

ANNUAL REPORT, 2000



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BOARD OF DIRECTORS

Sri T Panduranga Rao
Sri V Ramesh
Sri V S Prasad
Sri P R Gopalakrishna Reddy
Dr M R Naidu
Sri Venkateswarlu Jasti
Sri M Ramaiah
Sri K V Ramana
Sri V Sridharan

Chairman
Managing Director

Director (Finance)
Director (Technical)

AUDITORS

M/s. Raju & Prasad
Chartered Accountants
Amrutha Hills
Panjagutta
HYDERABAD

BANKER

Andhra Bank
Sultan Bazar branch
HYDERABAD

REGISTERED OFFICE AND FACTORY

Industrial Estate
Nacharam
HYDERABAD-500 076

SHARE TRANSFERS AND REGISTRATION

NILE Limited
Secretarial Department
Industrial Estate
Nacharam
HYDERABAD - 500 076
Phone : (040) 7173136
7170829
Fax : (040) 7173203



NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of NILE LIMITED will be held on Friday, the 29th September, 2000 at 10.00 AM at Surana Udyog Auditorium of The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500 004 to transact the following business:

Ordinary Business

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri V Sridharan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri P R Gopalakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr M.R. Naidu, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, sanction be and is hereby accorded to appoint Sri K V Ramana

as Director (Finance), in wholetime employment of the Company, whose period of office shall be liable to determination by retirement by rotation, and to remunerate as per the terms set out in the Explanatory Statement annexed to the notice covering this Annual General Meeting, which shall also be the minimum remuneration payable to him in the absence or inadequacy of profits and with a power to the Board to alter and vary such salary, allowances and perquisites, so as not to exceed the limits specified in part II of Schedule XIII to the Companies Act, 1956, or any statutory modification or re-enactment thereof."

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. Proxies in order to be effective must reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2000 to 29th September, 2000 (both days inclusive).
3. Members are requested to notify immediately any change in their address, to the Company's registered office.
4. Members desiring any information concerning Accounts are requested to send their queries at least seven days before the date of the meeting to the Company so that information required may be made available, at the meeting.

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5. Members are requested to bring their copy of the Annual Report alongwith them to the Meeting as copies of the Annual Report will not be distributed at the Meeting.
6. Members/Proxies are requested to deposit the enclosed attendance slip at the meeting.

By Order of the Board

Date : 2nd September, 2000

V RAMESH
Managing Director

Registered Office:

Industrial Estate
Nacharam
HYDERABAD-500 076

Annual Listing Fee has been paid for the year 2000-2001, to each of the following exchanges, where company's securities are listed:

- | | |
|-------------------------------|---|
| 1. The Stock Exchange, Mumbai | 2. The Hyderabad Stock Exchange Limited |
| Phiroze Jeejeebhoy Towers | No.3-6-275, Himayatnagar |
| Dalal Street | HYDERABAD-500 029 |
| MUMBAI-400 001 | |





ANNEXURE TO NOTICE

Explanatory Statement [Pursuant to Section 173(2)]

Item No.6

The Board of Directors of the Company at their meeting held on 11th March, 2000, have, subject to approval of the Members in the General Meeting, appointed Sri K V Ramana as Director (Finance) of the Company with effect from 15th March, 2000, whose period of office will be liable to retirement by rotation. He is due to retire at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr K V Ramana is a B.Tech (IIT, Madras) and MBA (IIM, Ahmedabad). He has worked for more than 25 years in various capacities in several companies.

The following are the terms of appointment and remuneration, which are in conformity with the Schedule XIII of the Companies Act, 1956 and are subject to approval of the members:

- | | | |
|---------------------------------|---|--|
| i) Salary | : | Rs.20,000/- per month. |
| ii) Conveyance reimbursement | : | Not exceeding Rs.3,000/- in a month. |
| iii) House Rental Allowance | : | 20% of the salary. |
| iv) Leave Travel reimbursement | : | Not exceeding one month's salary per annum for self and family. |
| v) Medical Reimbursement | : | Reimbursement of 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. |
| vi) Personal Accident Insurance | : | An amount the premium of which shall not exceed Rs.2,000/- per annum. |
| vii) Provident Fund | : | As per provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. |
| viii) Gratuity | : | Not exceeding half a month's salary for each completed year of service/ as per Gratuity Rules. |
| ix) Telephone | : | The Company will provide Telephone at residence. Long distance personal calls will be billed by the Company. |
| x) Ex-gratia | : | As applicable to wholetime employees of the Company. |

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Your Directors recommend the resolution for approval.

None of the Directors of the Company except Sri K V Ramana, is concerned or interested, in the resolution.

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

By Order of the Board

V RAMESH
Managing Director

Date : 2nd September, 2000

Registered Office:
Industrial Estate
Nacharam
HYDERABAD-500 076





DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 16th Annual Report on the operations of your Company and the Audited Accounts for the Financial Year ended 31st March, 2000 together with Auditors' Report thereon.

Performance of the Company

Your Company's performance during the year in comparison with the previous year is given below in a summarised format:

	(Rupees in Lakhs)	
	1999-2000	1998-99
Sales	1147.33	1187.62
Other Income including power	185.68	217.56
Profit before interest and depreciation	71.10	245.65
Less: Interest	88.87	71.76
Depreciation	99.93	90.23
Profit before tax	(117.70)	83.66
Prior period adjustments (net)	8.43	-
Less: Provision for taxation	-	39.50
Profit after tax	(117.70)	44.16
Add: Balance brought forward from the previous year	164.37	158.43
Investment Allowance Reserve no longer required	20.03	-
	<u>75.13</u>	<u>202.59</u>
Appropriation:		
Provision for dividend	-	-
General Reserve	20.03	-
Income Tax Provision related to previous year	-	32.27
Income Tax on Dividend relating to earlier year	-	5.95
Carried to Balance Sheet	<u>55.10</u>	<u>164.37</u>
	<u>75.13</u>	<u>202.59</u>

Dividend

Your Directors regret that due to cash flow constraint and the losses incurred by the Company, it will not be possible to pay any dividend for the year.

Operations

Even though the volume of production and sales of Glasslining showed an increase over the previous year, the sales turnover decreased due to reduction in selling prices by more than 20%.

The Lead Unit, which declared commercial production in September, 1999 is still operating at a low capacity utilisation. The turnover also was marginal as the Unit could take up job work only (conversion) for recovery of Lead from Batteries of Exide Limited.

In addition, the revenue from lease rentals (other income) for equipment leased out by the Company also reduced, while lease rentals to be paid by the Company for wind mills continue till September, 2000.

These factors contributed to the losses during the year under review.

Outlook for the future

The Lead Unit has now obtained approvals from Ministry of Defence (Ordnance Factories), Exide Industries Limited and other leading Battery Manufacturers for supply of Lead and Lead Alloys. The quality of the Alloys supplied to these establishments has been acknowledged as good and your Company expects to receive regular orders during 2000-01.

The Glasslining industry in general is experiencing pressures on its margins through reduced prices being offered by competition. However the high volumes achieved during the first quarter of 2000-01 and a marginal improvement in the sales price realisation are encouraging signs for the year.

The lease rental payments for the wind mills will be completed by September, 2000, whereas the generation of energy by wind mills is expected to bring in substantial income, thus contributing to profits during the year.