787, E-mail ID: mdpl@cal.vsnl.net.in.  
Website: www.mdpl.online.com

#### b) For Redressal of Complaints and Grievances:

The Secretary  
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.net@nagreeka.com

### DISTRIBUTION OF SHARE HOLDING PATTERN BY SIZE AS ON 31.03.2010

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 500	11655	92.8981	1549895	12.3995
2) 501 to 1000	448	3.5709	378229	3.0259
3) 1001 to 2000	213	1.6978	336702	2.6937
4) 2001 to 3000	60	.4782	150588	1.2047
5) 3001 to 4000	37	.2949	131514	1.0521
6) 4001 to 5000	29	.2311	134620	1.0770
7) 5001 to 10000	38	.3029	281339	2.2508
8) 10001 and Above	66	.5261	9536813	76.2963
<b>TOTAL</b>	<b>12546</b>	<b>100</b>	<b>12499700</b>	<b>100</b>

**CATEGORY OF SHAREHOLDERS AS ON 31.03.2010:**

Category	No. of Shares Held	Percentage of Shareholding
<b>A. PROMOTER'S HOLDING</b>		
(a) Individuals / HUF	4472300	35.7793
(b) Bodies Corporate	2105186	16.8419
<b>Sub-total (A)</b>	<b>6577486</b>	<b>52.6212</b>
<b>B. PUBLIC HOLDING</b>		
<b>1.INSTITUTIONS</b>		
(a) Mutual Funds and UTI	3300	.0264
(b) Banks / Financial Institutions	400	.0032
(c) FIIs	300	.0024
<b>Sub – Total(B)(1)</b>	<b>4000</b>	<b>.0320</b>
<b>2. NON-INSTITUTIONS</b>		
(a) Bodies Corporate	2638787	21.1108
(b) Individuals		
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2661306	21.2910
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	349749	2.7980
(c) Non-Resident Individuals	268372	2.1470
<b>Sub – Total(B)(2)</b>	<b>5918214</b>	<b>47.3468</b>
<b>Sub – Total(B)(1)+(B)(2)</b>	<b>5922214</b>	<b>47.3788</b>
<b>C. Shares held by Custodians and against which Depository Receipts have been issued</b>		
<b>Grand Total (A)+(B)+(C)</b>	<b>12499700</b>	<b>100</b>

**15. MARKET PRICE DATA (Rs.)**

	<b>Bombay Stock Exchange Limited</b>		<b>National Stock Exchange of India Limited</b>	
<b>Month</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
Apr'2009	12.58	10.10	13.00	10.30
May'2009	17.11	11.15	16.25	11.15
June'2009	22.70	15.40	21.90	16.00
July'2009	17.40	13.40	16.75	14.20
Aug'2009	20.00	15.05	20.85	15.25
Sep'2009	21.80	17.50	21.45	18.25
Oct'2009	20.95	16.00	21.05	16.10
Nov'2009	18.45	15.10	18.45	14.90
Dec'2009	25.10	16.25	25.20	16.10
Jan'2010	23.25	19.85	23.40	20.45
Feb'2010	22.05	17.35	22.00	17.25
Mar'2010	19.00	16.90	18.95	16.50

For &amp; on behalf of the Board

Place: Kolkata  
Date: 28.05.2010

**Sushil Patwari**  
Chairman