

NYLOFILS INDIA LIMITED

**11th Annual Report
2009-2010**

Certified True Copy

For NYLOFILS INDIA LTD.

V. V. V.
Managing Director

BOARD OF DIRECTORS

Mr V. Venkateswara Rao	-	Chairman & Managing Director
Mr. K. Lakshamana Prasad	-	Whole Time Director
Mr. Singamsetti Lovaraju	-	Director
Mr. Singamsetti Kishore	-	Director

AUDITORS

M/s. Rao & Kumar
Chartered Accountants
10-50-19
Soudamani
Siripuram Junc, Vishakapatnam-03

BANKERS

Axis Bank
7-27-8, Vyagram Road
T. Nagar,
Rajahmundry-533101

REGISTERED OFFICE

3-750 National Highway, Hukkumpeta,
Rajahmundry Andhra Pradesh-533103
E-mail Id- nylofiles@hotmail.com

SHARE TRANSFER

Share transfer are undertaken with in
the Company at the Registered office

NOTICE

Notice is hereby given that the eleventh Annual General Meeting of the Members of M/s Nylofils India Limited will be held on Wednesday the 29th September 2010, at 10.a.m at Registered office of the Company at 3-750 National Highway, Hukkumpeta, Rajahmundry Andhra Pradesh-533103 to transact the following business.

ORDINARY BUSINESS:

1. Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet for the year ended 31st March 2010 and Profit & Loss Account as on that date and the Reports of the Directors and Auditors thereon.

2. Appointment of Statutory Auditors

To Consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Rao & Kumar, Chartered Accountants, Visakapatnam, (Firm Registration No. 003089S), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration and reimbursement of actual out of pocket expenses plus service tax as applicable as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf”.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Singamsetti Lovaraju, who was appointed as an additional Director pursuant to Section 260 of the Companies Act, 1956 by the resolution passed by the Board of Directors on 30th January, 2010 and who ceases to hold office at this meeting, be and is hereby appointed as Independent Director of the Company liable to retire by rotation.

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

“RESOLVED THAT “RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Singamsetti Kishore, who was appointed as an additional Director pursuant to Section 260

of the Companies Act, 1956 by the resolution passed by the Board of Directors on 30th January, 2010 and who ceases to hold office at this meeting, be and is hereby appointed as Independent Director of the company liable to retire by rotation.”

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

RESOLVED THAT pursuant to section 198, 269, 302, 309 and 310, read with Schedule XIII and other applicable provisions, if any ,of the Company Act,1956 Mr. V. Venkateswara Rao be and is hereby re-appointed as the Managing Director of the Company for a period of 5 years with effect from 30th January, 2010 without any remuneration.

**For and on behalf of the Board
For Nylofiles India Limited**

Place: Rajahmundry
Date :01st September 2010

**V. Venkateswara Rao
Managing Director**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Registrar of Members and Share transfer books will remain closed from 28th September, 2010 to 29th September, 2010 (Both Days Inclusive) for the purpose of Annual General Meeting.
3. Members desiring any further information as regards the accounts or operations of the Company are requested to write to the Company so as to reach at least one week prior to the date of meeting for consideration of the management to deal at the meeting.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Pursuant to the requirement of the Listing Agreement of the Stock Exchange on Corporate Governance, relating to appointment of the Directors / reappointment of the retiring Directors, a statement containing the required details of the concerned Directors forms part of the Report on Corporate Governance.

6. Members are requested to bring their copy of annual report with them at the time of attending the Annual General Meeting.
7. An explanatory statement pursuant to section 173(2) of the companies Act,1956 in respect of the special business is annexed hereto.

Explanatory Statement
(Pursuant to section 173(2) of the Companies Act, 1956)

Item # 3:

On 30th January, 2010 the Board had appointed Mr. Singamsetti Lovaraju as an additional Director of the Company to hold office with immediate effect. In terms of Section 260 of the Companies Act, 1956, He shall hold office up to the date of the ensuing Annual General Meeting.

Mr. Singamsetti Lovaraju is a Businessman with wide experience in Trading, Manufacture/Wholesale Supply of fishing nets in Andhra Pradesh.

The Board of Directors are confident that his knowledge and vast experience will be of great value to the Company and hence recommends the resolution for approval of the members.

No Director is concerned or interested in this Resolution.

Item#4

On 30th January, 2010 the Board had appointed Mr. Singamsetti Kishore as an additional Director of the Company to hold office with immediate effect. In terms of Section 260 of the Companies Act, 1956, He shall hold office up to the date of the ensuing Annual General Meeting.

Mr. Singamsetti Kishore is a Businessman with wide experience in Trading, Manufacture / Wholesale Supply of fishing nets in Andhra Pradesh.

The Board of Directors are confident that his knowledge and vast experience will be of great value to the Company and hence recommends the resolution for approval of the members.

No Director is concerned or interested in this Resolution.

Item#5 Mr. V. Venkateswara Rao has efficiently completed five years of service as Managing Director w.e.f 29th January, 2005 . Taking into consideration the enormous contribution made by him, the Board at its meeting held on 30th January 2010 reappointed him for further period of 5 years. w.e.f 30th January, 2010 without any remuneration.

The appointment requires the approval of the members. Hence the resolution is recommended to the Meeting of the Member for the approval.

None of the Directors, except Mr. V. Venkateswar Rao to the extent of his appointment, is interested or concerned in the resolution.

**For and on behalf of the Board of Directors
For Nylofils India Limited**

Place: Rajahmundry
Date: 01st September 2010

**V. Venkateswara Rao
Managing Director**

Additional Information

(As per Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors who seek appointment/re-appointment are given below:

- 1. Name : Singamsetti Lovaraju**
Age : 29 Years
Qualification : (B.Sc / Computers)
Expertise : Fish Nets Business
Other Directorships : Nil
Shareholding in the Company : Nil
- 2. Name : Singamsetti Kishore**
Age : 43 Years
Qualification : P.U.C
Expertise : Fish Nets Business
Other Directorships : Nil
Shareholding in the Company : Nil
- 3. Name : V.Venkateswara Rao**
Age : 56 Years
Qualification : B.Com
Expertise : Manufacture and wholesale trading in Fish Nets
Other Directorships : Nil
Shareholding in the Company : 7,02,552 Shares (12.81%)

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report on the business and operations together with Audited Annual accounts of your Company for the Financial year ended 31st March 2010.

FINANCIAL RESULTS

(Amt in Rs.)

Particulars	2009-10	2008-2009
Total Income	Nil	Nil
Increase/(Decrease) in stocks	Nil	Nil
Total Expenditure before Interest & Depreciation	10,000	33,238
Interest	Nil	Nil
Depreciation	696	4,621
Profit/Loss (-)	-10,696	-37,859
Prior period Adjustments	2,05,134	Nil
Provision for tax	Nil	Nil
Profit/Loss (-) after Taxation	1,94,438	-37,859

OPERATIONS

Your Company discontinued manufacturing and trading in Fishnets and in the financial year 2006-2007 due to non availability of funds, Company is reconsidering to start the trading activity in fish nets in the financial year 2010-2011.

REVOCATION OF SUSPENSION OF COMPANY'S SCRIP

Trading in your Company scrip has been suspended by BSE due to non compliance's .During the year company will take steps to regularize the non compliance's and pursue matter with BSE for Revocation

DIVIDEND

Your directors express their inability to recommend any dividend for the financial year 2009-2010 due to accumulated losses.

FIXED DEPOSITS

During the year the Company has neither invited nor accepted any Fixed Deposits from the public under the provisions of Section 58A of the Companies Act, 1956.

CODE OF CONDUCT

The Board has laid down a code of conduct for all Board Members, Senior Management and employee of the Company.

AUDITORS

M/s Rao & Kumar, Chartered Accountants, Auditor's of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from the Auditors that their appointment, if made, will be in conformity with Section 224 (1B) of the Companies Act, 1956. M/s. Rao & Kumar Chartered Accountants, being eligible, are recommended for re-appointment as Auditors of the Company till the conclusion of the next Annual General Meeting.

Directors

Mr. Singamsetti Lovaraju has been appointed as additional Directors of the Company w.e.f. 30th January, 2010. His regularization is proposed in this Annual General Meeting.

Mr. Singamsetti Kishore has been appointed as additional Directors of the Company w.e.f. 30th January, 2010. His regularization is proposed in this Annual General Meeting.

Mr. V. Venkateswara Rao has efficiently completed five years of service as Managing Director to the Company and has been recommended for the reappointment at the ensuing Annual General Meeting.

Brief profile of the above Directors is provided in the report of Corporate Governance forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' responsibility statement, the Board of Directors of your Company confirms that:

1. In the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed with proper explanations relating to material departures.
2. The Directors have 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 ended on 31st March, 2010 and of the profit of the company for the year ;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

4. The Directors have prepared the accounts for the financial year ended 31st March 2010 on a going concern basis.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

- (a) Energy Conservation measures taken: **Not Applicable.**
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **NIL**
- (c) Impact of the measures (a) and (b) above for energy consumption and consequent impact on the cost of production of goods: **As energy conservation is very meager and energy cost forms a small part of total costs, the impact on costs is not material.**

B. Technology Absorption:

Research and Development (R & D)

- | | |
|---|-----|
| 1. Specific areas in which R & D carried out by the Company | NIL |
| 2. Benefits derived as a result of the R & D | N.A |
| 3. Future plan of Action | NIL |
| 4. Expenditure on R & D | NIL |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

There is no technical absorption during the financial year.

FOREIGN EXCHANGE EARNINGS & OUTGO

	2009-10	2008-09
a. Foreign Exchange earnings (FOB basis)	NIL	NIL
b. Foreign Exchange outgo		
1) CIF value of imports		
- Raw materials	NIL	NIL
- Capital Goods	NIL	NIL
2) Travelling Expenses	NIL	NIL

PARTICULARS OF EMPLOYEES

There are no employees in the Company, whose names are required to be disclosed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 .

CORPORATE GOVERNANCE

The report on Corporate Governance and Management Discussion & Analysis along with the certificate from the Statutory Auditors certifying the compliance of Corporate Governance enunciated in Clause 49 of the Listing Agreement entered with the Stock Exchanges is annexed to this Annual Report.

APPRECIATION

Your Directors take this opportunity to express their sincere appreciation and thanks to the employees the shareholders for their continued support.

**For and on behalf of the Board of Directors
Nylofils India Limited**

Place: Rajahmundry
Date : 01st September 2010

**V. Venkateswara Rao
Managing Director**

**K. Lakshamana Prasad
Director**

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development

The Company is into trading of various types of Monofilament yarn, fish-nets, fish crates, fish net cord, ropes, fishing hooks which are used in the fishery industry, The Industry structure consists of both organized and unorganized sectors.

Opportunities & threats

As the fishery industry is one of the growing industry, there are lot of opportunities for the products that are used by the Fishery industries i.e fish-nets, fish crates, fish net cord, ropes, fishing hooks.

Segment wise or product – wise performance

During the year Company did not generate any revenue hence no comments are offered.

Outlook:

Your Company has sold all its fixed assets during the tear 2004-2005 to clear the liabilities. Currently the Company is engaged in trading of fish nets. Your company is also evaluating various opportunities once suitable business is identified, all out efforts will be made.

Risks and Concerns:

The competition from the Domestic unorganized sector could be considered as a risk for its domestic sales .

Internal control systems and their adequacy

Given the size of the Company reasonable internal control have been put in place.

Discussion on financial performance with respect to operational performance

Turnover of the Company is Nil. But cosequent to prior period there is a profit of Rs 1,94,438/-

Material developments in Human Resources / Industrial Relations

Company is having very few employees, after identification of new business activity, necessary number of employees will be recruited.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The Company's activities are carried out in accordance with good corporate practices .

We believe in the principles of fair play and transparency in our dealings. We endeavor to have a work culture which is performance driven and conducive to improve discipline, accountability, team spirit in all our personal and professional relationships.

1. Board of Directors:

During the financial year 5 Board meetings were held. The dates on which meetings were held are as under: 30th April 2009, 30th July 2009, 30th October 2009, 01st September 2009 and 30th January 2010 .

The constitution of the Board as on date and their attendance in the meetings of Board held in the financial year 2009-2010 and in the last AGM is as under:

S.No	Name of the Director	Category of Directorship	Attendance	
			Board Meetings	Last AGM
1.	Mr. V Venkateswara Rao	Managing Director – Non Independent	5	Yes
2.	Mr. K. Lakshamana Prasad	Executive Non independent	5	Yes
3.	Mr. Singamsetti Lovaraju ¹	Non-Executive Independent Director	1	Not Applicable
4.	Mr. Singamsetti Kishore ²	Non-Executive Independent Director	1	Not Applicable

1. W.e.f. 30th January, 2010 appointed as additional Director.

2. W.e.f. 30th January, 2010 appointed as additional Director.

Profile of the Directors Being Reappointed / Appointed at the Annual General Meeting:

Mr. Singamsetti Lovaraju has a wide experience in Trading, Manufacture / Wholesale Supply of fishing nets in Andhra Pradesh.

Mr. Singamsetti Kishore has a wide experience in Trading, Manufacture / Wholesale Supply of fishing nets in Andhra Pradesh.

Mr. Vetcha Venkateswara Rao, aged 56 years, is presently the Managing Director of Nylofils India Limited. He is a Commerce Graduate and is having more than 30 years experience in various businesses like Gold, Diamond and Fishnets. After initial exposure to the family business of jewelry, Mr. Rao ventured into the hitherto unexplored area of fishnets manufacturing business in 1984-85. He is a pioneer in the development of Fishnet industry in Andhra Pradesh and has promoted and successfully managed different units like United Fish Nets, Vinayaka Fish Nets Pvt. Ltd. and Bhushan Fish Nets Pvt. Ltd. He has gained specialized knowledge in manufacture of mono filament yarn, used in making nylon nets, replacing traditional cotton nets for catching fish.

2. Audit Committee:

a) The broad terms of references to the Audit Committee are as under:

- Oversee the Company's financial report process.
- Review the annual financial statements before submission to the Board.
- Reviewing the quarterly financial statements before submission to the board for approval
- Review of internal control and internal audit & internal control systems.
- Review the Company's financial and risk management policies.
- Review the Company's Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the audit committee), submitted by management
- Recommending the appointment and removal of external auditors and their terms of appointment.

The Chairman of the Audit Committee is always present at the Annual General Meeting to give clarifications, if any, required by the members thereat.

b) The Audit Committee composition is as follows:

S.No	Name	Position
1	Mr. V. Venkateswara Rao	Chairman
2	Mr. K.Lakshamana Prasad	Member

With effect from 30th January, 2010, the Audit Committee has been re-constituted as follows:

S. No.	Name of the Member	Designation
1.	Mr. Singamsetti Lovaraju	Chairman
2.	Mr.Singamsetti Kishore	Member
3.	Mr.K.Lakshamana Prasad	Member

c) Meeting and Attendance during the year:

The Audit Committee met 3 times in the financial year 2009- 2010 i.e. on 30th July 2009, 30th October 2009 and 30th January 2010. The members of the Committee attended all the Audit Committee meetings held during the financial year 2009-2010.

S.No.	Name	No. of Meetings attended
1.	Mr. V. Venkateswara Rao	2
2.	Mr. Singamsetti Lovaraju	1
3.	Mr.Singamsetti Kishore	1
4.	Mr.K.Lakshamana Prasad	3

3. Remuneration Committee:

a. Brief description of terms of reference:

To formulate a remuneration policy, review and recommend remuneration payable to executive Directors of the Company.

b. The remuneration committee consists of following directors:

S.no.	Name of Directors	Designation
1	Mr. V. Venkateswara Rao	Chairman
2	Mr. K. Lakshamana Prasad	Member

With effect from 30th January, 2010, the Remuneration Committee has been re-constituted as follows:

S. No.	Name of the Member	Designation
1.	Mr. Singamsetti Lovaraju	Chairman
2.	Mr.Singamsetti Kishore	Member

All the Members of the Committee are Non Executive and Independent Directors.

The Committee met on 30th January 2010 during the year under review. None of the non whole time directors paid any remuneration.

c. Attendance during the year:

S.No.	Name	No. of Meetings attended
1.	Mr. V. Venkateswara Rao	Not Applicable
2.	Mr.K.Lakshamana Prasad	Not Applicable
3.	Mr. Singamsetti Lovaraju	1
4.	Mr.Singamsetti Kishore	1

No remuneration paid during the year.

4. Share Transfers and Shareholders' Grievance Committee:

This Committee at the Board level is to look into various issues relating to share holders like transfer of shares, redressing of shareholder complaints regarding non-receipt of balance sheet, etc.

The shareholders Grievance Committee is empowered to perform all the functions of the Board in relation to handling of Shareholders Grievances. It primarily focuses on :

- Review of investor Complaints and their redressal,
- Queries received from investors;
- Review of work done by the sharetransfer Agent; and
- Review of corporate actions related to shareholders issue.

(a) The said Committee consists of following directors:

S.No	Name of Director	Designation	Meeting held	Meeting attended
1	Mr. V. Venkateswara Rao	Chairman	4	4
2	Mr. K. Lakshamana Prasad	Member	4	4

With effect from 30th January, 2010, the Audit Committee has been re-constituted as follows:

S. No.	Name of the Member	Designation
1.	Mr. Singamsetti Lovaraju	Chairman
2.	Mr.Singamsetti Kishore	Member
3	Mr. K. Lakshamana Prasad	Member

The Committee met on 30th January 2010 for dealing with the above specified matters. All the complaints received by the Company during the financial year under review have been resolved to the satisfaction of the shareholders.

(b) Name & Designation of the Compliance Officer:

Mr. V. Venkateswara Rao Managing Director is compliance officer of the Company.

5. General Body Meetings:

The details of the previous three Annual General Meetings of the Company.

Year	Location	Date	Time
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2006-2007	3-750 National Highway, Hukkumpeta, Rajahmundry Andhra pradesh-533103	28/09/2007	10.a.m
2007-2008	3-750 National Highway, Hukkumpeta, Rajahmundry Andhra pradesh-533103	29/09/2008	10 a.m
2008-2009	3-750 National Highway, Hukkumpeta, Rajahmundry Andhra pradesh-533103	29/09/2009	10 a.m

There were no special resolutions passed during the last 3 Annual General Meetings.

No special resolution was put through the Postal Ballot during the year under review and there is no proposal to pass any resolution through postal ballot.

6. Disclosures:

During the year following were the Related party Transactions which was approved by the Board.

1	Associated Entities	M/s Nylofils Softech Ltd (Balanced Advance)	32,250/-
		M/s. V.V.Fish Nets (Balance of Trade Creditors)	2,98,071/-
2	Key Management Personnel	Mr.V. Venkateswara Rao (Managing Director)	
		Remuneration	
		Balance of unsecured Loans	(42,445/-)
		Mr. K.Lakshmana Prasad (Director)	
		Balance of Unsecured Loans	1,52,880/-

The Company has adopted the Code of Conduct for its employees at all levels including senior Management and Directors. The Code has been circulated to all the employees and directors of the Company and is in the process of being posted it on the website. The Code serves as a guide to the employees of the Company to make good, informed decisions and act on them. As required under clause 49 of the Listing Agreement, the affirmation as regards compliance with the code from Directors and Senior Management personnel has been obtained for this financial year. The Management Discussion and Analysis forms part of the Annual Report.

7. General Shareholders Information:

1. Date, Time and Venue of the Annual General Meeting:

29th September, 2010, Wednesday at 10.00 a.m at the Registered office of the company.

2. Financial Calendar : (Tentative dates)

Financial reporting for the Qtr. ending 30.06.2010	- Last week of July 2010
Financial reporting for the Qtr. ending 30.09.2010	- Last week of October 2010
Financial reporting for the Qtr. ending 31.12.2010	- Last week of January 2011
Financial reporting for the Qtr. ending 31.03.2011	- Last week of June 2011

3. Dates of Book Closure: 28th September 2010 to 29th September 2010**4. Listing on Stock Exchanges:**

The Equity shares of the Company are listed at the Hyderabad Stock Exchange Limited, the Bombay Stock Exchange Ltd and Ahmedabad stock Exchange.

5. The Company's shares are not being traded in any of the above three exchanges as the company scrip is under suspension, so the information regarding the Market price could not be provided.
6. **Registrar and Share Transfer Agents:** The Company have in-house Share Transfer Registry.

7. Share Transfer System:

The Company's Share transfers are maintained in-house. Transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. During the period under review the Company has not received any shares for effecting transfers.

8. Shareholding Pattern as on 31st March 2010

S.No	Particulars	No of shares	% of holding
1)	Promoters	2059355	37.54
2)	Mutual funds	NIL	NIL
3)	Financial Institutions	250000	4.56
4)	Bodies Corporate	212400	3.87
5)	NRI	NIL	NIL
6)	Residential Individuals	2963745	54.03

9. Dematerialisation of shares and liquidity:

All the shares are in physical form.

10. Address for Correspondence:

- a) For any query in Demat Shares : Not applicable as shares are in Physical Form.
- b) For any query in Physical Shares : Inhouse Share transfer registry is maintained.
- c) For any other Queries : Registered office:
3-750 National Highway, Hukkumpeta,
Rajahmundry Andhra pradcsh-533103
Email Id nylofils@hotmail.com

11. Investor Relations: All the queries received from the shareholders during the financial year 2009 - 2010 have been timely attended to. Generally, the reply is given within a week from the date of receipt of the same.

Date : 01/09/2010

**AUDITORS' REPORT ON THE ACCOUNTS OF
M/s. NYLOFILS INDIA .LTD**

We have examined the attached Balance Sheet of M/s. **NYLOFILS INDIA .LTD**, RAJAHMUNDRY, as at 31st March 2010, and the annexed Profit & Loss Account for the year ending on that date and report that these financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclosed in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraphs above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company, so far as appears from our examination of the books.



M/s. RAO & KUMAR
Chartered Accountants

IN: 2755327, 2517523
10-50-19, SOUDAMANI
SIRIPURAM JUNC.,
VISAKHAPATNAM-03

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account.

d) In our opinion and based on information and explanations given to us, none of the Directors are disqualified as on 31st March 2010 from being appointed as Directors in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

e) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with, the accounting statements referred to in sub Section (3C) of section 211 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to explanations give to us, the said Balance Sheet and Profit and Loss Account read with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required, and;

g) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give a true and fair view:

- i) in the case of the Balance Sheet of the State of Affairs of the Company as at 31st March 2010; and
- ii) in the case of Profit and Loss Account, the LOSS of the Company for the year ended on that date.

For RAO & KUMAR,
Chartered Accountants,



(V.V.RAM MOHAN)
Partner. M No / 8788



Date : 01/09/2010

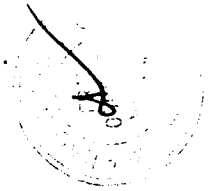
ANNEXURE TO AUDITORS' REPORT

As required by the Companies' (Auditor's Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) *The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management upon such verification.
- c) *The Company has sold substantial part of its Factory Building and Machinery in the Financial Year 2003-04, with an intention to discontinue its Manufacturing Activity. It is stated by the Management that the Trading activity will be continued.*
2. a) The Company does not hold any inventories. Hence, the Clause (ii) of the order is not applicable.
3. a) The Company has not taken any loans from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956. The company has not granted any loans to companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956.
- b) The rate of interest and other terms and conditions of loans given by the company are prima facie not prejudicial to the interest of the company.
- c) The payment of principal amount and interest are also regular.
- d) There are no overdue amounts of more than one lakh.



- 4 There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- 5 The Company has not entered into any transactions that need to be entered in the register maintained under Sec 301 of the Companies Act 1956
- 6 The company had not accepted any deposits from public within the meaning of Sec 58A and Sec 58AA of the Companies Act 1956
- 7 The company's not paid up capital nor does its turnover warrant any internal audit system.
- 8 The company is not required to maintain cost records as prescribed in Sec 209(1)(d) of the companies act, 1956
- 9 a) Undisputed Statutory Dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and Cess have been regularly deposited with the appropriate authorities though there has been delay in a few cases.
b) The company does not have any undisputed Income Tax, Sales Tax, Customs Duty, Excise Duty and other Statutory dues payable outstanding as on 31.03.2010 for more than six months from the date they became payable.
- 10 *The Company has accumulated losses to the tune of Rs.4,99,52,468/- and has incurred cash losses in the current financial year and in the immediately preceding financial year. The company is a Sick Industrial Company within the meaning of Clause (o) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985. The company has made an application with BIFR, Ministry of Finance, Government of India.*
- 11 The company does not have any dues to banks and no debentures are issued.



M/s. RAO & KUMAR
Chartered Accountants

☎ : 2755327, 2517523
10-50-19, SOUDAMANI
SIRIPURAM JUNC.,
VISAKHAPATNAM-03

13 The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.

- 14 The Company is not dealing or trading in shares, securities and debentures. However, in respect of Investments made in shares, it has maintained proper records of the transactions and has made entries therein. The Investments are held in its own name.
- 15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16 The Company has not taken any term loan during the year.
- 17 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- 18 The funds raised on short-term basis have not been used for long-term investment and vice-versa.
- 19 The company has not raised any capital by way of debentures.
- 20 The Company has not raised any money by way of public issues during the year.
- 21 On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For RAO & KUMAR,
Chartered Accountants


(V.V. RAMMOHAN)
Partner. 14/8788

NYLOFILS INDIA LTD
3-243, NEAR EENADU, NH-5, HUKUMPET, RAJYAHMUNDRY - 533103

BALANCE SHEET AS AT 31/03/2010					
Sch. No.	Particulars	Sub Amount	Current Year Amount	Sub Amount	Previous Year Amount
	SOURCE OF FUNDS				
1	Share Capital		50,578,822		50,578,822
	Issued, Subscribed & Paidup Capital		50,373,688		50,373,688
	Reserves & Surplus		0		205,134
3	Loans		998,000		998,000
	Unsecured Loans		0		0
	KANORIA PETRO PRODUCTS		51,371,688		51,576,822
	Loans From Directors				
	Total				
4	APPLICATION OF FUNDS				
	Fixed Assets		3,270		3,966
	Investments		X 3,500		3,500
	Current Assets, Loans & Advances	4,863,340			
	Current Assets				
5	Closing Stock	X 2,698,149		2,698,149	
	Sundry Debtors	343,220		397,720	
	Cash	10,541		10,541	
6	Bank A/c	X 479,417		479,417	
7	Deposits	X 1,332,013		1,332,013	
	Loans & Advances	3,450,890		3,495,390	
	Less: Current Liabilities & Provisions	25,214		25,214	
8	CENTRAL CARD	3,109,304		3,109,304	
9	Sundry Creditors	316,372		360,872	
	Provisions		1,412,450		1,422,450
	Net Working Capital		49,952,468		50,146,906
10	Profit & Loss Account		51,371,688		51,576,822
11	Total				

Notes to the Accounts
 The schedules referred to above, form an integral part of the Balance Sheet.

As per report of even date
 For RAO & KUMARCA

V.V.RAMMOHAN
 Partners
 Mem No.: 18788
 Firm Reg. No.: 003089S



For NYLOFILS INDIA LTD For NYLOFILS INDIA LTD
 M. V. Rammoohan K. L. Suresh
 Managing Director Director

Particulars	PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED TO 31ST MARCH 2010		Previous Year Amount	
	Sch. No.	Sub Amount		Current Year Amount
INCOME			0	
Sales	12		0	0
Opening Stock	14		0	0
Closing Stock			0	0
Decrease in Consumption			0	0
Direct Incomes			0	0
Indirect Incomes	13		0	
Total				
EXPENDITURE				
Opening Stock			0	0
Purchases			0	33,238
Net Consumption			10,000	
Direct Expenses	15		696	4,621
Administrative Charges				37,859
Finance Charges			10,696	(37,859)
Depreciation			(10,696)	(37,859)
Expenses			(10,696)	0
Total				
Net Profit			205,134	(37,859)
Profit before Tax			194,438	(50,109,047)
Prior Period Income			(50,146,906)	(50,146,906)
Profit After Tax			(49,952,468)	
Profit/Loss earlier Year Balance				
Loss carried to Balance Sheet				
Computation of Earnings per share			194,438	(37,859)
1) Net profit available for Equity Share Holders			5,485,500	5,485,500
2) Wiegthed Average number of Equity Shares			10	10
3) Nominal value of share (Rs.)			0.0354	(0.0069)
4) Basic and diluted earnings per share (Rs.)				

As per our report of even date

For RAO & KUMAR CA

V.V.RAMMOHAN
 Partners
 Mem No.: 18788
 Firm Reg. No.: 003089S

FOR NYLOFILS INDIA LTD
 V.V. Rammoohan
 K.L. Reddy
 28/03/2010

Name :- NYLOFILS INDIA LTD

	As at 31.3.2010	As at 31.3.2009
Schedule : 1		
SHARE CAPITAL		
EQUITY SHARE CAPITAL		
Authorised		
6000000 EQUITY SHARE CAPITAL of Rs. 10.00 Each (Previous Year-6000000 EQUITY SHARE CAPITAL of Rs. 10 Each)	6,00,00,000	6,00,00,000
Issued, Subscribed, Called Up, Paid Up		
5485500 EQUITY SHARE CAPITAL of Rs. 10 Each (Previous Year-5485500 EQUITY SHARE CAPITAL of Rs. 10 Each)	5,48,55,000	5,48,55,000
Less : Equity Share Allotment Due	<u>44,81,312</u> <u>5,03,73,688</u> ✓	<u>44,81,312</u> <u>5,03,73,688</u>
 Schedule : 2		
RESERVES & SURPLUS		
INVESTMENT ALLOWANCE RESERVE		
As per last Balance Sheet	2,05,134 ✓	2,05,134
Less: Transferred to Profit & Loss Appropriation A/c	(205,134)	
	<u>0.00</u>	<u>205,134.00</u>
 Schedule : 3		
UNSECURED LOANS		
Other Loans and Advances		
From Directors	0	0
From Others	<u>998,000</u> ✓	<u>998,000</u>
	<u>998,000</u>	<u>998,000</u>
 Schedule : 5		
SUNDRY DEBTORS		
Debts considered good and unsecured		
Debts outstanding for a period exceeding six months	2,698,149 ✓	2,698,149
Other Debts	0	0
	<u>2,698,149</u>	<u>2,698,149</u>
 Schedule : 6		
OTHER CURRENT ASSETS		
Considered good and unsecured	479,417 ✓	479,417
	<u>479,417</u>	<u>479,417</u>
 Schedule : 7		
LOANS AND ADVANCES		
Directors	42445 ✓	42445
Others	1,289,568 ✓	1,289,568
Considered good and unsecured	<u>1,332,013</u>	<u>1,332,013</u>

Schedule : 8
CURRENT LIABILITIES

Other Liabilities(if any)

25,214 ✓	25,214
<u>25,214</u>	<u>25,214</u>

STATUTORY DUES

SUNDRY CREDITORS

Dues to Micro and Small Enterprises
Due to Other Enterprises

NIL	NIL
3,109,304 ✓	3,109,304
<u>3,109,304</u>	<u>3,209,419</u>

Schedule : 9
PROVISIONS

Provision for Provident fund schemes

133,428 ✓ 185,928

Other Provisions

160000 ✓	182,944	174,944
	<u>316,372</u>	<u>360,872</u>

Schedule : 10
PROFIT & LOSS

PROFIT & LOSS (DEBIT BALANCE)

Other items

50,157,602 ✓	50,146,906
<u>50,157,602</u>	<u>50,146,906</u>



NYLOFILS INDIA LTD

:- Statement of Fixed Assets for the Period Ended 31/03/2010

Schedule : 4
FIXED ASSESTS

	Gross Block				Rate	Depreciation		Net Block	
	Opening Balance	Addition	Deletion	Total		Opening Balance	Addition/Deletion	As at 31.03.2010	As at 31.03.2009
Particulars VEHICLE	81,516			81,516	9.55	81,516	0	0	0
OFFICE EQUIPMENT	11,000			11,000	6.53	7,034	696	3,270	3,966
Grand Total	92,516			92,516		88,550	696	3,270	3,966
Previous year values	92,516			92,516		83,929	4,621	3,966	8,587
Capital work in progress									



Name :- NYLOFILS INDIA LTD

As at 31.3.2010 As at 31.3.2009

Schedule : 12

SALES

Sales
Less: Returns

0	0
0	0
<u>0</u>	<u>0</u>

Schedule : 13

OTHER INCOME

Other Income
Discount
Profit on sale of machinery

0	0
0	0
<u>0</u>	<u>0</u>

Schedule : 14

OPENING STOCK

Finished Goods/Traded Goods (OS)
Raw materials (OS)
Stock-in-process (OS)

0	0
<u>0</u>	<u>0</u>

Schedule : 15

ADMINISTRATIVE, SELLING & OTHER EXPENSES

AUDITORS FEES
FEES & LICENSE

8,000	8,000
2,000	25,238
<u>10,000</u>	<u>33,238</u>



NYLOFILS INDIA LTD

(2009 - 2010)

Schedule No. - 11

NOTES FORMING PARTS OF ACCOUNTS

1	Significant Accounting Policies
A)	ACCOUNTING CONVENTION Financial statements are prepared under the historical cost basis
B)	BASIS OF ACCOUNTING <ul style="list-style-type: none">Books of accounts are maintained on an accrual basis.
C)	REVENUE RECOGNITION <ul style="list-style-type: none">Sales are recorded at excluding value added tax (VAT)Purchases figures are exclusive of VAT but inclusive of Central Sales Tax
D)	FIXED ASSETS Fixed Assets are recorded at historical costs of acquisition (which includes major modification/betterment/interest/financial charges and other expenditure incidental to such acquisition).
E)	DEPRECIATION Depreciation on Fixed Assets has been provided on Straight Line Method (SLM) and in the manner provided in schedule XIV of the Companies Act 1956
F)	IMPAIRMENT OF ASSETS The entire plant is considered as a cash generating unit. As the recoverable amount of the cash generating unit, being its value in use, is expected to be in excess of its carrying value there is no impairment loss in terms of Accounting Standard - 28 on Impairment of Assets.
G)	INVENTORIES Inventories are valued at cost or net realizable value whichever is lower. Costs in respect of inventories are ascertained on First in First out (FIFO) Method.
H)	INVESTMENTS <ul style="list-style-type: none">Investments are classified as Current or Long Term Investment on the basis of nature and intention to hold the investment.Long Term investments are valued at cost after appropriate adjustment, if necessary, for permanent diminution in their value.Current Investments are stated at lower of cost or fair value.
I)	SEGMENTAL REPORTING <ul style="list-style-type: none">Since the company is dealing in a single product the disclosure requirements as per Accounting Standard - 17 on Segment Reporting is not applicable.
J)	BORROWING COST <ul style="list-style-type: none">Borrowing cost on working capital is charged against the profit & loss account in which it is incurred.Borrowing costs that are attributable to the acquisition or construction or manufacture of qualifying assets are capitalized as a part of the cost of such assets till the date of acquisition or completion of such assets. In respect of suspended project for extended period, borrowing costs are not capitalized for such period.
K)	PRIOR PERIOD ITEMS

	Significant items of Income or Expenditure, which relates to the prior accounting periods, are accounted in the Profit and Loss Account under the head "prior year Adjustments" other than those occasioned by the events occurring during or after the close of the year and which are treated as relatable to the current year.
L)	TAXES ON INCOME
	Accounting for Taxes on Income and ascertainment of deferred taxes is not possible as there is no possibility of profits in the near future.
M)	RETIREMENT BENEFITS
	As there are no employees with employment benefits payable the actuarial valuation or disclosures as required under the Accounting Standard - 15 on retirement benefits are not applicable.
M)	CONTINGENT LIABILITIES
	Contingent liabilities are disclosed by way of notes to accounts. Provision is made if it becomes probable that an out flow of future economic benefit will be required for an item previously dealt with as contingent liability.
2	Notes to Accounts

✓

II NOTES ON ACCOUNTS

Schedule No. - 11

1. QUANTITATIVE DETAILS (Pursuant to the provisions of paragraphs 3,4c & 4d of Part II, Schedule VI of the Companies Act, 1956.

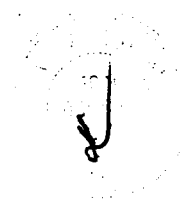
	2009-10		2008-09	
	Quantity (MT.)	Rs. (In Lakhs)	Quantity (MT.)	Rs. (In Lakhs)
Sales				
Consumption of Raw Materials				
Inventories (Raw Material & Finished Goods)				
Opening Stock				
Closing Stock				

2. The company had gone for public issue to raise capital to the tune of Rs. 5,48,55,000/- and the issue was fully subscribed. However, allotment money to the tune of Rs. 44,81,312/- was still due on account as at the year end.
3. Related party transaction for the year is as follows:

1	Associated Entities	M/s Nylofiles Softech Ltd (Balance of Advance)	32,250/-
		M/s V.V. Fish Nets (Balance of Trade Creditor)	2,98,071/-
2	Key Management Personnel	Mr. V.Venkateswara Rao (Managing Director)	
		Remuneration	
		Balance of Unsecured Loans	(42,445/-)
		Mr. K.L.Prasad (Director)	
		Balance of Unsecured Loans	1,52,880/-

4. Balances of Sundry Debtors, Loans and Advances and Trade/Loan Creditors, are subject to confirmation and reconciliation.
5. Remuneration to Auditor:

For Audit	8,000/-
For Other Services	NIL
TOTAL	



II NOTES ON ACCOUNTS

... contd

6. Previous year figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year comparison.
7. Information relating to Creditors under the Provisions of MSME Act, 2006.

PARTICULARS		Current Year	Previous Year
i)	The amounts due thereon remaining unpaid to any supplier as at the end of the year		
	Principal	NIL	NIL
	Interest	NIL	NIL
ii)	Payments made beyond the appointed date and interest during the year.	NIL	NIL
iii)	The amount of interest due and payable for the period of delay in making payments but without adding the interest specified in the Act.	NIL	NIL
iv)	The amount of interest accrued and remaining unpaid at the end of the year.	NIL	NIL
v)	The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid.	NIL	NIL

For & on Behalf of the Board

For Rao & Kumar

CHARTERED ACCOUNTANT

for NYLUFILS INDIA LTD. for NYLUFILS INDIA LTD. for RAO & KUMAR
CHARTERED ACCOUNTANTS

[Signature]

[Signature]

MANAGING DIRECTOR

(V.V. RAMMOHAN)
PARTNER
Memb.No: 18788

CHAIRMAN

DIRECTOR

DIRECTOR

NYLOFILS INDIA LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1	<u>Registration Details:</u> Registration Number State Code Balance Sheet Date	13697(91-92) A.P - 1 31-03-2010
2	<u>Capital raised during the year:</u> Public Issue Rights Issue Bonus Issue Private Placement	NIL NIL NIL NIL
3	<u>Position of Mobilization and Development of Funds:</u> Total Liabilities Total Assets <u>Sources of Funds</u> Paid-up Capital Reserves and Surplus Secured Loan Unsecured Loans <u>Application of Funds:</u> Net Fixed Assets Investments Net Current Assets (-) Miscellaneous Expenses Accumulated Losses	(Rs.in 000's) 51,371 51,371 50373 205 NIL 998 3 3 1412 NIL 50157
4	<u>Performance of Company:</u> Turnover Total Expenses Profit before Tax Profit after Tax Earnings per Share Dividend	(Rs.in 000's) 0 11 (11) (11) 0.0354 NIL
5	<u>General names of Principal products services of the Company:</u>	Fish Nets

NYLOFILS INDIA LTD.

[Signature]
Managing Director

NYLOFILS INDIA LTD.

[Signature]

Director

Auditors Certificate on Corporate Governance

To the Members of
Nylofiles India Limited

We have examined the compliance of the conditions of Corporate Governance by Nylofiles India Limited for the year ended 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

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

In our opinion and to the best of our information and 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 in respect of investor grievances received during the year ended 31st March, 2010 no investor grievances are pending against the company as on the date of this certificate as per the records maintained by the company and presented to the shareholders Grievance Committee.

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

For RAO & KUMAR
Chartered Accountants

Place: Rajahmundry
V.V.RAMMOHAN
Date : 01st September 2010

Partner
Membership No.18788

CERTIFICATE FOR CASH FLOW STATEMENT

We have examined the enclosed Cash Flow statement of M/ s Nylofils India Limited.for the year ended 31" March '2010. The statement has been prepared by the Company in accordance with the requirements of clause 32 of Listing Agreements with the Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company, covered by our Report of even date to the Members of the Company.

For RAO & KUMAR
Chartered Accountants

V.V.RAMMOHAN
Partner
Membership No.18788

Place: Rajmundry
Date: 01st September 2010

**CEO AND CFO CERTIFICATE AS PER CLAUSE 49 OF THE LISTING
AGREEMENT**

TO WHOMSOEVER IT MAY CONCERN

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 31st March 2010 which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. There are no:
 1. Significant changes in internal control over financial reporting during the year ended 31st March 2010;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

.....
Chief Executive Officer

Place: Hyderabad
Date : 01st September 2010

.....
Chief Financial Officer

NYLOFILLS INDIA LIMITED
11th ANNUAL GENERAL MEETING
3-750 National Highway, Hukkumpeta,
Rajahmundry Andhra Pradesh-533103

PROXY FORM

I/We _____ of _____ being
Member/ Members of Nylofills India Limited, hereby appoint Mr./ Ms. _____
of _____ or failing him/ her, Mr./ Ms. _____ of
_____ as my/our proxy to attend and vote for me/us on my/our behalf at
the 11th Annual General Meeting of the Company to be held on wednesday, 29th September 2010
at 10.00 a.m. at 3-750 National Highway, Hukkumpeta, Rajahmundry at any adjournment thereof.

Folio # _____

Affix Re. 0.15 Revenue Stamp

Signed by the said _____

Note: The Proxy form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.