



N I L E
L I M I T E D



26th Annual Report 2009-10

BOARD OF DIRECTORS

Sri V. Ramesh *Managing Director*

Dr. M. R. Naidu

Sri S. V. Narasimha Rao

Sri V. Ashok

Sri. Satish Malladi

Senior Management:

Sri V. Sridharan *Chief Operating Officer (Glass Lining Division)*

Sri K.V. Ramana *Chief Operating Officer (Non-Ferrous Division)
& Chief Financial Officer*

COMPANY SECRETARY
Sri Bikram Keshari Prusty

AUDITORS:

M/s. Sarathy & Balu
Chartered Accountants,
12 Master Sai Apartments,
Somajiguda, Hyderabad - 500 082.

INTERNAL AUDITORS

M/s. Manohar Chowdhry & Associates
Chartered Accountants
204A, Concourse Complex,
7-1,58, Greenlands Road,
Hyderabad- 500 016

REGISTERED OFFICE

NILE Limited,
Road No: 7
Industrial Estate, Nacharam,
Hyderabad - 500 076.
Phones: 2717 3136 / 2717 4341 / 2717 4342
E-mail: legal@nilelimited.com

BANKERS

Andhra Bank
Sultan Bazar Branch,
Hyderabad - 500 195.

**SHARE TRANSFERS AND DEPOSITORY
REGISTRARS**

M/s.XL Softech Systems Ltd.
3, Sagar Society,
Road No.2, Banjara Hills
Hyderabad - 500 034
Phones : (40) 23545913/14/15
Fax : (40) 23553214

NOTICE

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the Company will be held on **Thursday, the 30th day of September, 2010 at 11:00 A.M** at the registered office of the company, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, and Profit and Loss Account for the year ended as on that date together with the Report of the Directors' and the Auditors' thereon.
2. To declare dividend for the year 2009-10.
3. To appoint a Director in place of Dr. M. R. Naidu, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri V. Ashok, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To declare result of postal ballot process requiring consent of the shareholders through postal ballot for the following purposes:
 - (A) Consent of the shareholders under section 293(1)(d) of the Companies Act, 1956, to empower the Board of Directors to borrow beyond the aggregate of the paid up capital of the company and its free reserve, upto Rs.100 Crores (apart from temporary loans obtained from the Company's bankers in ordinary course of business).
 - (B) Consent of the shareholders under section 293(1)(a) of the Companies Act, 1956, to empower the Board of Directors to mortgage or charge movable and/or immovable properties of the whole or substantial part of the undertaking(s) of the Company for borrowing upto Rs.100 Crores (apart from temporary loans obtained from the Company's bankers in ordinary course of business).

By Order of the Board
For **NILE LIMITED**

Place: Hyderabad
Date : 14th August, 2010

Bikram Keshari Prusty
Company Secretary

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

Item No.6 (A) & (B): As per the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, consent of Shareholders under section 293(1)(a) of the Companies Act, 1956, to empower the Board of Directors to mortgage or charge movable and/or immovable properties of the whole or substantial part of the undertaking(s) of the Company, should be accorded through postal ballot only. Consent of the shareholders under section 293(1)(d) of the Companies Act, 1956, should be accorded, to empower the Board of Directors to borrow beyond the aggregate of the paid up capital of the company and its free reserve (apart from temporary loans obtained from the Company's bankers in ordinary course of business). The resolution u/s 293(1)(a) and the resolution u/s 293(1)(d), are being connected therewith, the Board of Directors at their meeting held on 14th August, 2010, have decided to accord consent of the shareholders under section 293(1)(d) and (a) through postal ballot, finalized the calendar of events, and appointed Sri V. Mohan Rao, Practicing Company Secretary, as scrutinizer to conduct the postal ballot process. The result of the postal ballot process will be declared at the 26th Annual General Meeting of the Company.

By Order of the Board
For **NILE LIMITED**

Place: Hyderabad
Date : 14th August, 2010

Bikram Keshari Prusty
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON POLL. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, should be received by the Company at its Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2010 to 30th September, 2010 (both days inclusive).
4. The Dividend on equity shares as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members on 22nd September, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL & CDSL for this purpose, as on that date.
5. Members holding shares in physical form are requested to notify immediately any change in their address to the Registrars & Share Transfer Agents, namely M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
6. Brief resumes of the Directors are given in the Corporate Governance Report annexed to the Directors' Report.
7. On 7th August, 2010, the Company has transferred unclaimed dividend of Rs.55,750, declared on 7th July, 2003 for the financial year 2002-03, to Investor Education and Protection Fund.
8. Shareholder, who have not so far encashed the dividend warrant(s) are requested to seek revalidation of expired dividend warrant(s). Information in respect of unclaimed dividend and the last date for claiming the same are given below:

Dividend for the Year	Date of declaration	Last date for claiming
2004-05 : Interim	22-01-2005	21-01-2012
2004-05 : Final	04-06-2005	03-06-2012
2005-06	19-06-2006	18-06-2013
2006-07 : Interim	30-01-2007	29-01-2014
2006-07 : Final	12-07-2007	11-07-2014
2007-08 : 1st Interim	27-10-2007	16-10-2014
2007-08 : 2nd Interim	30-04-2008	29-04-2015
2007-08 : Final	30-09-2008	29-09-2015

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 26th Annual Report on the operations of your Company and the Audited Accounts for the financial year ended 31st March, 2010, together with the Auditors' Report thereon.

FINANCIAL RESULTS:

Your Company's results for the year, in comparison with the previous year, are given below in a summarized format:

(Rs. in lakhs)

Particulars	2009-10	2008-09
Net Sales	14,487.97	9,564.23
Other Income	16.63	244.65
Profit before interest and depreciation and prior period adjustments	1,122.25	256.34
Less: Interest	502.64	362.76
Depreciation	170.82	115.01
Profit Before Tax and prior period adjustments	448.79	(221.43)
- Prior Period Adjustments	36.76	(6.76)
Profit Before Tax	485.55	(214.67)
Less: Provision for tax - Regular Tax	70.02	-
- Deferred Tax (asset)/liability	91.66	(2.44)
- Fringe Benefit Tax	-	3.66
Profit/(Loss) after tax for the year	323.87	(215.89)
Add/Less: Surplus/(Deficit) in P&L Account brought forward	645.87	861.76
Amount available for appropriation	969.74	645.87
Appropriations:		
Transfer to General Reserve	10.00	-
Proposed Dividend on equity shares	30.02	-
Income Tax on Dividend	5.10	-
Surplus/(Deficit) carried to Balance Sheet	924.62	645.87
	969.74	645.87

DIVIDEND:

Your Directors have pleasure in recommending a dividend of Re.1.00 per share for the year 2009-10.

OPERATIONS:

Operations of the Company's three divisions for the year under review were as follows

GLASS LINING:

This year, the Glass Lining division recorded sales of Rs.3,015 lakhs as against Rs.3,650 lakhs in the previous year.

LEAD DIVISION:

This year, the Lead division recorded sales of Rs.11,383 lakhs as against Rs.5,834 lakhs in the previous year.

WIND MILLS:

The entire energy generated at Ramagiri was sold to Andhra Pradesh Power Coordination Committee, and the total revenue was Rs.90 lakhs as against Rs.81 lakhs in the previous year.

The combined turnover of the Company, thus, was Rs.14,488 lakhs for the year under review, as against Rs.9,565 lakhs for the previous year.

CORPORATE GOVERNANCE:

Your Company has complied with all provisions of Corporate Governance, as required under Clause 49 of the Listing Agreement. A report on Corporate Governance, along with the certificate on its compliance from the Auditors, forms part of this report.

Voluntary Guidelines -2009:

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated.

QUALITY SYSTEM:

Your Company's certificates for Quality Systems under ISO 9001 for the Glass Lining Division and the Lead Division continue to be valid.

CONSERVATION OF ENERGY:

- (i) Your Company continues to explore all possible avenues to reduce energy consumption.
- (ii) As your Company is not covered in the Schedule to the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, read with Section 217(1)(e) of the Companies Act, 1956, the details under Form 'A' are not required to be furnished.

TECHNOLOGY ABSORPTION:

No new technology has been obtained during the year

and the existing technology in use has been fully absorbed.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Rupees)

	2009-10	2008-09
a) Foreign Exchange earnings on exports	31,53,43,946	5,26,29,681
b) Foreign Exchange used on account of:		
i) Foreign Travel	2,60,200	2,69,411
ii) CIF value of imports of raw material & others	46,30,19,689	41,51,54,329
iii) Commission on Sales	2,05,373	9,05,556
iv) Dividend for 2007-08	-	1,74,522

PROPOSED EXPANSION:

Your Company is increasing the annual capacity of its Lead re-cycling unit near Tirupati from 20,000 MT to 50,000 MT.

Your Company's Joint Venture unit in the Republic of Georgia has started commercial production, and the first shipment from this unit has been despatched to us. The project will facilitate availability of raw materials at a concessional price, on a continuous basis.

DIRECTORS:

Sri T. Panduranga Rao, Chairman of the Company, who was associated with the Company since 1994, passed away on 22nd January, 2010. Your Directors place on record their sincere appreciation of the contribution made by Sri T. Panduranga Rao.

Sri Ramanan Ramamurti, Director of the Company, passed away on 13th June, 2010. Your Directors place on record their sincere appreciation of the contribution made by Sri Ramanan Ramamurti.

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Dr. M. R. Naidu and Sri V. Ashok will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

DEPOSITS:

Your Company has accepted fixed deposits during the year, and complied with all the statutory provisions. The outstanding deposits as on 31st March, 2010 amount to Rs. 346.50 lakhs, which includes Rs.228.00 lakhs from related parties.

AUDITORS:

Your Company's auditors M/s. Sarathy & Balu, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and have signified their willingness to accept re-appointment and confirmed their eligibility under Section 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

The information to be disclosed pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the rules framed thereunder, is annexed and forms part of this report.

SETTLEMENT OF CASES WITH GMM PFAUDLER LTD. AND ITS SUBSIDIARIES:

As stated in the Directors' Report of last year, the Company has transferred all 6,30,095 shares in the company to GMM Pfaudler Ltd, and its associates, Karamsad Holdings Limited, Karamsad Investments Limited, and Karamsad Securities Private Limited. Accordingly, the dividends held in abeyance on these share have been paid to the respective companies.

FRAUD BY A FOREIGN SUPPLIER:

During 2009-10, one of the foreign suppliers (N. S. Bulgaria Ltd.) has committed a fraud on the company to the tune of Rs.49.20 lacs and the same has been charged off to the Profit & Loss Account. The company has initiated legal proceedings against the supplier.

DISCLOSURE AS PER LISTING AGREEMENT:**Clause 32:**

The cash flow statement in accordance with the Accounting Standard on cash flow statement (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43A:

Your Company's shares are listed on the Bombay Stock Exchange Ltd., Mumbai, P.J. Towers, Dalal Street, Fort, Mumbai. The annual listing fee for the year 2010-11 has been paid.

RESPONSIBILITY STATEMENT:

In pursuance of the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- i. the applicable accounting standards have been followed in the preparation of the annual accounts.
- ii. they had 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 for the financial year ending 31st March, 2010, and of the profit of the Company for that period.
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the accounts on a going concern basis.

INDUSTRIAL RELATIONS:

The industrial relations in the Company continue to be very cordial and stable. Your Directors would like to place on record the dedication and commitment of all the employees of your Company.

ACKNOWLEDGEMENT:

Your Directors thank the customers, vendors, investors and Andhra Bank for their continued support during the year.

For and on behalf of the Board

V. Ramesh
Managing Director

Place : Hyderabad
Date : 14th August, 2010

S. V. Narasimha Rao
Director

ANNEXURE TO THE DIRECTORS' REPORT:

Information as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of Directors' Report for the year ended 31st March, 2010.

1. Name	Mr. V. Ramesh
2. Age (years)	61
3. Designation & nature of duties	Managing Director & Overall control of the affairs of the Company
4. Gross remuneration	Rs.42.38 lakhs
5. Qualifications	B. Tech from IIT Madras M.S. from the University of Wisconsin & MBA from the University of Toronto
6. Total experience	35 years
7. Date of commencement of employment	3rd August, 1996
8. Last employment	Deccan Sugars, Chennai

Notes:

1. Remuneration, as shown above includes salary, commission and other perquisites, but does not include Company's contribution to provident fund and other funds.
2. Conditions of employment are contractual and other terms are governed by the Company rules.
3. Not related to any Director of the Company.

For and on behalf of the Board

Place : Hyderabad
Date : 14th August, 2010

V. Ramesh
Managing Director

S. V. Narasimha Rao
Director

ANNEXURE TO DIRECTORS' REPORT

A. MANAGEMENT DISCUSSION AND ANALYSIS

The Management discussion and analysis report sets out developments in the business environment and the Company's performance since the last report. The analysis supplements the Directors' report, which forms part of this annual report.

INDUSTRY STRUCTURE AND DEVELOPMENT

Glass Lining, Non Ferrous and Wind Energy are the three divisions of the Company. Glass Lined equipment is primarily used in pharmaceutical, specialty chemicals, agro chemicals and other similar industries. Lead and Lead Alloys are mainly supplied to manufacturers of Lead Acid batteries, plastic stabilizers, and metal oxides. Wind energy generated is sold to Andhra Pradesh Power Coordination Committee.

SEGMENT-WISE PERFORMANCE

The operational and financial performances of the three divisions are as follows:

(Rupees in Lakhs)		
Segment	Turnover	Profit/(Loss) before Interest & Tax
Glass Lining	3,015.05	70.55
Lead	11,383.33	814.63
Wind Energy	89.59	49.63

OUTLOOK:

During most of the year under review, the user industries of glass lined equipment were feeling the effects of the global recession, and this is reflected in the reduced turnover of this division. However, towards the end of the financial year, there has been a marked improvement in the demand for glass lined equipment, and the current year promises to be better in terms of volumes and profitability.

The demand for Lead and Lead Alloys continues to be very strong, and there has been a huge jump in your Company's volumes and profitability. Unfortunately, the price front is not so rosy. International prices of Lead started on a downward trend in the last quarter of the financial year, and the prices now appear to be stabilizing at significantly lower levels. The prices of raw materials have not dropped proportionately, and this has been having an impact on the profitability of this division over the past few months. The hedging operations commenced by your Company have helped in partially offsetting the lower realizations from the sale of finished products.

The capacity of the Lead unit near Tirupati is being increased to 50,000 tons per year from the existing 20,000 tons per year, so that your Company will be able to cater to the increased demand in the domestic and international markets.

The joint venture project in The Republic of Georgia commenced commercial production, and the first shipments of material have been dispatched to your Company from this unit. It will probably take some more time for production at this unit to stabilize.

OPPORTUNITIES AND THREATS

The marked upturn in the demand for glass lined equipment is expected to continue over the short and medium term, and this will help the performance of this division.

International prices of Lead seem to be stabilizing, albeit at a lower level than was seen towards the end of 2009. This stability will help your Company to plan its procurement activities with more certainty.

Your Company's wind farm is expected to continue its reasonable performance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has an established system of internal controls for ensuring optimal utilization of various resources. Investment decisions involving capital expenditure are taken up only after due appraisal and review, and adequate policies have been laid down for approval and control of expenditure. Internal audit is carried out by a firm of Chartered Accountants to ensure adequacy of the internal control systems. The internal audit report is reviewed by the Audit Committee to ensure that all policies and procedures are adhered to, and all statutory obligations are complied with.

HUMAN RESOURCES

The employee strength as on April 01, 2009 and April 01, 2010 for the three divisions are given below:

Year	Strength of Employees		
	Glass Lining	Lead	Wind Farm
April 01, 2009	246	90	6
April 01, 2010	245	120	6

For and on behalf of the Board

V. Ramesh
Managing Director

Place : Hyderabad
Date : 14th August, 2010

S. V. Narasimha Rao
Director

B. CORPORATE GOVERNANCE REPORT

Yours Directors have pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2010

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your company believes that good Corporate Governance enhances the confidence of investors and helps in meeting the needs and aspirations of its shareholders. Your company is committed to continuing the high values and traditions in transparent functioning of the organization.

2) BOARD OF DIRECTORS AND MEETINGS:

(i) Composition:

The company's policy is to maintain optimum combination of Executive and Non-Executive Directors. Presently, the Board consists of 5 Directors, out of whom 4 are independent.

Composition of the Board and category of Directors are as follows:

Promoter / Promoter Director:

Sri V. Ramesh Managing Director

Non-Executive and Independent Directors:

Dr. M.R. Naidu

Sri S.V. Narasimha Rao

Sri V. Ashok

Sri Satish Malladi

None of the Directors are related to each other.

Your Directors regret to inform that Sri T. Panduranga Rao, Chairman of the Company expired on 22nd January, 2010, and Sri Ramanan Ramamurti, Director, expired on 13th June, 2010.

Directors' Profiles:

Brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships/ Chairmanships of Board Committees and their shareholding in the company are provided below:

Dr. M. R. Naidu and Sri V. Ashok, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, seek re-appointment.

Dr. M.R. Naidu:

Dr. M.R. Naidu is a graduate in Mechanical Engineering from Andhra University. He has several decades of experience in various fields. He worked as Executive Director of BHEL for a period of 8 years, as CMD of BHPV for 5 years, and as CMD of HMT for 5 years.

Presently, he is on the Board of Suven Life Sciences Limited, Mangal Precision Products Limited, and is also a member of the Audit Committee, and Compensation Committee in Suven Life Sciences Limited.

Sri V. Ashok:

Sri V. Ashok has an MBA from the USA, and is the promoter and Managing Director of TriGeo Technologies Private Limited, which provides GIS & CAD/CAM services. He is an experienced professional, and has expertise of commercial and managerial functions. He is a member in none of the committees in other companies.

Other Directors:

Sri V. Ramesh:

Sri V. Ramesh, is the promoter & Managing Director of the Company. He has a B. Tech from IIT Madras, M.S. from the University of Wisconsin, and MBA from the University of Toronto. He has a great deal of experience in related fields in different capacities.

As Managing Director, he is the CEO of the Company, responsible for overall functioning of the organization. Over the years, he has been instrumental in transforming the organization to one that is professionally managed and also made substantial contribution for the growth of the Company. He is a member in none of the committees in other companies.

Sri S.V. Narsimha Rao:

Sri S.V. Narasimha Rao has a B. Tech from IIT, Madras, and MS & MBA from the University of Nebraska. He has more than thirty years of technical and senior management experience in reputed companies such as Sumac International Limited, Shin Ho Petro-Chemicals (India) Limited, Jeypore Sugars Limited, and KCP Sugars and Chemicals Limited. He is presently a whole time Director of Beardsell Limited. He is a member in none of the committees in other companies.

Sri Satish Malladi:

Mr. Satish Malladi is a mechanical engineering graduate from IIT Madras. He started his career in HMT Limited, and later started his own business, supplying specialized equipment to IDL Chemicals. He also executed several works for the Railways, APSEB and ISRO. He migrated to the US in 1989, and now commutes between New York and Hyderabad. Mr Malladi now heads, and is a director in, Mashvill Sensors Private Limited, which manufactures special pressure transducers for aerospace applications.

(ii) Board Meetings:

During 2009-10, the Board of Directors met eight times on the following dates:

Sl.No.	Date of Board Meeting
1	19.04.2009
2	29.04.2009
3	27.07.2009
4	30.09.2009
5	31.10.2009
6	26.12.2009
7	30.01.2010
8	11.03.2010

(iii) Attendance of directors at the board meetings, last Annual General Meeting and number of other directorships and chairman/ memberships of committees each director in other companies are as follows:

Name of the Director	Attendance particulars		No. of other Directorships and Chairmanships/ memberships of other Public Companies		
	Board Meetings	Last AGM	Other Directorships	Committees Memberships	Committees Chairmanships
Sri T. Panduranga Rao@	6	Yes	None	None	None
Sri V. Ramesh	8	Yes	None	None	None
Dr. M. R. Naidu	3	Yes	2	2	None
Sri S.V. Narasimha Rao	5	Yes	1	None	None
Sri D. Seshagiri Rao#	2	NA	None	None	None
Sri V. Ashok	6	No	1	None	None
Sri Ramanan Ramamurti@	4	Yes	None	None	None
Sri Satish Malladi [§]	5	Yes	None	None	None

3) AUDIT COMMITTEE:

Presently, the Audit Committee consists of 3 Non-Executive Independent Directors with Sri S. V. Narasimha Rao as Chairman, Sri V. Ashok, Sri Satish Malladi as members. Company Secretary of the Company acts as Secretary of the Committee.

Brief Description of terms of reference of Audit Committee:

The Committee comprises of non-executive Directors, and has been formed to monitor and provide effective supervision of the financial control and reporting process. The terms of reference of the Committee cover the matters specified for Audit Committee under clause 49 of the Listing agreement as well as section 292A of the Companies Act, 1956. This, inter alia, includes review of the financial reporting process, internal audit process, adequacy of internal control systems, management audit and risk management policies, and also recommend appointment of the statutory auditors and their remuneration. Company Secretary is the Secretary of the Committee.

The Audit Committee met four times during the year 2009-10. Details of the attendance of each member at the Audit Committee meetings are as follows:

Name of the Director	Dates of Audit Committee Meetings			
	29.04.2009	27.07.2009	31.10.2009	30.01.2010
Sri T. Panduranga Rao [@]	Yes	Yes	Yes	NA
Sri S.V. Narasimha Rao	Yes	No	Yes	Yes
Sri D. Seshagiri Rao [#]	Yes	NA	NA	NA
Sri V. Ashok	Yes	Yes	No	Yes
Sri Ramanan Ramamurti [@]	NA	NA	NA	Yes
Sri Satish Malladi [§]	NA	NA	NA	Yes

4) REMUNERATION COMMITTEE:

The Company does not pay remuneration to the Non-Executive Directors of the Company except for the payment of sitting fees for attending such Meetings of the Board or Committees thereof. Remuneration of the Managing Directors is recommended by the Remuneration Committee, fixed by the Board and approved by the shareholders.

The Remuneration Committee consists of 3 Non-Executive Directors with Sri Satish Malladi as Chairman and Sri S. V. Narasimha Rao, and Sri V. Ashok as members.

The Remuneration Committee did not meet during the year 2009-10.

Particulars of remuneration paid to the Board of Directors for the year ended 31st March, 2010 are given below:

Name of the Director	Remuneration (in Rupees)				
	Sitting fees	Salary	Perquisite	Commission	Total
Executive Directors:					
Sri V.Ramesh	Nil	29,13,334	3,39,822	9,84,939	42,38,095

Non-Executive Directors	Sitting fees
Sri T. Panduranga Rao [@]	27,000
Dr. M.R.Naidu	10,500
Sri S.V.Narasimha Rao	23,500
Sri D. Seshagiri Rao [#]	9,000
Sri V. Ashok	24,000
Sri Ramanan Ramamurti [@]	16,000
Sri Satish Malladi [§]	18,500

5) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

To deal with investors' complaints regarding transfer/ transmission of shares, non-receipt of certificates, dividends, annual reports, dematerialisation of shares and such other matters, the Company has set up a committee of directors known as Shareholders / Investors Grievance Committee consisting of 3 directors with 2 Non-Executive Directors and one Executive Director.

Dr. M. R. Naidu is the Chairman of this committee, and Sri V Ramesh, and Sri V. Ashok are members of the committee.

During the year, the committee met four times. Complaint received (one) during the year have been resolved, and no complaint was pending as on 31st March, 2010. Company Secretary of the Company acts as the Compliance Officer.

[@] Sri T. Panduranga Rao, Chairman, passed away on 22nd January, 2010.

Sri Ramanan Ramamurti, Director, passed away on 13th June, 2010.

[#] Sri D. Seshagiri Rao, Director, resigned as Director on 27th July, 2009.

[§] Sri Satish Malladi, Director, was inducted into the Board on 27th July, 2009, and to the Audit Committee and Remuneration Committee on 30th January, 2010.



6) **GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings:

Financial Year : **2006 - 2007**

Venue : Registered Office
Industrial Estate, Nacharam, Hyderabad - 500 076.

Date : 12.07.2007

Time : 10.30 A.M.

No Special resolutions passed

Financial Year : **2007 - 2008**

Venue : J. S. Krishnana Murthy Hall
FAPCCI, Federation House, Red Hills,
Hyderabad - 500 004.

Date : 30.09.2008

Time : 10.30 A.M.

Special resolutions passed

Financial Year : **2008 - 2009**

Venue : Registered Office
Industrial Estate, Nacharam,
Hyderabad - 500 076.

Date : 30.09.2009

Time : 11:00 A.M.

Special resolutions passed

No Special Resolution requiring approval through postal ballot was passed during the above three years.

No special resolution which requires approval through postal ballot is proposed at the ensuing AGM. However, resolutions requiring approval through postal ballot are proposed.

7) **DISCLOSURES:**

a) **Related Party transactions:**

Names of the related parties and description of relationship:

(i) Key Management Personnel:

- (a) Sri V. Ramesh, Managing Director
- (b) Sri K.V. Ramana, COO-NFD, and CFO
- (c) Sri V. Sridharan, COO-GLD

(ii) Names of the other related parties:

- (a) Dr. M. R. Naidu, Non-Executive Director
- (b) Smt. V. Hemalatha, Relative of Director
- (c) Smt.V. Rajeswari, Relative of Director
- (d) Sri Sandeep Ramesh, Relative of Director
- (e) Smt. V. Shilpa, Relative of Director
- (f) Smt. D. Bharati Devi, Relative of Director

(iii) Associates - NIL

Details of transactions with related parties during the year:

(Rs. In Lakhs)

Particulars of transaction	Key Management Personnel	Related Parties	Associates	Total
i) Managerial Remuneration	42.38	-	-	42.38
ii) Interest on unsecured loans & fixed deposits to related parties	1.72	25.75	-	27.47
Amount outstanding from related parties	-	-	-	-
Amount payable to related parties	-	22.54	-	22.54

b) Strictures and penalties:

No penalty or strictures have been imposed on the Company by either Stock Exchange or SEBI or any statutory authority for non-compliance on any matter related to capital markets during the last three years.

c) Compliance:

At every Board Meeting, a statement of compliance with all Laws and regulations as certified by the Chief Financial Officer and the Company Secretary is placed for noting by the Board. The Board reviews the compliance with all the applicable Laws and gives appropriate directions, wherever necessary.

d) Code of Conduct:

The Board of Directors has laid down a "Code of Conduct" for all the board members and the senior management of the Company, and the Code of Conduct has been posted on the web site of the Company. Annual declaration is obtained from every person covered by the Code of Conduct.

e) CEO & CFO Certification

The CEO and CFO have given a certificate to the Board as contemplated in clause 49 of the listing agreement.

f) Adoption of Non-Mandatory Requirements of Clause 49:

Board has constituted a Remuneration Committee with three Directors, all of whom are Non-Executive and Independent Directors including the Chairman. The Committee recommends the remuneration of the Executive Directors.

8) MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results of the Company in the prescribed format are published in the following newspapers.

- i. Financial Express (English)
- ii. Andhra Prabha (Vernacular language)

There is no practice of sending quarterly results to the households of shareholders.

Management Discussion and Analysis Report is annexed to the Directors' report, and forms part of the Annual Report.

9) GENERAL SHAREHOLDERS INFORMATION:

- i) 26th Annual General Meeting : 30th September, 2010
Venue : Registered Office of the Company at Road No.7, Industrial Estate, Nacharam, Hyderabad - 500076.
- ii) Financial Calendar : The Company follows April to March as its financial year. The financial results are declared, as per the provisions of Listing Agreement.
- iii) Date of Book Closure : 23rd September, 2010 to 30th September, 2010. (both days inclusive)



- iv) Listing on Stock Exchange : The Bombay Stock Exchange Ltd., Mumbai
- v) Company Stock Code : BSE 530129
- vi) Demat ISIN Numbers in NSDL & CDSL : INE445D01013
- vii) Stock market data : The monthly high and low quotations of the Company's shares at The Bombay Stock Exchange Ltd., Mumbai (BSE) during the year under review are as under:

Month	High (Rs.)	Low (Rs.)
April, 2009	55.40	43.10
May, 2009	72.35	51.50
June, 2009	77.70	59.00
July, 2009	66.45	53.00
August, 2009	71.00	53.05
September, 2009	79.45	64.05
October, 2009	104.60	73.10
November, 2009	116.95	77.95
December, 2009	126.00	107.90
January, 2010	136.00	106.45
February, 2010	129.30	110.20
March, 2010	127.00	104.25

- viii) Registrar and Share Transfer Agents:

M/s.XL Softech Systems Limited

3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

Ph:040-23545913/14/15, Fax:040-23553214

E-mail: xlinvest@xlsoftech.com / xlfield@rediffmail.com

- ix) Share Transfer System:

Transfer of securities in physical form is registered and, duly transferred share certificates are dispatched within 30 days from receipt, provided the documents are in order.

With regard to the shares in Demat mode, the procedure adopted is as per the provisions of Depositories Act, 1996.

- x) Distribution of Shareholding as on 31st March, 2010:

Share holdings of Nominal value of Number of shares held	Shareholders		Share amount	
	No.	%	In Rs.	%
Upto 100	1,596	62.81	9,78,150	3.26
101 - 200	373	14.68	6,73,470	2.24
201 - 300	166	6.53	4,61,680	1.54
301 - 400	61	2.40	2,33,370	0.78
401 - 500	107	4.21	5,27,420	1.76
501 - 1,000	118	4.64	9,58,750	3.19
1,001 - 2,000	47	1.85	7,03,660	2.34
2,001 - 3,000	22	0.87	5,70,030	1.90
3,001 - 4,000	6	0.24	2,14,990	0.72
4,001 - 5,000	13	0.51	6,05,900	2.02
5,001 - 10,000	13	0.51	9,30,970	3.10
10,001 and above	19	0.75	2,31,60,610	77.15
TOTAL	2,541	100.00	3,00,19,000	100.00

xi) Shareholding pattern as on 31st March, 2010:

Category	No. of shares	% of total capital
Promoter and Promoter group	14,34,520	47.79
Institutions		
Mutual Funds / UTI	-	-
Financial Institutions and banks	1100	0.04
Non-Institutions		
Bodies Corporate	6,43,514	21.44
Individuals	8,23,805	27.44
Others		
NRI	98,196	3.27
Clearing Members	765	0.02
Total	30,01,900	100.00

xii) Dematerialisation of shares and liquidity:

As on 31st March, 2010, 87.35% (26,22,278 equity shares) of paid up capital has been dematerialised.

xiii) The Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.

xiv) Plant locations:

Glass Lining	:	Road No.7, Industrial Estate Nacharam, Hyderabad - 500 076.
Lead NFD-I	:	1. Survey No. 556, Panthangi (Village) Choutuppal (Mandal), Nalgonda (District) - 508 252.
Lead NFD-II	:	2. Plot No. 38 & 40 APIIC Industrial Park, Gajulamandyam (Village) Renigunta (Mandal), Chittoor (District) - 517 520.
Windfarm	:	Ramagiri (P.O.), Dharmavaram (Mandal), Ananthapur (District) - 515 672

xv) Address for Communication : NILE Limited,
Road No.7, Industrial Estate,
Nacharam, Hyderabad - 500 076.

For and on behalf of the Board

Place : Hyderabad
Date : 14th August, 2010

V. Ramesh
Managing Director

S. V. Narasimha Rao
Director



Declaration of Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company. This Code of Conduct has also been posted on the web site of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March 2010, as envisaged in clause 49 of the listing agreement with Stock Exchange.

Place : Hyderabad
Date : 14th August, 2010

V. Ramesh
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
NILE Limited

We have examined the compliance of conditions of Corporate Governance by NILE Limited ("the Company") for the year ended on 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 has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **Sarathy & Balu**
Chartered Accountants
(Firm Regn No.3621S)

Place : Hyderabad
Date : 14th August 2010

J. Venkateswarlu
Partner
ICAI Ms. No. 022481

AUDITORS' REPORT

To
The Members of NILE LIMITED

1. We have audited the attached balance sheet of NILE LIMITED ("the Company") as at 31st March 2010, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as amended from time to time, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to this Company.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (iii) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. As the Central Government has not notified the date for levy and collection of Cess U/s.441A of the Companies Act, 1956, the company has not made provision/paid the said Cess for the year under report and hence our comments on the regularity or otherwise of the company in this regard are nil.

for **SARATHY & BALU**
Chartered Accountants
(Firm Regn No.3621S)

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Place: Hyderabad
Date: 08-05-2010



Annexure to the Auditors' Report dated 08/05/2010

[The annexure referred to in the Auditors' Report to the Members of NILE Limited ("the company") for the year ended 31st March, 2010]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As per the information and explanations furnished to us, the company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) As per the information and explanations given to us and as per the books of account audited by us, the Company's fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- (ii) (a) As per the information and explanations furnished to us, the inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) Based on the examination of records produced for our verification, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.
- (iii) (a) As per the information and explanations furnished to us and as per the books of account audited by us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the CARO'03 are not applicable to this company.
- (b) During the period under audit, the Company had taken unsecured loans and fixed deposits from 7 persons covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year in these transactions was Rs.449.28 lakhs and the year-end balance of loans taken from all such parties, including the loans accepted in earlier years and continued in the current year, was Rs.228.00 lakhs.
- (c) In our opinion, the rate of interest and other terms and conditions on which the above unsecured loans have been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) In our opinion and as per the information and explanations given to us, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company nor have we been informed of any such continuing failures.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Sec.301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rs.5.00 lacs in respect

- of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the public deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 for the Lead Unit and Wind Power Division of the company and we have broadly reviewed the said records maintained by the company and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) According to the information and explanations furnished to us and as per the records of the company:-
- a) the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty and other statutory dues as applicable to it with the appropriate authorities. As the Govt. has not yet notified the date for levying Cess U/s.441A of the Act, the company is not liable to pay the said Cess and hence our comments on the regularity or otherwise of the payment in this regard are nil.
 - b) the company is not required to transfer any amount to the investor education and protection fund during the year under audit.
 - c) there are no undisputed arrears of statutory dues as at 31/3/2010 which are outstanding for a period of more than six months from the date they became payable.
- d) there are no dues of Income Tax, Sales Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses as at the end of the financial year and it has not incurred cash losses during the financial year covered by our audit. It has incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued debentures.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, maintenance of adequate documents and records for such loans and advances is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of paragraph 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to this Company.
- (xiv) In our opinion, and as per the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of Paragraph 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to this Company.
- (xv) According to the information and explanations given to us, during the period covered under audit, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans availed during the year under audit have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an over all examination of the balance sheet of the company during the period covered under audit, no funds raised on short term basis have been used for long term investment.



- (xviii) According to the information and explanations given to us, during the period covered under our audit, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures and hence creation of security or charge for the same is not applicable.
- (xx) According to the information and explanations furnished to us, during the period covered under audit, the Company has not raised any money by public issues. Therefore, provisions of Paragraph 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to this company.
- (xxi) a) *We have been informed by the Company's management and also noticed that during the period under audit, while*

importing raw materials, one of the suppliers has committed a fraud on the company to the tune of Rs.49.20 lacs and the same has been charged off to the Profit & Loss Account.

- b) *According to the information and explanations given to us and on the basis of our examination of the books of account, during the period under audit, no fraud by the Company has been noticed or reported.*

for **SARATHY & BALU**
Chartered Accountants
(Firm Regn No.3621S)

Place: Hyderabad
Date: 08-05-2010

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31.03.10		As at 31.03.09	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS:					
1. Shareholders' Funds					
(a) Share Capital - Equity	1	3,00,19,000		3,00,19,000	
(b) Reserves and Surplus	2	24,87,12,679		22,18,60,315	
			27,87,31,679		25,18,79,315
2. Loan Funds					
(a) Secured Loans	3	30,05,82,532		31,21,57,723	
(b) Unsecured Loans	4	7,56,67,613		4,52,85,162	
			37,62,50,145		35,74,42,885
3. Deferred Tax	5		2,52,20,664		1,60,54,181
TOTAL			68,02,02,488		62,53,76,381
II. APPLICATION OF FUNDS:					
1. Fixed assets					
(a) Gross Block	6	41,23,23,814		27,16,93,723	
(b) Less: Depreciation		14,43,52,646		12,62,97,363	
(c) Net Block		26,79,71,168		14,53,96,360	
(d) Capital Work-in-progress	6A	80,80,404		13,10,61,358	
			27,60,51,572		27,64,57,718
2. Investments	7		91,16,060		86,52,150
3. Current Assets Loans and Advances:					
(a) Inventories	8	51,80,45,939		37,46,50,177	
(b) Sundry Debtors		12,79,71,850		3,76,93,676	
(c) Cash and Bank Balances		1,20,72,443		1,55,31,285	
(d) Other Current Assets		85,23,702		1,65,15,629	
(e) Loans and Advances		6,03,94,102		4,46,53,533	
		72,70,08,036		48,90,44,300	
Less: Current Liabilities and Provisions	9				
a) Current Liabilities		31,81,07,708		14,48,49,979	
b) Provisions		1,38,65,472		39,27,808	
		33,19,73,180		14,87,77,787	
Net current assets			39,50,34,856		34,02,66,513
TOTAL			68,02,02,488		62,53,76,381
Significant Accounting policies, Contingent liabilities and Notes on accounts	18				

Schedules referred to above form an integral part of the Balance Sheet

This is the Balance sheet referred to in our report of even date attached.

For and on behalf of the Board

for **Sarathy & Balu**
Chartered Accountants
(Regn: No.3621S)

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

J. Venkateswarlu
Partner
ICAI Ms No. 022481

Bikram Keshari Prusty
Company Secretary

Place : Hyderabad
Date : 08-05-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year ended 31.03.10		Year ended 31.03.09	
		Rs.	Rs.	Rs.	Rs.
INCOME:					
Sales	10	1,53,18,77,448		1,06,30,22,290	
Less: Central Excise Duty		8,30,80,748		10,65,98,678	
Net Sales			1,44,87,96,700		95,64,23,612
Increase / (Decrease) in stocks	11		14,08,41,109		58,54,217
Other Income	12		16,63,171		2,44,65,174
TOTAL			1,59,13,00,980		98,67,43,003
EXPENDITURE:					
Manufacturing expenses	13		1,37,04,53,409		87,56,03,687
Payments and benefits to employees	14		5,80,69,297		5,38,74,368
Administration Selling & General expenses	15		5,05,52,427		3,16,31,814
Finance charges & Interest	16		5,02,64,092		3,62,75,515
Depreciation	6	1,90,93,753		1,35,25,899	
Less: Transfer from revaluation reserve		20,11,347	1,70,82,406	20,24,712	1,15,01,187
TOTAL			1,54,64,21,631		1,00,88,86,571
Profit/(Loss) before tax and prior year adjustments			4,48,79,349		(2,21,43,568)
Add/(Less): Prior period adjustments	17		36,76,071		6,76,331
Profit/(Loss) before tax for the year			4,85,55,420		(2,14,67,237)
Provision for tax :					
- Current Tax		70,02,000			
- Deferred Tax (asset) / Liability		91,66,483		(2,44,068)	
- Fringe Benefit Tax		-	1,61,68,483	3,66,096	1,22,028
Profit/(Loss) after tax for the year			3,23,86,937		(2,15,89,265)
Add/(less) Surplus in P&L A/c brought forward			6,45,86,796		8,61,76,061
Amount available for appropriations			9,69,73,733		6,45,86,796
APPROPRIATIONS:					
General Reserve			10,00,000		-
Proposed Dividend			30,01,900		-
Income Tax on Proposed Dividend			5,10,173		-
Balance carried to Balance Sheet			9,24,61,660		6,45,86,796
			9,69,73,733		6,45,86,796
Significant Accounting policies,Contingent liabilities and Notes on accounts	18				
COMPUTATION OF EARNINGS PER SHARE:					
a) Net profit/(loss) for the year			Rs.3,23,86,937		(-)Rs.2,15,89,265
b) Weighted average number of equity shares outstanding during the year			30,01,900		30,01,900
c) Basic and diluted earnings per share (a/b)			Rs.11/-		(-)Rs.7/-
d) Nominal value of each share (fully paid up)			Rs.10/-		Rs.10/-

Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit & Loss Account referred to in our report of even date attached.

For and on behalf of the Board

for **Sarathy & Balu**
Chartered Accountants
(Regn: No.3621S)

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

J. Venkateswarlu
Partner
ICAI Ms No. 022481

Place : Hyderabad
Date : 08-05-2010

Bikram Keshari Prusty
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS A/C.

Particulars	As at 31.03.10		As at 31.03.09	
	Rs.	Rs.	Rs.	Rs.
1. SHARE CAPITAL:				
Authorised:				
50,00,000 Equity shares of Rs.10/- each (Previous year 50,00,000 Equity shares of Rs.10/- each)		<u>5,00,00,000</u>		<u>5,00,00,000</u>
Issued, Called up, Subscribed and Paid up: 30,01,900 Equity shares of Rs. 10/- each fully paid up (previous year 30,01,900 shares of Rs.10/- each fully paid up)		<u>3,00,19,000</u>		<u>3,00,19,000</u>
(Out of the above, 5,35,500 equity shares of Rs.10/- each were allotted as fully paid bonus shares by capitalisation of profits during the year 1994-95)		<u>3,00,19,000</u>		<u>3,00,19,000</u>
2. RESERVES AND SURPLUS:				
i) Securities Premium Account (as per last Balance Sheet)		10,92,88,128		10,92,88,128
ii) Revaluation Reserve: As per last Balance Sheet	2,65,85,391		2,86,16,823	
Less: (a) Depreciation on revalued value.	20,11,347		20,24,712	
(b) Revalued value of assets disposed	11,153		6,720	
Closing Balance		<u>2,45,62,891</u>		<u>2,65,85,391</u>
iii) General Reserve: As per last Balance Sheet	1,54,00,000		1,54,00,000	
Add: Transferred from P & L Account	10,00,000	<u>1,64,00,000</u>	-	<u>1,54,00,000</u>
iv) Investment Subsidy - As per last Balance Sheet		60,00,000		60,00,000
v) Surplus in Profit & Loss Account		<u>9,24,61,660</u>		<u>6,45,86,796</u>
TOTAL		<u>24,87,12,679</u>		<u>22,18,60,315</u>
3. SECURED LOANS:				
(A) Loans and Advances from Banks:				
(a) Cash credit		14,20,53,495		24,76,07,202
(b) Short term Loan for Working Capital		5,03,88,797		-
(c) Term Loans		9,77,29,503		6,40,77,844
(d) Bill Discounting facility		1,02,62,505		-
(e) Hire Purchase Loan		1,48,232		4,72,677
TOTAL		<u>30,05,82,532</u>		<u>31,21,57,723</u>
4. UNSECURED LOANS:				
Sales Tax Deferment Loan from Govt. of A.P.		4,10,17,613		4,10,85,162
Fixed Deposits : from directors		8,00,000		8,00,000
: from others		3,38,50,000		34,00,000
TOTAL		<u>7,56,67,613</u>		<u>4,52,85,162</u>
5. DEFERRED TAX:				
Opening Balance		1,60,54,181		1,62,98,249
Less: Liability/(asset) for the year		91,66,483		(2,44,068)
TOTAL		<u>2,52,20,664</u>		<u>1,60,54,181</u>

SCHEDULES CONTINUED ...



N LIMITED

(Amount in Rupees)

6. FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK		Total as at 31.03.2010	DEPRECIATION			NET BLOCK		
		As at 01.04.2009	Additions		Deductions	Upto 31.03.2009	For the year	On deductions	Total upto 31.03.2010	As at 31.03.2010
1	Freehold Land	1,60,07,602	1,47,37,107	43,560	—	—	—	—	3,07,01,149	1,60,07,602
2	Buildings	9,19,46,770	6,06,07,424	—	2,71,52,233	46,93,930	—	3,18,46,163	12,07,08,031	6,47,94,537
3	Plant & Machinery	14,61,34,200	6,29,67,341	8,28,540	8,92,59,831	1,27,39,229	7,86,866	10,12,12,194	10,70,60,807	5,68,74,369
4	Office Equipment	87,21,679	16,22,827	—	62,16,215	9,35,628	—	71,51,843	31,92,663	25,05,464
5	Furniture & Fittings	22,41,953	4,08,523	—	18,76,501	93,263	—	19,69,764	6,80,712	3,65,452
6	Vehicles	66,41,519	16,54,259	4,95,290	17,92,583	6,31,703	2,51,604	21,72,682	56,27,806	48,48,936
	TOTAL	27,16,93,723	14,19,97,481	13,67,390	12,62,97,363	1,90,93,753	10,38,470	14,43,52,646	26,79,71,168	14,53,96,360
	Previous year	26,32,98,518	1,36,48,879	52,53,674	11,58,88,325	1,35,25,899	31,16,861	12,62,97,363	14,53,96,360	14,74,10,193

6A. CAPITAL WORKS-IN-PROGRESS

Sl.No.	Description	As at 01.04.2009	Additions	Deductions	Total As at 31.03.2010
a)	Lead unit at Tirupati	Rs.	Rs.	Rs.	Rs.
1	Advance for Land to APIC	1,28,71,333	5,70,395	1,34,41,728	—
2	Buildings under construction	5,50,76,199	2,81,072	5,53,57,271	—
3	Unallocated project expenditure	6,03,66,200	1,17,71,751	6,49,60,672	71,77,279
b)	Expansion works at other plants	27,47,626	28,39,560	46,84,061	9,03,125
	Total	13,10,61,358	1,54,62,778	13,84,43,732	80,80,404
	Previous year	96,59,189	12,45,27,731	31,25,562	13,10,61,358

SCHEDULES CONTINUED ...

Particulars	As at 31.03.10 Rs.	As at 31.03.09 Rs.
9. CURRENT LIABILITIES AND PROVISIONS:		
A. Current Liabilities		
(i) Sundry Creditors for Supplies & Services:		
-dues to SSI undertakings	32,68,738	16,37,429
-dues to others	26,37,08,720	7,94,64,696
(ii) Sundry Creditors for capital goods (Non SSI)	—	1,22,21,282
(iii) Other Liabilities	2,36,68,277	1,37,89,141
(iv) Advances received against supplies	2,59,17,113	2,84,13,362
(v) Interest accrued but not due on loans	8,75,466	1,02,744
(vi) Liability towards investor education and protection fund (Represents unclaimed dividend required to be transferred to the said fund on completion of seven years. No such amount is due as on the Balance sheet date)	6,69,394	92,21,325
TOTAL	31,81,07,708	14,48,49,979
B. Provisions		
(i) Provision for Gratuity	—	13,32,764
(ii) Provision for Excise Duty (on closing stocks)	80,83,465	6,69,513
(iii) Provision for Income tax (net of advance tax-FBT)	—	51,096
(iv) Proposed Dividend	30,01,900	—
(v) Income Tax on proposed dividend	5,10,173	—
(vi) Provision for Leave Encashment	22,69,934	18,74,435
TOTAL	1,38,65,472	39,27,808

SCHEDULES CONTINUED ...

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
10. SALES :		
i) Glass Lined Equipment		
(a) Domestic Sales	30,23,31,531	38,12,68,008
(b) Export Sales	1,43,51,290	1,33,30,626
(c) Packing charges collections	7,78,171	6,30,096
(d) Sale of Scrap	40,97,299	32,09,591
	32,15,58,291	39,84,38,321
ii) Lead		
(a) Domestic Sales	81,27,53,326	58,75,28,289
(b) Export Sales	30,09,23,190	3,92,99,055
(c) Jobwork charges	8,76,13,076	2,96,84,464
(d) Scrap Sales	70,757	—
	120,13,60,349	65,65,11,808
iii) Wind energy		
Wind Power Sales	89,58,808	80,72,161
	89,58,808	80,72,161
TOTAL	153,18,77,448	106,30,22,290

SCHEDULES CONTINUED ...

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
11. INCREASE/(DECREASE) IN STOCKS:		
(a) Opening stocks:		
Finished goods	87,94,671	2,87,29,548
Work-in-progress	<u>22,66,19,258</u>	<u>20,08,30,164</u>
TOTAL	<u>23,54,13,929</u>	<u>22,95,59,712</u>
(b) Less: Closing stocks:		
Finished goods	8,65,63,713	87,94,671
Work-in-progress	<u>28,96,91,325</u>	<u>22,66,19,258</u>
TOTAL	<u>37,62,55,038</u>	<u>23,54,13,929</u>
Increase / (decrease) in stocks[(b)-(a)]	<u>14,08,41,109</u>	<u>58,54,217</u>
12. OTHER INCOME :		
Interest earned [(TDS Rs.84,559 /-) (Prev. Year Rs.1,30,197/-)]	10,67,333	7,69,654
Exchange Fluctuation Charges	—	5,26,450
Excess provision of liabilities written in	14,079	11,413
Bad Debts recovered	2,15,393	33,37,607
Unclaimed advances written in	—	87,73,550
Recovery of advances (written off earlier)	—	10,00,000
Claim received on settlement of dispute	—	1,00,00,000
Service charges	<u>3,66,366</u>	<u>46,500</u>
TOTAL	<u>16,63,171</u>	<u>2,44,65,174</u>
13. MANUFACTURING EXPENSES:		
Raw materials consumed	1,18,90,07,269	74,91,20,610
Stores and Spares consumed	6,65,53,222	3,77,53,070
Job work charges	2,74,24,356	3,30,22,457
Power and Fuel	5,68,95,727	3,98,33,653
Repairs & Maintenance to Plant and Machinery	1,20,48,661	84,28,599
Packing material consumed	47,98,898	61,46,254
Quality testing charges	7,09,862	11,74,875
Other Manufacturing Expenses	43,03,477	15,97,636
Excise duty (on Stocks of finished goods)	74,13,952	(29,51,183)
Excise duty on others	13,988	18,449
Slag Disposal Charges	5,75,628	5,82,404
Windmills maintenance expenses	7,08,369	8,76,863
TOTAL	<u>1,37,04,53,409</u>	<u>87,56,03,687</u>
14. PAYMENTS AND BENEFITS TO EMPLOYEES:		
Salaries and wages	4,44,97,951	4,28,77,507
Contribution to: - Provident Fund	36,02,923	34,00,661
- ESI	6,82,544	9,46,731
Staff Welfare Expenses	35,11,672	27,04,334
Gratuity	7,63,232	13,32,764
Bonus and Ex-gratia	42,43,094	17,64,253
Leave encashment	7,67,881	8,48,118
TOTAL	<u>5,80,69,297</u>	<u>5,38,74,368</u>

SCHEDULES CONTINUED ...

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
15. ADMINISTRATION, SELLING & GENERAL EXPENSES:		
Managerial remuneration	42,38,095	41,44,978
Directors' sitting fee	1,28,500	99,500
Rent	3,20,000	2,25,000
Rates and Taxes	12,60,593	3,73,877
Insurance	17,54,161	11,15,083
Travelling & conveyance	26,85,044	20,80,123
Advertisement & Business promotion	3,34,097	10,89,565
Commission on Sales	88,80,476	62,23,022
Printing and Stationery	7,91,701	8,64,094
Communication expenses	8,65,822	9,61,468
Repairs and maintenance to:		
- Buildings	17,69,120	4,27,021
- Others	3,92,249	2,70,029
Vehicle maintenance	6,90,313	6,65,773
Legal & Other Professional charges	12,03,453	10,38,853
Payment to Auditors	2,77,725	2,25,015
Recruitment & Training of personnel	69,355	2,95,245
Loss on Sale / discarded fixed assets	15,088	18,00,675
Loss due to fraud in import of Raw Materials	49,19,738	—
Carriage Outwards	1,67,08,731	89,49,503
Bad Debts Written off	7,18,390	2,57,966
Books and Periodicals	1,30,411	87,065
Exchange Fluctuation charges	17,94,899	—
Donations	1,99,998	—
General & Miscellaneous expenses	4,04,468	4,37,959
TOTAL	5,05,52,427	3,16,31,814
16. FINANCE CHARGES AND INTEREST:		
A) Interest		
i) To Banks		
a) On Fixed (Term) loans	1,08,52,779	9,81,003
b) on working capital	3,06,57,623	2,88,01,022
c) on H.P Loan	43,115	85,113
ii) to Others, other than directors	31,93,406	12,97,953
iii) to Directors (on fixed deposits)	2,63,781	96,312
B) Bank Charges	52,53,388	50,14,112
TOTAL	5,02,64,092	3,62,75,515
17. PRIOR PERIOD ADJUSTMENTS:		
Excess provision of gratuity written in	36,47,495	—
Excess provision of tax written in	28,576	4,77,023
Excess provision of leave encashment	—	1,99,308
	36,76,071	6,76,331

18. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

(i) Basis of Preparation of Financial Statements:

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual and comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act, 1956 as applicable and with the relevant provisions of the Companies Act, 1956.

(ii) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

(iii) Revenue Recognition:

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales of products is recognized on dispatch of products. Revenue from export sales is recognized on shipment of products. Revenue from products is stated inclusive of duties, taxes but exclusive of returns, and applicable trade discounts and allowances.

Revenue from services is recognized as per the terms of contract with customers when the related services are performed, or the agreed milestones are achieved.

(iv) Fixed Assets:

Fixed assets, other than the assets which were revalued, are carried at cost of construction or acquisition less accumulated depreciation. Fixed assets which were revalued, were carried at revalued values.

Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are treated as capital work-in-progress.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use, are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon, is charged to Profit & Loss Account.

(v) Depreciation:

Depreciation on Furniture & Fixtures and Office equipment is provided under Written Down Value (WDV) method and on other fixed assets under Straight-Line Method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In the case of revalued assets, amount equivalent to the depreciation on the increased value of assets on account of revaluation is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account

(vi) Impairment of Assets:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss A/c in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(vii) Employee Benefits:

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit schemes is arrived based on actuarial valuation made at the end of the year by using projected unit credit method.



(viii) Valuation of Inventories:

Inventories are valued at the lower of cost and net realizable value.

Cost is arrived at by using weighted average method and includes all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(ix) Investments:

Investments intended to be held for more than one year are treated as long term and others as short-term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

(x) Prior period expenses / Income:

The Company follows the practice of making adjustments through "expenses/income under/over provided" in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

(xi) Tax Expense:

Deferred tax resulting from "Timing Difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Provision is made for tax on Income and dividend distribution tax as per the applicable provisions of Income Tax Act, 1961.

(xii) Foreign Exchange Transactions:

Transactions denominated in foreign currency are accounted for initially at the exchange rate prevailing on the date of transaction. Foreign Currency monetary Assets and Liabilities are translated at year end exchange rates. Fluctuations, if any, due to change in exchange rates between the dates of transactions and the dates of crystallisation are debited / credited to Profit & Loss Account.

(xiii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

(xv) Earnings per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xvi) General:

Accounting policies not specifically referred to above are consistent with the generally accepted accounting principles followed in India.

B. CONTINGENT LIABILITIES:

- (i) Bank Guarantees and Letters of Credit (which are not crystallized) issued by Bankers and not provided for Rs.18.97 crores (Previous year Rs. 9.09 crores).
- (ii) Amount claimed by suppliers but not accepted as liability, which is pending before the court - Rs.1.98 crores (Previous year Rs.1.98 crores).
- (iii) Claims against the company not acknowledged as debts in respect of Income tax matters, pending decisions on appeals made by the company - Rs.56.73 lakhs (Previous year - Rs.22.90 lakhs).
- (iv) Claims against the company not acknowledged as debts in respect of Service tax matters, pending decisions on appeals made by the company - Rs.3.20 lakhs (Previous year - Rs.3.20 lakhs).

C. NOTES ON ACCOUNTS:**(i) Secured Loans:**

- (a) Working capital loans from Andhra Bank under Open Cash Credit facility (limit Rs. 2,500.00 lakhs (previous year Rs.2,500.00 lakhs), adhoc limit of Rs.500.00 lakhs (Previous year Nil) and FUBD limit (backed by LC - outside MPBF) of Rs.750.00 Lakhs (Previous Year Nil) are secured by hypothecation of all raw materials, work-in-progress, finished goods, receivables and collaterally secured by book value of unencumbered fixed assets consisting of Land and Building, Plant & Machinery, other assets at Nacharam Unit and Plant & Machinery of Wind Mills at Ramagiri and Fixed assets i.e Land & Buildings, Plant & Machinery, other assets of Lead Units at Choutuppal and at Tirupathi and guaranteed by the Managing Director of the company in his personal capacity.
- (b) Additional Working capital loan from Andhra Bank under Term loan (limit Rs. 500.00 lakhs, Previous year Nil) is secured by first charge on all the unencumbered fixed assets of the Company and extension of the security of Term loans I, II and III and collaterally secured by book value of unencumbered fixed assets consisting of Land and Building at Nacharam Unit and Plant and Machinery of Wind Mills at Ramagiri and first charge on all fixed assets including Land and Buildings of Lead Units at Choutuppal and Tirupathi and guaranteed by the Managing Director of the company in his personal capacity.
- (c) Term Loans from Andhra Bank I, II and III [limits of Rs.170 lakhs, Rs.320 lakhs and Rs.315 lakhs] (Previous year - Rs.170 lakhs, Rs.320 lakhs and Rs.315 lakhs) are secured by equitable mortgage/ hypothecation of Land, Buildings & Equipment at the Glass Lining Division Unit at Nacharam and Lead Units at Choutuppal and Tirupathi and collaterally secured by charge on the unencumbered Plant & Machinery of Wind Mills at Ramagiri and guaranteed by Managing Director of the company in his personal capacity.
- (d) Hire-Purchase Loans are secured by hypothecation of specific assets acquired

with those loans.

(ii) Fixed Assets:

- (a) Some of the fixed assets were revalued during the financial year 2000-01 based on the valuation report of an approved valuer. The resultant net surplus on such revaluation of assets amounting to Rs.5,03,56,554/- was credited to Revaluation Reserve Account in that year.
- (b) Depreciation for the current year on revalued value of fixed assets aggregating to Rs.20,11,347/- (previous year Rs.20,24,712/-) has been withdrawn from Revaluation Reserve account and credited to Profit and Loss Account by adjustment in the depreciation account.

(iii) Current Assets, Loans & Advances:

In the opinion of the Management, the Current Assets, Loans & Advances have a value on realization which will be equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.

(iv) Deposits :

Deposits with Banks include:

-Rs.93,47,040/- (Previous year Rs. 49,82,230/-) pledged to the Bank towards margin money for Bank Guarantees and Letters of Credit issued on behalf of the Company.

-Rs.17,29,162/- (Previous year Rs.10,64,162/-) kept as security deposit for the Fixed deposits as required U/s.58A of the Companies Act,1956.

(v) Investments:

The company's investment in the shares of a Foreign company viz., M/s. GLW Ltd., Georgia, as at the year end stood at Rs.91.16 lakhs (Previous year Rs.86.52 lakhs) equivalent to 19.55% (previous year 18.63%) of the capital of the said company.

(vi) Sundry Creditors:

- (a) The names of the Small Scale Industrial (SSI) undertakings to whom the Company owe any sum together with interest outstanding for more than 30 days as at 31-03-2010 are Nil (Previous year Nil).
- (b) The disclosures relating to Micro and small enterprises as at 31st March, 2010 are as under:-



Sl. No	Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
1.	The principal amount remaining unpaid to supplier as at the end of accounting year	-	-
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year	-	-
3.	The amount of interest paid in terms of Section 16, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	-	-
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: Information on SSI Units and the Units covered under Micro, Small and Medium Enterprise Development Act, 2006 is based on the information collected by the Management from the vendors and relied upon by the auditors.

(vii) Fraud on the company:

During the year under review, in the course of importing raw materials, one of the suppliers committed a fraud on the company by sending fictitious sale documents and encashed the letter of credit opened by the company. The resultant loss of Rs.49.20 lacs has been charged to the Profit & Loss Account. The company has initiated steps to recover the loss.

(viii) Capitalization of Borrowing Costs:

An amount of Rs.13.40 lacs (Previous Year Rs. 40.75 lakhs) being the interest on borrowings for setting up the Lead Unit at Tirupathi up to the date of commissioning has been capitalized to the respective capital assets.

(ix) Disclosure in terms of Accounting Standard "Impairment of Assets":

Particulars	Current Year Rs.	Previous year Rs.
(a) Amount of impairment losses recognized in the Profit & Loss A/c:	-	-
(b) Amount of reversal of impairment losses recognized in the Profit & Loss A/c.:	-	-
(c) Amount of impairment losses recognized directly against revaluation surplus	-	-
(d) Amount of reversals of impairment losses recognized directly in revaluation surplus	-	-

(x) Deferred Tax:

a) Deferred tax liability is as under:

Particulars	Current Year Rs.	Previous Year Rs.
Deferred tax liability at the end of the year	2,52,20,664	1,60,54,181
Less : Deferred tax liability at the beginning of the year	1,60,54,181	1,62,98,249
Deferred tax liability / (asset) provided/recognized for the year	91,66,483	(2,44,068)

b) Component wise break up of deferred tax liability /(asset):

Components of Timing Differences	Current Year Rs.	Previous Year Rs.
Excess of Depreciation allowable under I.T. Law over depreciation provided in accounts	2,59,92,214	1,66,91,301
Leave Encashment	(7,71,550)	(6,37,120)
Deferred Tax liability, Net	2,52,20,664	1,60,54,181

(xi) Related party disclosures:

(i) Key Management Personnel :

- (a) Sri V.Ramesh, Managing Director
- (b) Sri K.V.Ramana, COO (NFD) & CFO
- (c) Sri V.Sridharan, COO (GLD)

(ii) Names of related parties:

- (a) Smt V.Hemalatha (relative of Director)
- (b) Smt V.Rajeswari ,,
- (c) Smt. V. Shilpa ,,
- (d) Sri Sandeep Ramesh ,,
- (e) D.Bharati Devi ,,
- (f) Dr. M.R.Naidu, Non-Executive Director

Particulars of related party transactions:

(Rupees in lakhs)

Sl.No.	Particulars	Current Year	Previous year
i)	Managerial Remuneration to - Key Management Personnel	65.41	60.16
ii)	Interest on unsecured loans (Fixed deposits) paid to - Key Management Personnel - Related Parties	1.72 25.75	0.08 10.33
iii)	Consultancy fee paid to other related parties	—	1.80
iv)	Unsecured loans (Fixed deposits) payable to - Key Management Personnel - Related Parties	— 228.00	— 22.00



(xii) Segmental Information:

A) Primary disclosures:

Business Segments: For management purposes, the Company is organized into three major operating divisions - Glass Lining, Wind energy and Lead. These divisions are the basis on which the Company reports its primary segment information. The Glass lining Division produces a broad range of glass-lined equipment. The Windmills generate electrical energy and the Lead Division produces Lead and Lead alloys. Financial information about these business segments is presented in the table below.

Segment Revenue and Expense: All the revenues and direct expenditure attributable to a particular segment are allocated to the respective segment.

Segment Assets & Liabilities: Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off sets in the balance sheet. Each of the assets could be specifically identified with the particular segment. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Information about business segments

(Rs. in Lakhs)

PARTICULARS	Glass Lined Equipment Division	Lead Division	Wind Power Division	Total
REVENUE				
External Sales	3,015.05 (3,649.70)	11,383.33 (5,833.81)	89.59 (80.72)	14,487.97 (9,564.23)
RESULT				
Segment result	70.55 (369.54)	814.63 (-511.83)	49.63 (38.97)	934.81 (-103.32)
Operating Profit	-	-	-	934.81 (-103.32)
Interest Expense	-	-	-	502.64 (362.76)
Interest & Misc. Income	-	-	-	16.63 (244.65)
Income tax, Deferred tax & Fringe benefit tax	-	-	-	161.69 (1.22)
Profit from ordinary activities	-	-	-	287.11 (-222.65)
Other un-allocated income	-	-	-	36.76 (6.76)
Net Profit	-	-	-	323.87 (-215.89)

PARTICULARS	Class Lined Equipment Division	Lead Division	Wind Power Division	Total
OTHER INFORMATION:				
Segment assets	4,276.97 (4,244.55)	5,611.86 (3,061.92)	135.07 (151.69)	10,023.90 (7,458.16)
Unallocated corporate assets	-	-	-	97.85
	-	-	-	(283.37)
Total Assets	4,276.97 (4,244.55)	5,611.86 (3,061.92)	135.07 (151.69)	10,121.75 (7,741.53)
Segment Liabilities	843.46 (817.01)	3390.00 (1,628.71)	0.87 (0.97)	4234.33 (2,446.69)
Unallocated corporate liabilities	-	-	-	2847.90
	-	-	-	(2,615.52)
Total Liabilities	843.46 (817.01)	3,390.00 (1,628.71)	0.87 (0.97)	7,082.23 (5,062.21)
Cost incurred on acquisition of assets				
- Put to use	20.74 (114.12)	1,399.23 (22.37)	-	1,419.97 (136.49)
- CWIP	8.28 (16.00)	72.52 (1,294.61)	-	80.80 (1,310.61)
Depreciation	83.09 (80.21)	89.43 (36.62)	18.42 (18.42)	190.94 (135.25)
Non-cash expenses other than depreciation	-	-	-	-
	-	-	-	-

(Note: Figures in brackets relate to previous year)

B) Secondary Disclosures:

- i) Segment revenue from external customers by geographical area :

There are no external customers based on the geographical location, revenues from whom constitute more than 10% of the enterprise revenue.

- ii) Total carrying amount of segment assets by geographical location of assets, for each geographical segment whose segment assets are 10% or more of the total assets of all geographical segments and the additions to the same are as under:

(Rs. in Lakhs)

Geographical Segment	Carrying amount of segment assets as at 31.03.2010	Additions during the year 2009-2010	
		Put to Use	CWIP
Glass Lining Division -Hyderabad	912.30 (977.08)	20.74 (114.12)	8.28 (16.00)
Lead Division - Choutuppal	353.36 (326.88)	56.62 (22.37)	0.75 (11.47)
- Tirupathi	1,282.48 -	1,342.61 -	71.77 (1,283.14)
Wind Mills - Ramagiri	131.57 (150.00)	-	-

(Note: Figures in brackets relate to previous year)



C) Accounting Policies:

Accounting policies for segment reporting are the same as adopted in preparation and presentation of the financial statements of the Company.

(xiii) Employee Benefits:

The company has classified various employee benefits as under:

A) Defined contribution plans

Provident Fund:

The provident fund is operated by the Regional Provident Fund authority under the scheme. The company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by Income tax authorities.

The company has recognized the following amounts in the Profit and Loss Account for the year:

Sl.No.	Particulars	2009-10 Rs.	2008-09 Rs.
a)	Contribution to provident fund:		
	- Employees	34,37,052	32,53,177
	- Key Managerial personnel	3,86,671	4,35,484

B) Defined Benefit Plan

i) Gratuity

ii) Leave Encashment

Leave encashment is payable to eligible employees who have earned leaves during the employment and / or on separation as per the Company's policy.

Actuarial Valuation in respect of Gratuity is done by LIC, who are maintaining the scheme and Leave Encashment has been carried out by an independent actuary, as at the Balance Sheet date and the details are as under:

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Current Year	Previous Year	Current Year	Previous Year
i)	Discount Rate	8.00%	8.00%	8.00%	8.00%
	Salary Escalation	4.00%	4.00%	4.00%	4.00%
	Rate of return on Plan assets	9.15%	9.15%	0%	0%
	Expected average remaining working lives of employees	20 years	21 years	20 years	21 years
ii)	Changes in present value of obligation	Rs.	Rs.	Rs.	Rs.
	Present value of obligations as at beginning of year	66,05,705	55,26,740	18,74,435	15,59,720
	Interest cost	5,28,456	4,42,139	1,49,955	1,24,778
	Current Service Cost	3,56,452	3,29,500	4,07,931	3,14,715
	Benefits Paid	(4,89,330)	(9,65,570)	(3,72,382)	(5,33,403)
	Actuarial (gain)/ loss on obligations	6,80,206	12,72,896	2,09,995	4,08,625
	Present value of obligations as at end of year	76,81,489	66,05,705	22,69,934	18,74,435

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Current Year	Previous Year	Current Year	Previous Year
iii)	Changes in fair value of plan assets				
	Fair value of plan assets at beginning of year	89,20,436	76,01,758	-	-
	Expected return on plan assets	8,01,882	7,11,771	-	-
	Contributions	-	15,72,477	-	-
	Benefits Paid	(4,89,330)	(9,65,570)	(3,72,382)	(5,33,403)
	Actuarial gain/(loss) on Plan assets	-	-	-	-
	Fair value of plan assets at the end of year	92,32,988	89,20,436	-	-
iv)	Reconciliation of present value of defined obligations and Fair value of plan assets				
	Closing balance of present value of obligation	76,81,489	66,05,705	22,69,934	18,74,435
	Closing balance of fair value of plan assets	92,32,988	89,20,436	-	-
	Funded (asset) / liability recognized in the Balance Sheet	(15,51,499)	(23,14,731)	22,69,934	18,74,435
	Unfunded liability recognized in the Balance Sheet	-	-	-	-
v)	Actuarial Gain/Loss recognized				
	Actuarial (gain)/ loss on obligations	6,80,206	(12,72,896)	2,09,995	(4,08,625)
	Actuarial (gain)/ loss for the year - plan assets	-	-	-	-
	Actuarial (gain)/ loss on obligations	6,80,206	12,72,896	2,09,995	4,08,625
	Actuarial (gain)/ loss recognized in the year	6,80,206	12,72,896	2,09,995	4,08,625
vi)	Amounts recognized in the Balance Sheet				
	Present value of obligations as at the end of year	76,81,489	66,05,705	22,69,934	18,74,435
	Fair value of plan assets as at the end of the year	92,32,988	89,20,436	-	-
	Funded status	15,51,499	23,14,731	(22,69,934)	(18,74,435)
	Unrecognised actuarial (gains)/losses	-	-	-	-
	Net asset/(liability) recognized in balance sheet	15,51,499	23,14,731	(22,69,934)	(18,74,435)
vii)	Expenses Recognized in the Profit & Loss Account				
	Current Service cost	3,56,452	3,29,500	4,07,931	3,14,715
	Interest Cost	5,28,456	4,42,139	1,49,955	1,24,778
	Expected return on plan assets	(8,01,882)	(7,11,771)	-	-
	Net Actuarial (gain)/ loss recognized in the year	6,80,206	12,72,896	2,09,995	4,08,625
	Expenses recognized in statement of Profit and loss	7,63,232	13,32,764	7,67,881	8,48,118



(xiv) Additional information pursuant to the requirements of part II of schedule VI to the Companies Act, 1956.

Particulars	Current Year	Previous Year
a) Licenced Capacity :		
Glass Lined Equipment (Qty. in ltrs)	16,00,000	16,00,000
Windmill (Qty. in MW)	2	2
Lead & Lead Alloys (Qty. in MTs)	32,000	6,000
b) Installed Capacity :		
(as certified by the management)		
Glass Lined Equipment (Qty. in Ltrs)	16,00,000	16,00,000
Wind Power (Qty. in MW)	2	2
Lead & Lead Alloys (Qty. in MTs)	32,000	6,000
c) Actual Production:		
Glass Lined Equipment (Qty. in Ltrs)	11,70,142	14,50,568
Wind Power (in KWH)	26,44,900	23,82,500
Lead & Lead Alloys (Qty. in MTs)	14,719	6,628

Particulars	Current Year		Previous Year	
	Quantity	Value (Rs. In lakhs)	Quantity	Value (Rs. In lakhs)
d) Opening stock of Finished goods:				
Glass Lined Equipment (Qty. in Ltrs)	7,930	41.51	-	-
Lead & Lead Alloys (Qty. in MTs)	51	46.43	232	287.30
e) Closing stock of Finished goods:				
Glass Lined Equipment (Qty. in Ltrs)	-	-	7,930	41.51
Lead & Lead Alloys (Qty. in MTs)	698	865.64	51	46.43

f)	Turnover (Net of Excise duty):	Current Year		Previous Year	
		Qty.	Value (Rs. in lakhs)	Qty	Value (Rs. in lakhs)
A. Glass Lined Equipment:					
	Domestic Sales (Qty. in ltrs)	11,44,772	2,871.53	14,28,908	3,516.39
	Export Sales (Qty. in ltrs)	33,300	143.52	13,730	133.31
	TOTAL (A)	11,78,072	3,015.05	14,42,638	3,649.70
B. Lead & Lead Alloys					
	Domestic Sales (Qty. in MTs)	6,889	7,497.96	4,970	5,143.98
	Export Sales (Qty. in MTs)	3,075	3,009.24	425	392.99
	Job work (Qty. in MTs)	4,108	876.13	1,414	296.84
	TOTAL (B)	14,072	11,383.33	6,809	5,833.81
C. Wind Power					
	Sales (Qty. in KWH)	26,44,900	89.59	23,82,500	80.72
	TOTAL (A+B+C)		14,487.97		9,564.24
g) Consumption of raw materials:					
	M.S. Materials (Qty. in MTs)	2,428	1,117.23	2,542	1,475.18
	Chemicals (Qty. in MTs)	61	63.76	62	72.73
	Lead Scrap (Qty. in MTs)	11,886	1,02,33.59	5,478	5,416.39
	Others	-	475.49	-	526.90
	TOTAL	14,375	11,890.07	8,082	7,491.20

h) Details of imported & indigenous Raw Materials, Spare parts and components consumed and their percentage to total consumption.

	Current Year		Previous Year	
	(%) to total consumption	Value (Rs. in lakhs)	(%) to total consumption	Value (Rs. in lakhs)
(a) Raw Materials:				
Indigenous	58	6,923.53	43	3,206.61
Imported	42	4,966.54	57	4,284.59
TOTAL	100	11,890.07	100	7,491.20
(b) Stores, Spares & Components				
Indigenous	97	642.27	98	368.30
Imported	3	23.26	2	9.23
TOTAL	100	665.53	100	377.53



	Current Year Rs.	Previous Year Rs.
i) Value of imports calculated on CIF Basis:		
- Raw materials	46,06,91,614	41,35,70,854
- Components & Spare parts	23,28,075	15,83,475
TOTAL	46,30,19,689	41,51,54,329
j) Earnings in Foreign currency:		
FOB value of exports:		
Glass lined Equipment	1,43,31,290	1,33,30,626
Lead	30,09,23,190	3,92,99,055
Service charges	69,466	-
TOTAL	31,53,43,946	5,26,29,681
k) Expenditure in foreign currency		
- Travelling expenses	2,60,200	2,69,411
- Commission on Sales	2,05,373	9,05,556
l) Amount remitted in Foreign currency on account of		
-Dividend paid (for F.Y. 07-08)	-	1,74,522
-Number of non-resident Shareholders	-	4
-Number of Shares held by them	-	8,7261
TOTAL	4,65,573	13,49,489
m) Payment to Auditors:		
- as auditor	2,20,600	1,37,875
- as advisor, in respect of:		
a) taxation matters	20,000	25,000
b) management services	37,125	62,140
TOTAL	2,77,725	2,25,015

n) Particulars of Managerial Remuneration:

(Amount in Rs.)

Sl No.	Name and designation of the Managerial Personnel	Salary	Commission	Value of Perquisites			Total Remuneration
				P.F.	Others	Total	
1	Sri V.Ramesh Managing Director	29,13,334 (31,72,593)	9,84,939 -	2,20,800 (2,42,322)	1,19,022 (1,17,076)	3,39,822 (3,59,398)	42,38,095 (35,31,991)
2	Sri K.V.Ramana Director (Finance) upto to 25-07-08. Remuneration shown in brackets is for the period 1-4-08 to 25-07-08	- (2,75,639)	- -	- (22,839)	- (3,810)	- (26,649)	- (3,02,288)
3	Sri V.Sridharan Director (Technical) upto to 25-07-08 Remuneration shown in brackets is for the period 1-4-08 to 25-07-08	- (2,75,639)	- -	- (22,839)	- (12,221)	- (35,060)	- (3,10,699)
TOTAL		29,13,334	9,84,939	2,20,800	1,19,022	3,39,822	42,38,095
Previous year		(37,23,871)	-	(2,88,000)	(1,33,107)	(4,21,107)	(41,44,978)

Notes : (i) Figures in brackets relate to previous year.

(ii) The above remuneration is paid as per the terms of appointment approved by the Board & shareholders read with the applicable provisions of the Companies Act, 1956.

o) Computation of net profit and commission payable to Managing Director:

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Profit/(loss) before tax as per P & L A/c.	4,48,79,349	(2,21,43,567)
Add:-		
Managerial Remuneration to Directors	42,38,095	41,44,978
Directors' Sitting Fees	1,28,500	99,500
Depreciation as per books of account	1,70,82,406	1,15,01,187
Loss on sale of Assets/Fixed assets written off charged to profit & loss A/c	15,088	18,00,675
TOTAL	6,63,43,438	(45,97,227)
Less:-		
Depreciation under Sec.350 of the Companies Act, 1956	1,70,82,406	1,15,01,187
Excess Provision of liabilities written in	14,079	11,413
Net Profit as per Sec. 349	4,92,46,953	(1,61,09,827)
Commission payable to Managing Director @ 2%	9,84,939	NIL

(xv) Previous year's figures have been regrouped wherever necessary to conform with the layout adopted in the current year and paise are rounded off to the nearest rupee.



D. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

Particulars	Current year	Previous year
I. Registration details:		
Registration No.	4719	4719
State Code	01	01
Balance Sheet Date	31-03-2010	31-03-2009
II. Capital Raised during the year (Amount in Rs. 000)		
Public Issue	-	-
Rights Issue	-	-
Bonus Issue	-	-
Private Placement	-	-
III. Position of Mobilization and Deployment of Funds (Amount in Rs. 000)		
Total Liabilities	6,80,202	6,25,376
Total Assets	6,80,202	6,25,376
Sources of Funds:		
Paid-up Capital	30,019	30,019
Reserves and Surplus	2,48,712	2,21,860
Secured Loans	3,00,582	3,12,158
Un-secured Loans /Others	75,668	45,285
Deferred Tax	25,221	16,054
Application of Funds:		
Net Fixed Assets	2,76,051	2,76,458
Investments	9,116	8,652
Net Current Assets	3,95,035	3,40,266
Misc. Expenditure	-	-
Accumulated Losses	-	-
IV. Performance of Company:		
Turnover	14,48,797	9,56,424
Total Expenditure	14,05,580	10,03,033
Profit/(loss) before tax	48,555	-21,467
Profit/(loss) after tax, Deferred Tax & FBT	32,387	-21,589
Earnings per share	Rs. 11/-	Rs.-7/-
Dividend Rate %	10%	-
V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)		
Item code No. (ITC Code) :	84198920	
Product Description :	Glass Lined Equipment	
Item Code (ITC Code) :	78011000	
Product Description :	Lead	
Item Code (ITC Code) :	78019100	
Product Description :	Lead Alloys	
Product Description :	Wind Energy	
Item Code (ITC Code) :	27160000	

Schedules 1 to 18 above form an integral part of the Balance Sheet and Profit & Loss Account.

Per our report of even date attached.

For and on behalf of the Board

for **Sarathy & Balu**
Chartered Accountants
(Regn: No.3621S)

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

J. Venkateswarlu
Partner
ICAI Ms No. 022481

Bikram Keshari Prusty
Company Secretary

Place : Hyderabad
Date : 08-05-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-2010 Rs.	2008-2009 Rs.
A. Cash flow from operating activities :		
Net Profit/(Loss) Before Tax	4,48,79,349	(2,21,43,568)
Adjustments for :		
Depreciation	1,70,82,406	1,15,01,187
Loss on Sale and discarded / demolition of Assets	15,088	18,00,675
Interest	4,50,10,704	3,12,61,403
Operating profit before working capital changes	10,69,87,547	2,24,19,697
Adjustments for :		
Trade and other receivables	(9,76,48,447)	4,24,02,962
Inventories	(14,33,95,762)	(2,49,48,363)
Trade payables	17,97,34,416	9,22,087
Cash generated from operations	4,56,77,754	4,07,96,383
Cash flow before Extraordinary items & Prior period adjustments	4,56,77,754	4,07,96,383
Prior period adjustments	36,76,071	6,76,331
Tax paid	(74,31,465)	(1,00,31,790)
Net cash flow from operating activities	4,19,22,360	3,14,40,924
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	(1,90,16,527)	(13,50,51,049)
Proceeds from sale of assets	3,02,679	3,29,418
Purchase of investments	(4,63,910)	(86,52,150)
Net cash used in investing activities	(1,91,77,758)	(14,33,73,781)
C. Cash Flow From Financing Activities :		
Proceeds from Long term borrowings	5,00,00,000	5,90,00,000
Repayment of Long term borrowings	(1,67,40,335)	(85,57,908)
(Repayments)/Proceeds from other borrowings (net)	(1,44,52,405)	9,69,56,226
Dividend & tax on dividend paid	—	(70,24,146)
Interest Paid	(4,50,10,704)	(3,12,61,403)
Net cash flow from financing activities	(2,62,03,444)	10,91,12,769
Net (decrease)/increase in cash and cash equivalents	(34,58,842)	(28,20,088)
Opening cash and cash equivalents	1,55,31,285	1,83,51,373
Closing cash and cash equivalents	1,20,72,443	1,55,31,285

Previous year figures have been restated wherever necessary to confirm to this year's classifications.

Per our attachment report of even date

For and on behalf of the Board

for **Sarathy & Balu**
Chartered Accountants
(Regn.No.3621S)

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

J. Venkateswarlu
Partner
ICAI Ms. No. 022481

Place : Hyderabad
Date : 08-05-2010

Bikram Keshari Prusty
Company Secretary



N I L E
L I M I T E D

AUDITORS' CERTIFICATE

We have examined the above Cash Flow statement of NILE Limited, ("the Company") for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with Accounting Standard - 3, Cash Flow Statements, of the Companies Accounting Standard Rules, 2006 read with the requirements of clause 32 of Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date issued to the members of the Company.

for **SARATHY & BALU**
Chartered Accountants
(Firm Regn No.3621S)

Place : Hyderabad
Date : 08-05-2010

J. Venkateswarlu
Partner
ICAI Ms. No.022481

PROXY FORM & ATTENDANCE SLIP

NILE LIMITED

Regd. Office & Factory : Industrial Estate,
Nacharam, Hyderabad - 500 076.

ATTENDANCE SLIP

DPID No. : Regd. Folio No. :
Client No. : No. of Shares held :
Name of the Shareholder/Proxy Present :

I hereby record my presence at the 26th Annual General Meeting of the Company held on Thursday, 30th September, 2010 at 11.00 a.m. at the Registered Office of the Company at Road No. 7, Industrial Estate, Nacharam, Hyderabad - 500 076.

Signature of the Shareholder/Proxy

NOTE: Please bring the attendance slip duly filled in to the venue of the meeting.



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



NILE LIMITED

Regd. Office & Factory : Industrial Estate,
Nacharam, Hyderabad - 500 076.

PROXY FORM

DPID No. : Regd. Folio No. :
Client No. : No. of Shares held :

I / We
of
being a member / members of NILE Limited hereby appoint
..... of
or failing him of
as my / our Proxy to vote for me / us and on my / our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 11.00 a.m. or at any adjournment thereof.

Signed this day of 2010.

Signature of the Shareholder

Affix Re.1/- Revenue Stamp

NOTE : The proxy, in order to be effective, should be duly stamped, completed and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

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