



**N I L E
L I M I T E D**



27th Annual Report 2010-11



BOARD OF DIRECTORS :

Sri V. Ramesh	<i>Chairman cum Managing Director</i>
Sri Sandeep Ramesh	<i>Executive Director</i>
Sri S. V. Narasimha Rao	
Dr. M. R. Naidu	
Sri V. Ashok	
Sri Satish Malladi	

SENIOR MANAGEMENT :

Sri V. Sridharan	<i>Chief Operating Officer (Glass Lining Division)</i>
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COMPANY SECRETARY :

Sri Bikram Keshari Prusty

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

AUDITORS :

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

BANKERS :

Andhra Bank
Sultan Bazar Branch,
Hyderabad - 500 195.

INTERNAL AUDITORS :

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

**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 27th Annual General Meeting of the Company will be held on Friday, the 30th day of September, 2011 at 10:00 A.M at J.S.Krishna Murthy Hall of the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, FAPCCI Marg, Red Hills, Hyderabad - 500004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, 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 2010-11.
3. To appoint a Director in place of Sri Satish Malladi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Sri Sandeep Ramesh, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2011 pursuant to Article 124 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting under section 260 of the Companies Act, 1956, being eligible for appointment, and in respect of whom the Company has received a notice together with the required deposit under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

6. **To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Sri Sandeep Ramesh, who is in whole time employment of the Company, be and is hereby appointed as Executive Director of the Company with effect from 14th August, 2011, for a period of three years as per the following terms and conditions:

Salary	₹ 1,00,000/- per month (Rupees one lakh only)
Commission	1% of the net profits of the Company.
Perquisites	Perquisites will be added to salary and will be subject to the condition that the monetary value of those under Part A shall be restricted to an amount equal to the annual salary.

Part A

1. Housing:

Housing I	The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the ceiling of 50% of salary, over and above 10% payable by the Executive Director.
Housing II	In case accommodation is owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.
Housing III	In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

The expenditure incurred by the Company on gas, electricity, water, and furnishings will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling prescribed under the Rules.

2. Medical reimbursement	Expenses incurred for self and family subject to a ceiling of one month's salary in a year.
3. Leave Travel Concession	For self and family once in a year subject to a maximum of one month's salary.
4. Club fees	Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
5. Personal Accident Insurance	Premium for 60 months' basic salary, as per the prevailing rates.
6. Mediclaim Policy	Premium, as per the amount allowed under IT Rules per annum for self and family

PART B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity will be limited to 15 days salary for each completed year of service.

PART C

Provision of (i) car with driver, and (ii) telephone at residence. Personal long distance calls on telephone, and use of car for private purposes shall be billed by the Company to the Executive Director.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the period of his office as Executive Director, the remuneration and perquisites set out above with the exception of commission be paid to Sri Sandeep Ramesh as minimum remuneration, subject to a maximum as stipulated in Schedule XIII of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in supersession of the earlier Special Resolution passed in the Annual General Meeting held on 30th September, 2008, Sri V. Ramesh be and is hereby re-appointed as Managing Director for a period of three years with effect from 14th August, 2011, as per the following terms and conditions:

Salary	₹ 2,50,000/- per month (Rupees two lakhs fifty thousand only)
Commission	2% of the net profits of the Company.
Perquisites	Perquisites will be added to salary and will be subject to the condition that the monetary value of those under Part A shall be restricted to an amount equal to the annual salary.

Part A**1. Housing:**

Housing I	The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the ceiling of 50% of salary, over and above 10% payable by the Managing Director.
Housing II	In case accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
Housing III	In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

The expenditure incurred by the Company on gas, electricity, water, and furnishings will be valued as per the Income Tax Rules, 1962. This will however be subject to a ceiling prescribed under the Rules.

2. Medical reimbursement	Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
3. Leave Travel Concession	For self and family once in a year subject to a maximum of one month's salary.
4. Club fees	Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
5. Personal Accident Insurance	Premium for 60 months' basic salary, as per the prevailing rates.
6. Mediclaim Policy	Premium, as per the amount allowed under IT Rules per annum for self and family

PART B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity will be limited to 15 days salary for each completed year of service.



PART C

Provision of (i) car with driver, and (ii) telephone at residence. Personal long distance calls on telephone, and use of car for private purposes shall be billed by the Company to the Managing Director.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the period of his office as Managing Director, the remuneration and perquisites set out above with the exception of commission be paid to Sri V. Ramesh as minimum remuneration, subject to a maximum as stipulated in Schedule XIII of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof.”

By Order of the Board
For Nile Limited

Place : Hyderabad
Date : 14-08-2011

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, 2011 to 30th September, 2011 (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, 2011. 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. Shareholders, 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: Final	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 : 1 st Interim	27-10-2007	26-10-2014
2007-08 : 2 nd Interim	30-04-2008	29-04-2015
2007-08 : Final	30-09-2008	29-09-2015
2009-10: Final	30-09-2010	29-09-2017

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No.5: Appointment of Sri Sandeep Ramesh as a Director:

Sri Sandeep Ramesh is a commerce graduate from the Indian Institute of Management and Commerce, and holds a post graduate diploma in business management from the Indian School of Business. He joined your Company in June 2009 as General Manager, Non Ferrous Division. After his involvement in the business, your Company has achieved a record turnover during the Financial Year 2010-11. On 14th August, 2011, Sri Sandeep Ramesh was co-opted as an Additional Director on the Board of the Company.

Pursuant to Section 260 of the Companies Act, 1956, Sri Sandeep Ramesh will hold office up to the date of 27th Annual General Meeting of the Company.

Your Company has received notice in writing along with the deposit of ₹ 500/- from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Sri Sandeep Ramesh as candidate for the office of Director.

The Board recommends the necessary resolution for your approval.

None of the Directors of the Company, except Sri Sandeep Ramesh and Sri V. Ramesh, is interested in the proposed resolution.

Item No.6: Appointment of Sri Sandeep Ramesh as Executive Director:

Sri Sandeep Ramesh being an employee of the Company, on appointment to the office of Director, is deemed to be an Executive Director of the Company.

The Board has decided to appoint him as Executive Director with effect from 14th August, 2011, and fix his remuneration, as recommended by the Remuneration Committee. The terms and conditions of his remuneration, payable with effect from 14th August, 2011, mentioned in the proposed resolution are in conformity with Schedule XIII of the Companies Act, 1956, and are subject to approval of the members.

The Board recommends the necessary resolution for your approval.

None of the Directors of the Company, except Sri Sandeep Ramesh and Sri V. Ramesh, is interested in the proposed resolution.

Information Pursuant to Schedule – XIII of the Companies Act, 1956 is annexed to the notice. (Annexure-1).

NOTE: The above may be treated as an abstract of the terms of appointment between the Company and Sri Sandeep Ramesh, pursuant to Section 302 of the Companies Act, 1956.

Item No. 7: Re-appointment of Sri V. Ramesh as Managing Director:

Sri V. Ramesh, is the promoter 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 over 35 years 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. His last appointment was made for a period of 5 years with effect from 26th July, 2008. In view of the excellent progress achieved by the Company since then under his guidance, the Board has decided to re-appoint him, subject to the approval of the shareholders, for a period of three years with effect from 14th August, 2011, with revised remuneration as recommended by the Remuneration Committee, by superseding the earlier resolutions passed by the Board on 26th July, 2008, and corresponding Special Resolution passed in the Annual General Meeting held on 30th September, 2008.

The terms and conditions of his remuneration, payable with effect from 14th August, 2011, mentioned in the proposed resolution are in conformity with Schedule XIII of the Companies Act, 1956, and are subject to approval of the members.

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

None of the Directors of the Company, except Sri V. Ramesh and Sri Sandeep Ramesh, is concerned or interested in the resolution.

Information Pursuant to Schedule – XIII of the Companies Act, 1956 is annexed to the notice (Annexure-2).

NOTE: The above may be treated as an abstract of the terms of appointment between the Company and Sri V. Ramesh, pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board
For Nile Limited

Place: Hyderabad
Date: 14-08-2011

Bikram Keshari Prusty
Company Secretary

**Appointment of Sri Sandeep Ramesh as Executive Director:
Information Pursuant to Schedule – XIII of the Companies Act, 1956:**

I. General Information:

- Nature of industry:**

Manufacture of Glass Lined Equipment, Recycling of Lead, Power Generation through Wind Farms

- Date or expected date of commencement of Commercial Production:**

Commercial production commenced several years ago.

- Financial performance based on given indicators:**

(₹ in lakhs)

Financial parameters	2010-11	2009-10	2008-09
Turnover	29,933.47	14,487.97	9,564.23
Net Profit / (Loss) before Tax	1,016.94	485.55	(214.67)
Net Profit / (Loss) after Tax	717.68	323.87	(215.89)

- Export performance and net foreign exchange collaborations:**

(₹ in lakhs)

	2010-11	2009-10	2008-09
Export Performance	4,474.16	3,152.74	526.30

II. Information about the appointee:

- Background details:**

Sri Sandeep Ramesh is a commerce graduate from the Indian Institute of Management and Commerce, and holds a post graduate diploma in business management from the Indian School of Business. He joined Nile Limited in June 2009 as General Manager, Non Ferrous Division. After his involvement in the business, the company has achieved a record turnover during the Financial Year 2010-11.

- Past remuneration:**

During his tenure as General Manager – Non Ferrous Division, he was getting salary of ₹ 30,000/- per month along with other perks applicable as per company rules.

- Job profile and his suitability:**

Sri Sandeep Ramesh will be responsible for overall management of the Company's Non Ferrous Division. In view of the record turnover achieved by the Company during his tenure as General Manager – Non Ferrous Division, the Board has decided to co-opt him as an Additional Director and Executive Director for a period of three years with effect from 14th August, 2011.

- Remuneration proposed:**

As set out in Item Number 6 of the AGM Agenda.

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Sri Sandeep Ramesh, and the responsibilities shouldered by him, the aforesaid remuneration package is in line with the prevailing industry norms.

- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Relevant information is provided in the "Corporate Governance" part of the Directors Report.

III. Other information:

The Company suffered losses in 2008-2009 because of the global recession and the volatility in the international commodity markets. Due to the management's strategy of hedging against volatility, and expansion of activities & capacity, the unit has since been profitable.

IV. Disclosures:

Complete details of remuneration paid to all Directors are shown in the "Corporate Governance" part of the Directors Report.

Annexure – 2

**Re-appointment of Sri V. Ramesh as Managing Director:
Information Pursuant to Schedule – XIII of the Companies Act, 1956:**

I. General Information:

- Nature of industry:**

Manufacture of Glass Lined Equipment, Recycling of Lead, Power Generation through Wind Farms

- Date or expected date of commencement of Commercial Production:**

Commercial production commenced several years ago.

- Financial performance based on given indicators:**

(₹ in lakhs)

Financial parameters	2010-11	2009-10	2008-09
Turnover	29,933.47	14,487.97	9,564.23
Net Profit / (Loss) before Tax	1,016.94	485.55	(214.67)
Net Profit / (Loss) after Tax	717.68	323.87	(215.89)

- Export performance and net foreign exchange collaborations:**

(₹ in lakhs)

	2010-11	2009-10	2008-09
Export Performance	4,474.16	3,152.74	526.30

II. Information about the appointee:

- Background details:**

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 vast experience in related fields in different capacities.

- Past remuneration:**

₹ 2.00 Lakhs per month + Commission @ 2% of the Net Profits + Perquisites as approved by the shareholders at the 24th Annual General Meeting of the Company held on 30th September, 2008.

- Job profile and his suitability:**

Sri V. Ramesh as Managing Director is the CEO of the Company, responsible for overall management of the Company, under the supervision and guidance of the Board of Directors. His last appointment was made for a period of 5 years with effect from 26th July, 2008. In view of the excellent progress achieved by the Company since then under his guidance, the Board has decided to re-appoint him as Managing Director for a period of three years with effect from 14th August, 2011, with revised remuneration as recommended by the Remuneration Committee.

- Remuneration proposed:**

As set out in Item Number 7 of the AGM Agenda above

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Sri V. Ramesh, and the responsibilities shouldered by him, the aforesaid remuneration package is in line with the prevailing industry norms.

- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Relevant information is provided in the "Corporate Governance" part of the Directors Report.

III. Other information:

The Company suffered losses in 2008-2009 because of the global recession and the volatility in the international commodity markets. Due to the management's strategy of hedging against volatility, and expansion of activities & capacity, the unit has since been profitable.

IV. Disclosures:

Complete details of remuneration paid to all Directors are shown in the "Corporate Governance" part of the Directors Report.

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 27th Annual Report on the operations of your Company and the Audited Accounts for the financial year ended 31st March, 2011, 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:

Particulars	(₹ in lakhs)	
	2010-11	2009-10
Net Sales	29,933.47	14,487.97
Other Income	73.17	16.63
Profit before interest and depreciation and prior period adjustments	1,981.32	1,122.25
Less: Interest	768.90	502.64
Depreciation	<u>198.32</u>	<u>170.82</u>
Profit Before Tax and prior period adjustments	1,014.10	448.79
- Prior Period Adjustments	2.84	36.76
Profit Before Tax	1,016.94	485.55
Less: Provision for tax – Regular Tax	294.46	70.02
- Deferred Tax (asset)/liability	<u>4.80</u>	<u>91.66</u>
Profit/(Loss) after tax for the year	717.68	323.87
Add/Less: Surplus/(Deficit) in P&L Account brought forward	924.62	645.87
Amount available for appropriation	<u>1,642.30</u>	<u>969.74</u>
Appropriations:		
Transfer to General Reserve	54.00	10.00
Proposed Dividend on equity shares	60.04	30.02
Income Tax on proposed Dividend	9.97	5.10
Surplus/(Deficit) carried to Balance Sheet	<u>1,518.28</u>	<u>924.62</u>

DIVIDEND:

Your Directors have pleasure in recommending a dividend of ₹ 2.00 per share for the year 2010-11.

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 ₹ 4,466 lakhs as against ₹ 3,015 lakhs in the previous year.

LEAD DIVISION:

This year, the Lead division recorded sales of ₹ 25,395 lakhs as against ₹ 11,383 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 ₹ 73 lakhs as against ₹ 90 lakhs in the previous year.

TOTAL:

The combined turnover of the Company, thus, was ₹ 29,933 lakhs for the year under review, as against ₹ 14,488 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 ₹)		
Particulars	2010-11	2009-10
a) Foreign Exchange earnings on exports	44,74,16,389	31,53,43,946
b) Foreign Exchange used on account of:		
i) Foreign Travel	1,46,918	2,60,200
ii) CIF value of imports of raw material & others	1,33,41,24,582	46,30,19,689
iii) Commission on Sales	15,44,027	2,05,373
iv) Dividend for 2009-10	82,500	-

PROPOSED EXPANSION:

The expansion of the recycling plant at Tirupati will be completed in the next few months.

The joint venture in Georgia is undergoing some teething problems, and your Directors hope that production and exports will resume soon.

DIRECTORS:

On 14th August, 2011 Sri V. Ramesh, Managing Director of the Company, has been reappointed as Chairman cum Managing Director of the Company.

On 14th August, 2011 Sri Sandeep Ramesh has been co-opted as an Additional Director, and appointed as Executive Director of the Company.

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Sri Satish Malladi will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself 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, 2011 amount to ₹ 395.50 lakhs, which includes ₹ 327.00 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 Companies (Particulars of Employees) Rules, 1975.

No employee was in receipt of remuneration more than the limit prescribed under the Companies (Particulars of Employees) Rules, 1975.

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 2011-12 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, 2011, 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

Place : Hyderabad
Date : 14-08-2011

V. Ramesh
Chairman cum
Managing 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, Lead 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:

(₹ In Lakhs)

Segment	Turnover	Profit / (Loss) before Interest & Tax
Glass Lining	4,465.70	372.63
Lead	25,394.83	1,311.27
Wind Energy	72.94	25.91

OUTLOOK

As indicated by your Directors last year, there has been a significant improvement in the performance of the Glass Lining Division, and the order book position continues to be very strong. However, your Directors feel that the offer received for purchase of this unit is reasonable. As you know, the process of obtaining your approval for disposing off this Division has already been initiated. The information circulated to the members along with the Postal Ballot forms is reproduced below:

"As the members are aware, your Company has achieved a record turnover of ₹ 299.33 Crores during 2010-11, out of which the Company's Lead segment contributed ₹ 253.95 Crores. The combined capacity of the two Lead recycling plants was increased during 2009-2010 to 32,000 TPA, and the Tirupati unit's expansion by another 30,000 TPA is already underway.

The Company's Glass Lining operations, though profitable, have not been increasing at the same pace. Glass Lining is a niche area, with limited potential for growth. De Dietrich is a major international player in this field, and offers a wider product range and more integrated solutions than your Company does. It will not be cost effective for your Company to develop and match such offerings, in view of the limited geographical market in which your Company operates.

With this background, your Board felt that the offer made by De Dietrich is beneficial for both organizations. Exiting the

Glass Lining operations permits the management to focus on the Lead business, and will also make available financial resources to augment the working capital and fund future expansions.

Therefore, it is now proposed to sell the entire business encompassing the Glass Lined Equipment and Pressure Vessels Division (Business) along with all fixed assets, movable assets, other assets, intellectual property including the trademarks, liabilities including contracts, licences, permits, consents and approvals, whatsoever, relating to the Business, as a "going concern" on a slump sale basis, to De Dietrich Process Systems India Private Limited for a consideration of ₹ 58.50 Crores, subject to suitable adjustments at the closing of the transaction, to take into account the changes in the net current assets till the closing date, which according to the Board is a proper valuation of the said Business.

The transfer of the Business is subject to the receipt of all statutory permissions and clearances in this regard. The closing date for the transaction will be the 7th (Seventh) day from the date of satisfaction of the Conditions Precedent in this regard."

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. The hedging operations commenced by your Company have also helped in absorbing the volatility in the international metals market.

The expansion of the Tirupati unit is nearing completion. The operational and commercial aspects of the joint venture project in Georgia are getting streamlined.

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.

The outlook for the Lead Division continues to be promising in the medium term.

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, 2010 and April 01, 2011 for the three divisions are given below:



Year	Strength of Employees		
	Glass lining	Lead	Wind Farm
April 01, 2010	245	120	6
April 01, 2011	246	183	6

For and on behalf of the Board

Place : Hyderabad
Date : 14-08-2011

V. Ramesh
Chairman cum
Managing Director

B. CORPORATE GOVERNANCE REPORT

Yours Directors have pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2011

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 6 Directors, out of whom 4 are independent.

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

Promoter / Promoter Director:

Sri V. Ramesh Chairman cum Managing Director
Sri Sandeep Ramesh Executive Director

Non-Executive and Independent Directors:

Dr. M.R. Naidu Sri S.V. Narasimha Rao
Sri V. Ashok Sri Satish Malladi

None of the independent Directors are related to any other Director.

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:

Sri Satish Malladi, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

Sri Satish Malladi:

Sri. 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. Sri Malladi now heads, and is a director in, Mashvill Sensors Private Limited, which manufactures special pressure transducers for aerospace applications.

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 vast 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. As on 31st March, 2011 he was holding 2,21,208 shares in the company.

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, Audit Committee and Compensation Committee of Seven Life Sciences Limited, as well as Board of Mangal Precision Products Limited.

Sri S.V. Narasimha 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 the Executive Director of Beardsell Limited. He is a member in none of the committees in other companies.

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 in commercial and managerial functions. He is a member in none of the committees in other companies.

Sri Sandeep Ramesh:

Sri Sandeep Ramesh is a commerce graduate from the Indian Institute of Management and Commerce, and holds a post graduate diploma in business management from the Indian School of Business. He joined Nile Limited in June 2009 as General Manager, Non Ferrous Division. On 14th August, 2011, he was inducted into the Board as an Additional Director. Being an employee of the Company, he is deemed to be an Executive Director of the Company. As on

31st March, 2011 he was holding 1,82,024 shares in the company.

(ii) Board Meetings:

During 2010-11, the Board of Directors met six times on the following dates:

Sl No	Date of Board Meeting	Sl No	Date of Board Meeting
1	08.05.2010	4	14.08.2010
2	09.06.2010	5	12.11.2010
3	28.07.2010	6	24.01.2011

(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	Committee Memberships	Committee Chairmanships
Sri V. Ramesh	6	Yes	None	None	None
Dr. M. R. Naidu	1	No	2	3	None
Sri S.V. Narasimha Rao	4	Yes	1	None	None
Sri V. Ashok	6	No	1	None	None
Sri Satish Malladi	6	Yes	None	None	None
Sri Ramanan Ramamurti [@]	2	NA	None	None	None
Sri Sandeep Ramesh*	NA	NA	None	None	None

3) AUDIT COMMITTEE:

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 recommendation on the 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 2010-11. Details of the attendance of each member at the Audit Committee meetings are as follows:

Name of the Director	Dates of Audit Committee Meetings			
	08.05.2010	14.08.2010	12.11.2010	24.01.2011
Sri S.V. Narasimha Rao	Yes	Yes	Yes	Yes
Sri V. Ashok	Yes	Yes	Yes	Yes
Sri Satish Malladi	Yes	Yes	Yes	Yes
Sri Ramanan Ramamurti [@]	Yes	NA	NA	NA



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 Whole Time 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 2010-11.

Particulars of remuneration paid to the Board of Directors for the year ended 31st March, 2011 are given below:

Executive Director

Sri V.Ramesh	(In ₹)
Salary	38,00,000
Perquisite	4,28,473
Commission	8,39,883
Total	50,68,356

The Investors Grievance Committee met four times during the year 2010-11. Details of the attendance of each member at the Investors Grievance Committee meetings are as follows:

Name of the Director	Dates of Investors Grievance Committee Meetings			
	08.05.2010	14.08.2010	12.11.2010	24.01.2011
Sri Ramanan Ramamurti [@]	Yes	NA	NA	NA
Dr. M. R. Naidu [§]	NA	Yes	No	No
Sri S.V. Narasimha Rao	Yes	Yes	Yes	Yes
Sir V. Ramesh	Yes	Yes	Yes	Yes

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

[§] Dr. M.R.Naidu, Director, was appointed as Chairman of the Investor Grievance Committee on 28th July, 2010.

^{*} Sri Sandeep Ramesh was inducted into the Board as an additional Director, and also appointed as Executive Director, on 14th August, 2011.

6) GENERAL BODY MEETINGS:

Details of last three Annual General Meetings:

Financial Year	2007 – 2008
Venue	J. S. Krishnana Murthy Hall FAPCCI, Fedration 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	

Non-Executive Directors	Sitting fees
Dr. M.R.Naidu	4,500
Sri S.V.Narasimha Rao	22,000
Sri V. Ashok	25,000
Sri Satish Malladi	25,000
Sri Ramanan Ramamurti [@]	9,000

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 S. V. Narasimha Rao are members.

The Committee did not receive any Complaint during the year. Therefore, no complaint was pending as on 31st March, 2011. Company Secretary of the Company acts as the Compliance Officer.

Financial Year	2009 – 2010
Venue	Registered Office: Industrial Estate, Nacharam, Hyderabad – 500 076.
Date	30.09.2010
Time	11:00 A.M.
No Special resolutions passed	

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

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) Sri S.V. Narasimha Rao, Non-Executive Director
 - (g) Sri Suraneni Arun, Relative of Director
- (iii) Others:
 - Trigeo Technologies Private Limited

Details of transactions with related parties during the year:

₹ In Lacs

Particulars of transaction	Key Management Personnel	Related Parties	Others	Total
i) Managerial Remuneration	78.94	5.85	–	84.79
ii) Interest on unsecured loans & fixed deposits to related parties	0.31	35.68	10.27	46.26
iii) Amount outstanding from related parties	–	–	–	–
iv) Amount payable to related parties	–	335.71	252.49	588.20

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 & 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)	27 th Annual General Meeting	30 th September, 2011.
ii)	Venue	J.S.Krishna Murthy Hall, FAPCCI, Federation House, FAPCCI Marg, Red Hills, Hyderabad – 500 004
iii)	Financial Calendar	The Company follows April to March as its financial year. The financial results are declared, as per the provisions of Listing Agreement.
iv)	Date of Book Closure	23 rd September, 2011 to 30 th September, 2011. (both days inclusive)
v)	Listing on Stock Exchange	The Bombay Stock Exchange Ltd., Mumbai
vi)	Company Stock Code	BSE – 530129
vii)	Demat ISIN Numbers in NSDL & CDSL	INE445D01013

viii) 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 (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2010	163.80	112.55	October, 2010	125.05	105.00
May, 2010	168.70	95.10	November, 2010	128.50	84.35
June, 2010	118.00	90.25	December, 2010	162.50	86.00
July, 2010	119.95	83.00	January, 2011	165.60	123.00
August, 2010	114.80	88.50	February, 2011	130.00	116.05
September, 2010	142.00	88.00	March, 2011	141.80	121.00

ix) Registrar and Share Transfer Agents:
M/s.XL Softech Systems Ltd.
3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.
Ph:040-23545913/14/15, Fax:040-23553214
E-mail: xlfield@rediffmail.com / xlfield@gmail.com

x) 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 respect to the shares in Demat mode, the procedure adopted is as per the provisions of Depositories Act, 1996.

xi) Distribution of Shareholding as on 31st March, 2011:

Share holdings of Nominal value of Number of shares held	Shareholders		Share amount	
	Nos.	%	In ₹	%
Up to 100	1,422	64.31	8,46,810	2.82
101 – 200	292	13.21	5,30,340	1.77
201 – 300	143	6.47	3,98,150	1.33
301 – 400	55	2.49	2,10,350	0.70
401 – 500	92	4.16	4,54,470	1.51
501 – 1000	93	4.21	7,49,060	2.50
1001 – 2000	46	2.08	6,81,140	2.27
2001 – 3000	18	0.81	4,77,400	1.59
3001 – 4000	9	0.41	3,17,550	1.06
4001 – 5000	12	0.54	5,56,610	1.85
5001 – 10000	9	0.41	6,38,690	2.13
10001 and above	20	0.90	2,41,58,430	80.47
TOTAL	2,211	100.00	3,00,19,000	100.00

xii) Shareholding pattern as on 31st March, 2011:

Category	No. of shares	% of total capital
Promoter and Promoter group	14,70,225	48.98
Institutions		
Mutual Funds / UTI	-	-
Financial Institutions and banks	1,100	0.04
Non-Institutions		
Bodies Corporate	5,50,058	18.32
Individuals	8,74,947	29.15
Others		
NRI	1,05,295	3.50
Clearing Members	275	0.01
Total	30,01,900	100.00

xiii) Dematerialisation of shares and liquidity:

As on 31st March, 2011, 88.44% (26,54,877 equity shares) of paid up capital has been dematerialised.

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

xvi) Plant locations:

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

xvii) Address for Communications : NILE Limited, Road No.7, Industrial Estate, Nacharam, Hyderabad – 500 076.

Place : Hyderabad
Date : 14-08-2011

For and on behalf of the Board
V. Ramesh
Chairman cum Managing 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 2011, as envisaged in clause 49 of the listing agreement with Stock Exchange.

Place : Hyderabad

Date : 14-08-2011

V. Ramesh

Chairman cum 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, 2011, 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 : 14-08-2011

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 2011, 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 ("the CARO, 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 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 2011;
 - 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 2011 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 yet 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)

Place : Hyderabad

Date : 23-04-2011

J. VENKATESWARLU
Partner
ICAI Ms. No.022481



Annexure to the Auditors' Report dated 23rd April, 2011

[The annexure referred to in the Auditors' Report to the Members of NILE Limited ("the company") for the year ended 31st March, 2011]

- (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 9 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 ₹ 837.39 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 ₹ 588.20 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 ₹ 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, Investor Education and Protection 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) there are no undisputed arrears of statutory dues as at 31/3/2011 which are outstanding for a period of more than six months from the date they became payable.
 - c) 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.
 - d) The company has deposited under protest the disputed income tax demand of ₹ 42.23 lacs in full and preferred appeal against the same. Pending disposal of appeal, the same is not provided for in the books.
 - (x) The company has no accumulated losses as at the end of the financial year under audit and it has not incurred cash losses during the financial year covered by our audit and 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 chit a fund or a nidhi/mutual benefit fund/society. Therefore, provisions of paragraph 4(xiii) of the CARO, 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 CARO, 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 CARO, 2003 are not applicable to this company.
- (xxi) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year under audit, no fraud on or by the company has been noticed or reported to us.

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

Place : Hyderabad
Date : 23-04-2011

J. VENKATESWARLU
Partner
ICAI Ms.No.022481

Balance Sheet as at 31st March, 2011

Particulars	Sch. No.	As at 31.03.11		As at 31.03.10	
		₹	₹	₹	₹
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	<u>31,35,86,635</u>		<u>24,87,12,679</u>	
			34,36,05,635		27,87,31,679
2. Loan Funds					
(a) Secured Loans	3	50,72,06,071		30,05,82,532	
(b) Unsecured Loans	4	<u>10,54,93,176</u>		<u>7,56,67,613</u>	
			61,26,99,247		37,62,50,145
3. Deferred Tax	5	2,57,00,904		2,52,20,664	
TOTAL		<u>98,20,05,786</u>		<u>68,02,02,488</u>	
II. APPLICATION OF FUNDS:					
1. Fixed assets	6				
(a) Gross Block		43,23,02,188		41,23,23,814	
(b) Less: Depreciation		<u>16,03,07,341</u>		<u>14,43,52,646</u>	
(c) Net Block		27,19,94,847		26,79,71,168	
(d) Capital Work-in-progress	6A	<u>10,71,20,546</u>		<u>80,80,404</u>	
			37,91,15,393		27,60,51,572
2. Investments	7		91,16,060		91,16,060
3. Current Assets Loans and Advances:	8				
(a) Inventories		54,32,51,809		51,80,45,939	
(b) Sundry Debtors		41,14,48,183		12,79,71,850	
(c) Cash and Bank Balances		2,34,65,808		1,20,72,443	
(d) Other Current Assets		68,38,205		85,23,702	
(e) Loans and Advances		<u>9,24,32,885</u>		<u>6,03,94,102</u>	
		<u>1,07,74,36,890</u>		<u>72,70,08,036</u>	
Less: Current Liabilities and Provisions	9				
a) Current Liabilities		43,94,82,603		31,81,07,708	
b) Provisions		<u>4,41,79,954</u>		<u>1,38,65,472</u>	
		<u>48,36,62,557</u>		<u>33,19,73,180</u>	
Net current assets			59,37,74,333		39,50,34,856
TOTAL		<u>98,20,05,786</u>		<u>68,02,02,488</u>	
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 SARATHY & BALU
Chartered Accountants
(Firm Regn No.3621S)

For and on behalf of the Board

J.Venkateswarlu
Partner
ICAI Ms No.022481

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

Place : Hyderabad
Date : 23-04-2011

Bikram Keshari Prusty
Company Secretary



Profit and Loss Account for the year ended 31st March, 2011

Particulars	Sch. No.	Year ended 31.03.11		Year ended 31.03.10	
		₹	₹	₹	₹
INCOME:					
Sales	10	3,22,90,03,657		1,53,18,77,448	
Less: Central Excise Duty		<u>23,56,56,645</u>		<u>8,30,80,748</u>	
Net Sales			2,99,33,47,012		1,44,87,96,700
Increase / (Decrease) in stocks	11		3,82,13,062		14,08,41,109
Other Income	12		73,17,474		16,63,171
TOTAL			<u>3,03,88,77,548</u>		<u>1,59,13,00,980</u>
EXPENDITURE:					
Manufacturing expenses	13		2,68,04,68,626		1,37,04,53,409
Payments and benefits to employees	14		7,73,88,339		5,80,69,297
Administration Selling & General expenses	15		8,28,88,701		5,05,52,427
Finance charges & Interest	16		7,68,89,968		5,02,64,092
Depreciation	6	2,12,24,898		1,90,93,753	
Less: Transfer from revaluation reserve		<u>13,92,939</u>	<u>1,98,31,959</u>	<u>20,11,347</u>	<u>1,70,82,406</u>
TOTAL			<u>2,93,74,67,593</u>		<u>1,54,64,21,631</u>
Profit before tax and prior year adjustments			10,14,09,955		4,48,79,349
Add: Prior period adjustments	17		2,84,142		36,76,071
Profit before tax for the year			<u>10,16,94,097</u>		<u>4,85,55,420</u>
Less: Provision for tax :					
- Current Tax		2,94,46,000		70,02,000	
- Deferred Tax		<u>4,80,240</u>		<u>91,66,483</u>	
			<u>2,99,26,240</u>		<u>1,61,68,483</u>
Profit after tax for the year			7,17,67,857		3,23,86,937
Add: Surplus in P&L A/c brought forward			9,24,61,660		6,45,86,796
Amount available for appropriations			<u>16,42,29,517</u>		<u>9,69,73,733</u>
APPROPRIATIONS:					
General reserve			54,00,000		10,00,000
Proposed Dividend			60,03,800		30,01,900
Income Tax on Proposed Dividend			9,97,156		5,10,173
Balance carried to Balance Sheet			<u>15,18,28,561</u>		<u>9,24,61,660</u>
			<u>16,42,29,517</u>		<u>9,69,73,733</u>
Significant Accounting policies,Contingent liabilities and Notes on accounts	18				
COMPUTATION OF EARNINGS PER SHARE :					
a) Net profit for the year			₹ 7,17,67,857		₹ 3,23,86,937
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)			₹ 24/-		₹ 11/-
d) Nominal value of each share (fully paid up)			₹ 10/-		₹ 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 SARATHY & BALU
Chartered Accountants
(Firm Regn No.3621S)

For and on behalf of the Board

J.Venkateswarlu
Partner
ICAI Ms No.022481
Place : Hyderabad
Date : 23-04-2011

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

Bikram Keshari Prusty
Company Secretary

Schedules forming part of the Balance Sheet & Profit and Loss A/c

Particulars	As at 31.03.11		As at 31.03.10	
	₹	₹	₹	₹
1. SHARE CAPITAL:				
Authorised:				
50,00,000 Equity shares of ₹ 10/- each (Previous year				
50,00,000 Equity shares of ₹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 ₹ 10/- each fully paid up (previous year 30,01,900 shares of ₹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 ₹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	2,45,62,891		2,65,85,391	
Less: (a) Depreciation on revalued value.	13,92,939		20,11,347	
(b) Revalued value of assets disposed Closing Balance	<u>6</u>		<u>11,153</u>	
		2,31,69,946		2,45,62,891
iii) General Reserve: As per last Balance Sheet	1,64,00,000		1,54,00,000	
Add: Transferred from P&L Account	54,00,000		10,00,000	
		2,18,00,000		1,64,00,000
iv) Investment Subsidy - As per last Balance Sheet	60,00,000		60,00,000	
ADD Received during the year	<u>15,00,000</u>		<u>-</u>	
		75,00,000		60,00,000
v) Surplus in Profit & Loss Account	15,18,28,561		9,24,61,660	
TOTAL	<u>31,35,86,635</u>		<u>24,87,12,679</u>	
3. SECURED LOANS:				
(A) Loans and Advances from Banks:				
(a) Cash credit	38,01,21,753		14,20,53,495	
(b) Short term Loan for Working Capital	2,77,77,710		5,03,88,797	
(c) Term Loans	9,93,06,608		9,77,29,503	
(d) Bill Discounting facility	-		1,02,62,505	
(e) Hire Purchase Loan	-		1,48,232	
TOTAL	<u>50,72,06,071</u>		<u>30,05,82,532</u>	
4. UNSECURED LOANS:				
Sales Tax Deferment Loan from Govt. of A.P.	4,09,43,176		4,10,17,613	
Fixed Deposits : from directors	30,00,000		8,00,000	
: from others	3,65,50,000	3,95,50,000	3,38,50,000	3,46,50,000
: Inter corporate Deposit		<u>2,50,00,000</u>		<u>-</u>
TOTAL		<u>10,54,93,176</u>		<u>7,56,67,613</u>
5. DEFERRED TAX:				
Opening Balance	2,52,20,664		1,60,54,181	
Add: Liability for the year	4,80,240		91,66,483	
TOTAL	<u>2,57,00,904</u>		<u>2,52,20,664</u>	



Schedules Continued :

6. FIXED ASSETS (Amount in ₹)

Sl No	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2010	Additions	Deductions	Total As at 31.03.2011	Upto 31.03.2010	For the year	On deductions	Total Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Freehold Land	3,07,01,149	-	-	3,07,01,149	-	-	-	-	3,07,01,149	3,07,01,149
2	Buildings	15,25,54,194	1,03,80,961	-	16,29,35,155	3,18,46,163	52,05,728	-	3,70,51,891	12,58,83,264	12,07,08,031
3	Plant & Machinery	20,82,73,001	1,00,17,716	53,71,729	21,29,18,988	10,12,12,194	1,41,93,263	52,40,710	11,01,64,747	10,27,54,241	10,70,60,807
4	Office Equipment	1,03,44,506	19,99,005	32,343	1,23,11,168	71,51,843	9,39,474	29,493	80,61,824	42,49,344	31,92,663
5	Furniture & Fittings	26,50,476	85,613	-	27,36,089	19,69,764	1,27,338	-	20,97,102	6,38,987	6,80,712
6	Vehicles	78,00,488	28,99,151	-	1,06,99,639	21,72,682	7,59,095	-	29,31,777	77,67,862	56,27,806
	TOTAL	41,23,23,814	2,53,82,446	54,04,072	43,23,02,188	14,43,52,646	2,12,24,898	52,70,203	16,03,07,341	27,19,94,847	26,79,71,168
	Previous year	27,16,93,723	14,19,97,481	13,67,390	41,23,23,814	12,62,97,363	1,90,93,753	10,38,470	14,43,52,646	26,79,71,168	14,53,96,360

6A. CAPITAL WORK-IN PROGRESS

Sl No	Description	As at 01.04.2010	Additions	Deductions	Total As at 31.3.2011
a)	Lead unit at Tirupati:				
(i)	Unallocated project expenditure	80,80,404	7,38,36,025	1,37,51,325	6,81,65,104
(ii)	Advance for capital expenditure	-	3,89,55,442	-	3,89,55,442
	Total	80,80,404	11,27,91,467	1,37,51,325	10,71,20,546
	Previous year	13,10,61,358	1,54,62,778	1,38,443,732	80,80,404

Schedules Continued.....

Particulars	As at 31.03.11 ₹	As at 31.03.10 ₹
7. INVESTMENTS:		
Equity shares - Long-term - Unquoted - At cost		
Investment in the equity of GLW Ltd .	91,16,060	91,16,060
(19.55% of Capital) [Prev. year - 19.55%]	<u>91,16,060</u>	<u>91,16,060</u>
8. CURRENT ASSETS LOANS & ADVANCES:		
(a) Inventories		
Raw materials	10,04,43,841	12,21,82,081
Stores and spares	2,83,39,868	1,96,08,820
Works - in - progress	34,94,61,266	28,96,91,325
Finished Goods	6,50,06,834	8,65,63,713
TOTAL	<u>54,32,51,809</u>	<u>51,80,45,939</u>
(b) Sundry Debtors		
(Debts considered good for which the company holds no security other than the debtor's personal security)		
Debts outstanding for a period exceeding six months	22,77,450	20,02,175
Other debts	40,91,70,733	12,59,69,675
TOTAL	<u>41,14,48,183</u>	<u>12,79,71,850</u>
(c) Cash and Bank Balances		
(i) Cash on hand	80,906	1,34,104
(ii) Balance with scheduled banks:		
(a) in Current Accounts	42,36,467	1,92,743
(b) in EEFC (Current) Accounts	10,48,227	-
(c) in Deposit Accounts	1,73,89,032	1,10,76,202
(d) in Unclaimed Dividend Accounts	7,11,176	6,69,394
TOTAL	<u>2,34,65,808</u>	<u>1,20,72,443</u>
(d) Other Current Assets		
Deposits for power and other services	62,23,605	77,93,073
Interest accrued on deposits with banks and others	6,14,600	7,30,629
TOTAL	<u>68,38,205</u>	<u>85,23,702</u>
(e) Loans and Advances		
(Advances considered good for which the company holds no security other than the personal security of parties)		
Advances recoverable in cash or in kind or for value to be received:		
Prepaid Expenses	13,94,542	10,28,786
Advance for : Expenses	4,77,722	20,85,475
: Purchases	5,69,83,196	2,07,63,581
Staff advances	2,17,807	3,18,944
Gratuity fund With LIC	-	15,51,499
VAT input credit	-	14,08,714
Cenvat credit & PLA	2,83,21,624	2,96,98,356
Income-tax paid under protest	42,23,205	23,53,065
Income-tax refund due	8,14,789	11,85,682
TOTAL	<u>9,24,32,885</u>	<u>6,03,94,102</u>



Schedules Continued.....

Particulars	As at 31.03.11 ₹	As at 31.03.10 ₹
9. CURRENT LIABILITIES AND PROVISIONS:		
A. Current Liabilities		
(i) Sundry Creditors for Supplies & Services:		
-dues to Micro, Small and Medium enterprises	-	-
-dues to others	36,72,96,009	26,69,77,458
(ii) Other Liabilities	3,83,48,486	2,36,68,277
(iii) Advances received against supplies	3,18,21,965	2,59,17,113
(iv) Interest accrued but not due on unsecured loans	13,04,967	8,75,466
(v) 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)	7,11,176	6,69,394
TOTAL	<u>43,94,82,603</u>	<u>31,81,07,708</u>
B. Provisions		
(i) Provision for Gratuity	19,25,865	-
(ii) Provision for Excise Duty (on closing stocks)	60,70,448	80,83,465
(iii) Provision for Income Tax (Net of advance tax)	2,62,63,388	-
(iv) Proposed Dividend	60,03,800	30,01,900
(v) Income Tax on proposed dividend	9,97,156	5,10,173
(vi) Provision for Leave Encashment	29,19,297	22,69,934
TOTAL	<u>4,41,79,954</u>	<u>1,38,65,472</u>

Schedules Continued.....

Particulars	Year Ended 31.03.11 ₹	Year ended 31.03.10 ₹
10. SALES :		
i). Glass Lined Equipment		
(a) Domestic Sales	47,47,70,970	30,23,31,531
(b) Export Sales	9,16,195	1,43,51,290
(c) Packing charges collections	20,10,851	7,78,171
(d) Sale of Scrap	46,15,013	40,97,299
	<u>48,23,13,029</u>	<u>32,15,58,291</u>
ii). Lead		
(a) Domestic Sales	2,13,89,06,791	81,27,53,326
(b) Export Sales	44,65,00,194	30,09,23,190
(c) Jobwork charges	15,36,52,407	8,76,13,076
(d) Scrap Sales	3,37,208	70,757
	<u>2,73,93,96,600</u>	<u>1,20,13,60,349</u>
iii). Wind energy		
(a) Wind Power Sales	72,94,028	89,58,808
	<u>72,94,028</u>	<u>89,58,808</u>
TOTAL	<u>3,22,90,03,657</u>	<u>1,53,18,77,448</u>

Schedules Continued.....

Particulars	Year Ended 31.03.11 ₹	Year ended 31.03.10 ₹
11. INCREASE / (DECREASE) IN STOCKS:		
(a) Opening stocks:		
Finished goods	8,65,63,713	87,94,671
Work-in-progress	28,96,91,325	22,66,19,258
TOTAL	<u>37,62,55,038</u>	<u>23,54,13,929</u>
(b) Less: Closing stocks:		
Finished goods	6,50,06,834	8,65,63,713
Work-in-progress	34,94,61,266	28,96,91,325
TOTAL	<u>41,44,68,100</u>	<u>37,62,55,038</u>
Increase in stocks [(b)-(a)]	<u>3,82,13,062</u>	<u>14,08,41,109</u>
12. OTHER INCOME :		
Interest earned [(Includes TDS of ₹ 75,996 /-) (Prev. Year ₹ 84,559/-)]	43,30,572	10,67,333
Exchange Fluctuation gain	22,30,012	-
Miscellaneous receipts	7,56,890	5,95,838
TOTAL	<u>73,17,474</u>	<u>16,63,171</u>
13. MANUFACTURING EXPENSES:		
Raw materials consumed	2,32,00,53,135	1,18,87,40,876
Loss in price hedging operations of raw materials	3,66,77,810	2,66,393
Stores and Spares consumed	14,70,37,272	6,65,53,222
Job work charges	4,14,78,200	2,74,24,356
Power and Fuel	10,36,45,788	5,68,95,727
Repairs & Maintenance to Plant and Machinery	1,31,95,002	1,20,48,661
Packing material consumed	72,35,473	47,98,898
Other Manufacturing Expenses	1,22,38,261	56,02,955
Windmills maintenance expenses	9,20,702	7,08,369
	<u>2,68,24,81,643</u>	<u>1,36,30,39,457</u>
Add/(Less):Excise duty on increase/decrease of finished goods	(20,13,017)	74,13,952
TOTAL	<u>2,68,04,68,626</u>	<u>1,37,04,53,409</u>
14. PAYMENTS AND BENEFITS TO EMPLOYEES:		
Salaries and wages	5,93,03,937	4,44,97,951
Contribution to: - Provident Fund	44,37,799	36,02,923
- ESI	15,63,558	6,82,544
Staff Welfare Expenses	56,20,118	35,11,672
Gratuity	34,77,364	7,63,232
Bonus and Ex-gratia	17,72,862	42,43,094
Leave encashment	12,12,701	7,67,881
TOTAL	<u>7,73,88,339</u>	<u>5,80,69,297</u>

Schedules Continued.....

Particulars	Year Ended 31.03.11 ₹	Year ended 31.03.10 ₹
15. ADMINISTRATION, SELLING & GENERAL EXPENSES:		
Managerial remuneration	50,68,356	42,38,095
Directors' sitting fee	85,500	1,28,500
Rent	2,88,000	3,20,000
Rates and Taxes	9,20,228	12,60,593
Insurance	25,63,993	17,54,161
Travelling & conveyance	24,57,535	26,85,044
Advertisement & Business promotion	2,09,638	3,34,097
Commission on Sales	1,48,98,528	88,80,476
Printing and Stationery	10,74,759	7,91,701
Communication expenses	11,24,747	8,65,822
Repairs and maintenance to:		
- Buildings	10,80,245	17,69,120
- Others	2,55,645	3,92,249
Vehicle maintenance	8,88,243	6,90,313
Legal & Other Professional charges	13,77,766	12,03,453
Payment to Auditors	3,30,000	2,77,725
Recruitment & Training of personnel	1,49,531	69,355
Loss on Sale / discarded fixed assets	96,662	15,088
Loss due to fraud in import of Raw Materials	-	49,19,738
Carriage Outwards	3,75,97,933	1,67,08,731
Bad Debts Written off	3,65,291	7,18,390
Books and Periodicals	1,73,007	1,30,411
Exchange Fluctuation charges	-	17,94,899
Donations	24,732	1,99,998
Discount	1,06,91,105	-
General & Miscellaneous expenses	11,67,257	4,04,468
TOTAL	<u>8,28,88,701</u>	<u>5,05,52,427</u>
16. FINANCE CHARGES AND INTEREST:		
A) Interest		
i) To Banks:		
a) on Fixed (Term) loans	94,91,323	1,08,52,779
b) on working capital loans	5,13,07,400	3,06,57,623
c) on H.P Loans	4,918	43,115
ii) to Others, other than directors	55,78,682	31,93,406
iii) to Directors (on fixed deposits)	3,48,477	2,63,781
B) Bank Charges	<u>1,01,59,168</u>	<u>52,53,388</u>
TOTAL	<u>7,68,89,968</u>	<u>5,02,64,092</u>
17. PRIOR PERIOD ADJUSTMENTS:		
Excess provision of gratuity written in	-	36,47,495
Excess provision of income tax written in	2,84,142	28,576
	<u>2,84,142</u>	<u>36,76,071</u>

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) Derivative instruments and hedge accounting

The company's activities expose primarily to the financial risks of changes in commodity prices in particular, Lead, on International Commodity Exchanges. The company uses Futures/Options contracts to hedge these risks. The company does not use derivative financial instruments for trading or speculative purposes. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives. The gains or losses on hedging activities are recognised in Profit and Loss Account.

(xiv) 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.

(xv) 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.

(xvi) 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.

(xvii) General:

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

B. COMMITMENTS AND CONTINGENT LIABILITIES:

- i) Bank Guarantees and Letters of Credit (which are not crystallized) issued by Bankers and not provided for ₹ 23.79 crores (Previous year ₹ 18.97 crores).
- ii) Amount claimed by suppliers but not accepted as liability, which is pending before the court - ₹ 1.98 crores (Previous year ₹ 1.98 crores). The company's legal counsel has confirmed the correctness of the company's appeal.
- iii) Claims against the company not acknowledged as debts in respect of Income tax matters, pending decisions on appeals made by the company - ₹ 42.23 lakhs (Previous year - ₹ 56.73 lakhs).
- iv) Claims against the company not acknowledged as debts in respect of Service tax matters, pending decisions on appeals made by the company - ₹ 3.20 lakhs (Previous year - ₹ 3.20 lakhs).
- v) Estimated amount of works remaining to be executed on capital account and not provided for, net of advances - ₹ 900 lakhs (Previous year- Nil)

C. NOTES ON ACCOUNTS:

i) Secured Loans:

- a) Working capital loans from Andhra Bank under Open Cash Credit facility (limit ₹ 4000.00 lakhs)

(Prev. year ₹ 2500.00 lakhs), adhoc limit of ₹ Nil (Previous year ₹ 500.00 lakhs) and FUBD limit (backed by LC- outside MPBF) of ₹ 750.00 lakhs (Previous year ₹ 750.00 lakhs) 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 ₹ 500 lakhs, Prev. year ₹ 500 Lakhs) 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 II , III and V [limits of ₹ 320 lakhs, ₹ 315 lakhs and 1350 lakhs] (Previous year – ₹ 320 lakhs, ₹ 315 lakhs and ₹ Nil) 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 ₹ 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 ₹ 13,92,939/-

(previous year ₹ 20,11,347/-) 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:

- a) In the opinion of the Management, the Current Assets, Loans & Advances have a value on realization 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 :

Fixed Deposits with Banks include:

- ₹ 1,25,78,150/- (Previous year ₹ 93,47,040) pledged to the Bank towards margin money for Bank Guarantees and Letters of Credit issued on behalf of the Company.

- ₹ 48,10,882/- (Previous year ₹ 17,29,162/-) kept as security deposit with bank for the Fixed deposits accepted as required U/s.58A of the Companies Act,1956.

v) Sundry Creditors:

- (a) The disclosures relating to Micro and small enterprises as at 31st March, 2011 are as under:-

Sl No	Particulars	As at 31.03.11 (₹)	As at 31.03.10 (₹)
1.	The principal amount remaining unpaid to suppliers 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.	-	-



Sl No	Particulars	As at 31.03.11 (₹)	As at 31.03.10 (₹)
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 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.

vi) Capitalization of Borrowing Costs:

Out of the interest paid on term loans, an amount of ₹ 14.07 lakhs (Prev. Year ₹13.40 lakhs), being the interest on borrowings for setting up the Lead Unit at Tirupathi up to the date of commissioning has been capitalized/kept in CWIP for capitalising to the respective capital assets in future.

vii) Disclosure in terms of Accounting Standard "Impairment of Assets":

Sl No	Particulars	Current Year ₹	Previous year ₹
(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	-	-

viii) Deferred Tax:

a) Deferred tax liability is as under:

Particulars	Current Year ₹	Previous Year ₹
Liability at the end of the year	2,57,00,904	2,52,20,664
Less : Liability at the beginning of the year	2,52,20,664	1,60,54,181
Deferred tax liability provided for the year	4,80,240	91,66,483

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

Components of Timing Differences	Current Year ₹	Previous Year ₹
Depreciation – Liability	2,66,70,621	2,59,92,214
Leave Encashment – Asset	(9,69,718)	(7,71,550)
Deferred Tax liability, Net	2,57,00,904	2,52,20,664

ix) Related party disclosures:

(i) Key Management Personnel:

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

(ii) Related parties:

- (a) Smt V.Hemalatha, relative of Director
- (b) Smt V.Rajeswari, relative of Director
- (c) Smt. V. Shilpa, relative of Director
- (d) Sri. Sandeep Ramesh, relative of Director
- (e) Sri S.V. Narasimha Rao-Non-Executive Director
- (f) Sri M.R.Naidu – Non-Executive Director
- (g) Sri Suraneni Arun, relative of Director

(iii) Others:

- (i) Trigeo Technologies Pvt Ltd.

(iv) Particulars of transactions with related parties:

(₹ in lakhs)

Sl No	Particulars	Current Year	Previous year
i)	Managerial Remuneration to:		
	- Key Management Personnel	78.94	65.41
	- related parties	5.85	2.76
ii)	Interest on unsecured loans (Fixed deposits) to:		
	- Key Management Personnel	0.31	1.72
	- related parties	35.68	25.75
	- Others	10.27	-
iii)	Unsecured loans (Fixed deposits) payable to:		
	- Key Management Personnel	-	-
	- related parties	335.71	228.00
	- Others	252.49	-

x) 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

(₹ in Lakhs)

PARTICULARS	Glass Lining Division	Lead Division	Wind Power Division	Total
REVENUE				
Segment Sales	4,546.11	25,394.83	72.94	30,013.88
Less: Inter Segment Sales	80.41	-	-	80.41
External Sales	4,465.70	25,394.83	72.94	29,933.47
	(3,015.05)	(11,383.33)	(89.59)	(14,487.97)
RESULT				
Segment result	372.63	1,311.27	25.91	1,709.81
	(70.55)	(814.63)	(49.63)	(934.81)
Operating Profit	-	-	-	1,709.81
	-	-	-	(934.81)
Interest Expense	-	-	-	768.90
	-	-	-	(502.64)



(₹ in Lakhs)

PARTICULARS	Glass Lining Division	Lead Division	Wind Power Division	Total
Interest & Misc. Income	-	-	-	73.18
	-	-	-	(16.63)
Income tax, Deferred tax & Fringe benefit tax	-	-	-	299.26
	-	-	-	(161.69)
Profit from ordinary activities	-	-	-	714.83
	-	-	-	(287.11)
Other un-allocated income	-	-	-	2.84
	-	-	-	(36.76)
Net Profit	-	-	-	717.67
	-	-	-	(323.87)
OTHER INFORMATION:				
Segment assets	4,556.22	9,886.72	115.47	14,558.41
	(4,276.97)	(5,611.86)	(135.07)	(10,023.90)
Unallocated corporate assets	-	-	-	98.27
	-	-	-	(97.85)
Total Assets	4,556.22	9,886.72	115.47	14,656.68
	(4,276.97)	(5,611.86)	(135.07)	(10,121.75)
Segment Liabilities	834.66	5,056.10	8.60	5,899.36
	(843.46)	(3,390.00)	(0.87)	(4,234.33)
Unallocated corporate liabilities	-	-	-	5,064.25
	-	-	-	(2,847.90)
Total Liabilities	834.66	5,056.10	8.60	10,963.61
	(843.46)	(3,390.00)	(0.87)	(7,082.23)
Cost incurred on acquisition of assets				
- Put to use	22.68	231.14	-	253.82
	(20.74)	(1,399.23)	(-)	(1,419.97)
- CWIP	-	1,071.20	-	1,071.20
	(8.28)	(72.52)	(-)	(80.80)
Depreciation	77.72	116.11	18.42	212.25
	(83.09)	(89.43)	(18.42)	(190.94)
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:

(₹ in Lakhs)

Geographical Segment	Carrying amount of segment assets as at 31.03.2011	Additions during the year (2010-2011)	
		Put to Use	CWIP
Glass Lining Division –Hyderabad, A.P.	856.99	22.68	-
	(912.30)	(20.74)	(8.28)
Lead Division - Choutuppal, A.P.	409.43	88.83	123.52
	(353.36)	(56.62)	(0.75)
- Tirupathi, A.P.	1,340.38	142.31	947.68
	(1,282.48)	(1,342.61)	(71.77)
Wind Mills - Ramagiri , A.P.	113.15	-	-
	(131.57)	(-)	(-)

(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.

xi) Employee Benefits:

The company has classified various benefits to employees as under:

A) Defined Contribution Plans

Provident Fund:

The provident fund is operated through 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:

Particulars	2010-11 ₹	2009-10 ₹
Contribution to provident fund:		
- Employees	42,30,799	34,37,052
- Key Managerial personnel	4,95,000	3,86,671

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 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	5.00%	4.00%	5.00%	4.00%
	Rate of return on Plan assets	9.15%	9.15%	0.00%	0.00%
	Expected average remaining working lives of employees	21 years	20 years	21 years	20 years
ii)	Changes in present value of obligation	₹	₹	₹	₹
	Present value of obligations as at beginning of year	76,81,489	66,05,705	22,69,934	18,74,435
	Interest cost	6,14,519	5,28,456	1,82,589	1,49,955
	Current Service Cost	4,24,252	3,56,452	6,89,993	4,07,931
	Past Service Cost	6,57,944	-	-	-
	Benefits Paid	(11,40,046)	(4,89,330)	(5,63,338)	(3,72,382)
	Actuarial (gain)/ loss on obligations	25,97,428	6,80,206	3,40,119	2,09,995
	Present value of obligations as at end of year	1,08,35,586	76,81,489	29,19,297	22,69,934
iii)	Changes in fair value of plan assets				
	Fair value of plan assets at beginning of year	92,32,988	89,20,436	-	-
	Expected return on plan assets	8,16,779	8,01,882	-	-
	Contributions	-	-	-	-
	Benefits Paid	(11,40,046)	(4,89,330)	(5,63,338)	(3,72,382)
	Actuarial gain/(loss) on Plan assets	-	-	-	-
	Fair value of plan assets at the end of year	89,09,721	92,32,988	-	-
iv)	Reconciliation of present value of defined obligations and Fair value of plan assets				
	Closing balance of present value of obligation	1,08,35,586	76,81,489	29,19,297	22,69,934
	Closing balance of fair value of plan assets	89,09,721	92,32,988	-	-
	Funded (asset) / liability recognized in the Balance Sheet	19,25,865	(15,51,499)	29,19,297	22,69,934
	Unfunded liability recognized in the Balance Sheet	-	-	-	-
v)	Actuarial Gain/Loss recognized				
	Actuarial (gain)/ loss on obligations	25,97,428	6,80,206	3,40,119	2,09,995
	Actuarial (gain)/ loss for the year – plan assets	-	-	-	-
	Actuarial (gain)/ loss on obligations	25,97,428	6,80,206	3,40,119	2,09,995
	Actuarial (gain)/ loss recognized in the year	25,97,428	6,80,206	3,40,119	2,09,995

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Current Year	Previous Year	Current Year	Previous Year
vi)	Amounts recognised in the Balance Sheet				
	Present value of obligations as at the end of year	1,08,35,586	76,81,489	29,19,297	22,69,934
	Fair value of plan assets as at the end of the year	89,09,721	92,32,988	-	-
	Funded status	19,25,865	15,51,499	(29,19,297)	(22,69,934)
	Unrecognised actuarial (gains)/losses	-	-	-	-
	Net asset/(liability) recognized in balance sheet	(19,25,865)	15,51,499	(29,19,297)	(22,69,934)
vii)	Expenses Recognized in the Profit & Loss Account				
	Current Service cost	4,24,252	3,56,452	6,89,993	4,07,931
	Interest Cost	6,14,519	5,28,456	1,82,589	1,49,955
	Expected return on plan assets	(8,16,779)	(8,01,882)	-	-
	Net Actuarial (gain)/ loss recognized in the year	25,97,428	6,80,206	3,40,119	2,09,995
	Past Service Cost	6,57,944	-	-	-
	Expenses recognized in statement of Profit and loss	34,77,364	7,63,232	12,12,701	7,67,881

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

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
a) Licensed Capacity :		
Glass Lined Equipment (Qty. in ltrs)	24,00,000	16,00,000
Windmill (Qty. in MW)	2	2
Lead & Lead Alloys (Qty. in MTs)	32,000	32,000
b) Installed Capacity : (as certified by the management)		
Glass Lined Equipment (Qty. in Ltrs)	24,00,000	16,00,000
Wind Power (Qty. in MW)	2	2
Lead & Lead Alloys (Qty. in MTs)	32,000	32,000
c) Actual Production:		
Glass Lined Equipment (Qty. in Ltrs)	16,84,252	11,70,142
Wind Power (in KWH)	21,45,300	26,44,900
Lead & Lead Alloys (Qty in MTs)	27,178	14,719

Particulars	Year ended 31 st March, 2011		Year ended 31 st March, 2010	
	Quantity	Value (₹ In lakhs)	Quantity	Value (₹ In lakhs)
d) Opening 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
e) Closing stock of Finished goods:				
Glass Lined Equipment (Qty. in Ltrs)	-	-	-	-
Lead & Lead Alloys (Qty. in MTs)	491	650.07	698	865.64



Particulars	Current Year		Previous Year	
	Qty.	Value (₹ in lakhs)	Qty.	Value (₹ in lakhs)
f) Turnover (Net of Excise duty):				
A) Glass Lined Equipment:				
Domestic Sales (Qty. in ltrs)	16,84,252	4,456.54	11,44,772	2,871.53
Export Sales (Qty. in ltrs)	-	9.16	33,300	143.52
TOTAL (A)	16,84,252	4,465.7	11,78,072	3,015.05
B) Lead & Lead Alloys				
Domestic Sales (Qty. in MTs)	16,394	19,393.31	6,889	7,497.96
Export Sales (Qty. in MTs)	4,580	4,465.00	3,075	3,009.24
Job work charges	6,411	1,536.52	4,108	876.13
TOTAL (B)	27,385	25,394.83	14,072	11,383.33
C) Wind Power				
Sales (Qty. in KWH)	21,45,300	72.94	26,44,900	89.59
TOTAL (C)	21,45,300	72.94	26,44,900	89.59
TOTAL (A+B+C)		29,933.47		14,487.97
g) Consumption of Raw materials:				
M.S. Materials (Qty. in MTs)	3,186	1,518.47	2,428	1,117.23
Chemicals (Qty. in MTs)	84	112.07	61	63.76
Lead Scrap (Qty. in MTs)	21,830	20,887.29	11,886	10,233.59
Others	-	682.7	-	475.49
TOTAL	25,100	23,200.53	14,375	11,890.07

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

Particulars	Current Year		Previous Year	
	(%) to total consumption	Value ₹ In lakhs	(%) to total consumption	Value ₹ In lakhs
(a) Raw Materials:				
Indigenous	39	9,042.40	58	6,923.53
Imported	61	14,158.13	42	4,966.54
TOTAL	100	23,200.53	100	11,890.07
(b) Stores, Spares & Components				
Indigenous	97	1,422.29	97	642.27
Imported	3	48.08	3	23.26
TOTAL	100	1,470.37	100	665.53

Particulars	Current Year ₹	Previous Year ₹
i) Value of imports calculated on CIF Basis:		
- Raw materials	1,32,26,74,802	46,06,91,614
- Components & Spare parts	56,98,838	23,28,075
- Capital Goods	57,50,942	
TOTAL	1,33,41,24,582	46,30,19,689
j) Earnings in Foreign currency:		
a) FOB value of exports		
Glass lined Equipment	9,16,195	1,43,51,290
Lead	44,65,00,194	30,09,23,190
Service charges	-	69,466
TOTAL	44,74,16,389	31,53,43,946

Particulars	Current Year ₹	Previous Year ₹
k) Expenditure in foreign currency		
- Travelling expenses	1,46,918	2,60,200
- Commission on Sales	15,44,027	2,05,373
l) Amount remitted in Foreign currency on account of		
-Dividend paid (for F.Y 09-10)	82,500	-
-Number of non-resident Shareholders	3	-
-Number of Shares held by them	82,500	
TOTAL	17,73,445	4,65,573
m) Payment to Auditors:		
- as auditor	2,20,600	2,20,600
- as advisor, in respect of:		
a) taxation matters	30,000	20,000
b) management services	79,400	37,125
TOTAL	3,30,000	2,77,725

n) Particulars of Managerial Remuneration:

Sl No	Name and designation of the Managerial Personnel	Salary ₹	Commis- ion ₹	Value of Perquisites			Total Remunera- tion ₹
				P.F. ₹	Others ₹	Total ₹	
1	Sri V.Ramesh Managing Director	38,00,000	8,39,883	2,88,000	1,40,473	4,28,473	50,68,356
	Previous year	29,13,334	9,84,939	2,20,800	1,19,022	3,39,822	42,38,095

Notes : The above remuneration has been 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 (₹)
Profit before tax as per P & L A/c.	10,14,09,953	4,48,79,349
Add:-		
Managerial Remuneration to Directors	50,68,356	42,38,095
Directors' Sitting Fees	85,500	1,28,500
Depreciation as per books of account	1,98,31,959	1,70,82,406
Loss on sale of Assets written off to profit & loss A/c	96,662	15,088
TOTAL	12,64,92,430	6,63,43,438
Less:-		
Depreciation under Sec.350 of the Companies Act, 1956	1,98,31,959	1,70,82,406
Excess Provision of liabilities written in	2,24,999	14,079
Net Profit as per Sec. 349	10,64,35,472	4,92,46,953
Commission payable to Managing Director @ 2% restricted to permissible remuneration allowed.	8,39,883	9,84,939

xiii) Previous year's figures have been regrouped wherever necessary to conform with the layout adopted in the current year and paisa is 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	31.03.2011	31.03.2010
II. Capital Raised during the year (Amount in ₹ 000)		
Public Issue	-	-
Rights Issue	-	-
Bonus Issue	-	-
Private Placement	-	-
III. Position of Mobilization and Deployment of Funds (Amount in ₹ 000)		
Total Liabilities	9,82,005	6,80,202
Total Assets	9,82,005	6,80,202
Sources of Funds:		
Paid-up Capital	30,019	30,019
Reserves and Surplus	3,13,586	2,48,712
Secured Loans	5,07,206	3,00,582
Un-secured Loans /Others	1,05,493	75,668
Deferred Tax	25,701	25,221
Application of Funds:		
Net Fixed Assets	3,79,115	2,76,051
Investments	9,116	9,116
Net Current Assets	5,93,774	3,95,035
Misc. Expenditure	-	-
Accumulated Losses	-	-
IV. Performance of Company:		
Turnover	29,93,347	14,48,797
Total Expenditure (Net of adjustments for stocks & other income)	28,91,653	14,05,580
Profit before tax	1,01,694	48,555
Profit after tax	71,768	32,387
Earnings per share	₹ 24/-	₹ 11/-
Dividend Rate %	20%	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 SARATHY & BALU
Chartered Accountants
(Firm Regn No.3621S)

For and on behalf of the Board

J.Venkateswarlu
Partner
ICAI Ms No.022481

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

Place : Hyderabad
Date : 23-04-2011

Bikram Keshari Prusty
Company Secretary

Cash Flow Statement for the year ended 31st March, 2011

Particulars	2010-11 ₹	2009-10 ₹
A. Cash Flow From Operating Activities :		
Net Profit Before Tax	10,14,09,955	4,48,79,349
Adjustments for :		
Depreciation	1,98,31,959	1,70,82,406
Loss on Sale and discarded / demolition of Assets	96,662	15,088
Interest	6,67,30,799	4,50,10,704
Operating profit before working capital changes	18,80,69,375	10,69,87,547
Adjustments for :		
Trade and other receivables	(31,23,30,372)	(9,76,48,447)
Inventories	(2,52,05,870)	(14,33,95,762)
Trade payables	12,19,37,106	17,97,34,416
Cash generated from operations	(2,75,29,761)	4,56,77,754
Cash flow before Extraordinary items & Prior period adjustments	(2,75,29,761)	4,56,77,754
Prior period adjustments	2,84,142	36,76,071
Tax paid	(46,81,857)	(74,31,465)
Net cash flow from operating activities	(3,19,27,475)	4,19,22,360
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	(12,44,22,588)	(1,90,16,527)
Proceeds from sale of assets	37,199	3,02,679
Purchase of investments	-	(4,63,910)
Net cash used in investing activities	(12,43,85,389)	(1,91,77,758)
C. Cash Flow From Financing Activities :		
Proceeds from Long term borrowings	6,57,86,727	5,00,00,000
Repayment of Long term borrowings	(3,66,54,581)	(1,67,40,335)
(Repayments)/Proceeds from other borrowings (net)	20,73,16,956	(1,44,52,405)
Investment subsidy received	15,00,000	-
Dividend & tax on dividend paid	(35,12,073)	-
Interest Paid	(6,67,30,799)	(4,50,10,704)
Net cash flow from financing activities	16,77,06,230	(2,62,03,444)
Net (decrease)/increase in cash and cash equivalents	1,13,93,366	(34,58,842)
Opening cash and cash equivalents	1,20,72,443	1,55,31,285
Closing cash and cash equivalents	2,34,65,809	1,20,72,443

Previous year figures have been restated wherever necessary to conform to this year's classification.

Per our report of even date attached

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

For and on behalf of the Board

J.Venkateswarlu
Partner
ICAI Ms No.022481

V. Ramesh
Managing Director

S.V.Narasimha Rao
Director

Place : Hyderabad
Date : 23-04-2011

Bikram Keshari Prusty
Company Secretary



AUDITORS' CERTIFICATE

We have examined the above Cash Flow statement of NILE Limited, ("the Company") for the year ended 31st March, 2011. 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 : 23-04-2011

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 27th Annual General Meeting of the Company held on Friday, 30th September, 2011 at 10:00 A.M at J.S.Krishna Murthy Hall of the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, FAPCCI Marg, Red Hills, Hyderabad - 500004.

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 27th Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 10.00 a.m. or at any adjournment thereof.

Signed on this day of September, 2011.

Signature of the Shareholder

Affix
₹ 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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If undelivered, please return to:



Road No.7, Industrial Estate,
Nacharam, Hyderabad - 500 076