

**NEHA INTERNATIONAL LIMITED**



**Seventh Annual Report  
1999 – 2000**

## NEHA INTERNATIONAL LIMITED

### Board of Directors

Managing Director	:	G. Vinod Reddy
Directors	:	G. Pramod
	:	Anil G. Nair
	:	P.Ramalinga Reddy
	:	N. Purushotham Reddy
	:	R. D. Reddy

Auditors	:	M/s. Tukaram & Co. Chartered Accountants 209, Venkatarama Towers Basheerbagh, Hyderabad - 500 029.
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Bankers	:	Canara Bank Somajiguda Branch Hyderabad.
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State Bank of Hyderabad  
Punjagutta Branch  
Hyderabad.

Share Transfer Office:	:	1539,Avenue 1, Street No.17, Road No.12 , Banjara Hills Hyderabad – 500 034. Ph: 6502945.
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Registered Office	:	1539,Avenue 1, Street No.17, Road No.12 , Banjara Hills Hyderabad – 500 034. Ph: 6502945.
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Works	:	Gut No.44 & 45 Kondiwade Village Maval Dist, Pune, Maharashtra.
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## NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Share holders of the Company will be held on Friday the 29th September at 10.30 AM, at The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad - 500 034 to transact the following:

### Ordinary Business:

1. To receive, consider & adopt balance sheet as at 31<sup>st</sup> March, 2000 and Profit and Loss Account for the year ended 31st March, 2000 along with the Directors and the Auditors report there on.
2. To appoint a director in place of Mr. P. Ramalinga Reddy who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint M/s. Tukaram & Co., Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### 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 and such proxy need not be a member of the Company. However, proxies in order to be effective should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
2. Members/Proxies are requested to bring their copies of Annual Report to the Annual General Meeting.
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office with their ledger folio number(s).
4. The Register of Members and Share Transfers Book will be closed from the 25th day of September, 2000 to 29<sup>th</sup> day of September, 2000 (both days inclusive).

### Registered Office:

1539, Avenue 1, Street No.17,  
Road No.12, Banjara Hills  
Hyderabad – 500 034.  
Ph: 6502945.

By Order of the Board

(G. Vinod Reddy)  
Managing Director

## Directors' Report

To

The Shareholders

The Directors have pleasure in presenting the Seventh Annual Report on the business of the Company and the audited Statement of Accounts of the Company for the year ended 31st March, 2000.

### Financial Results:

	1999-2000	1998 - 99
	(Rupees in Lakhs)	
1. Net Sales	129.79	103.53
2. Increase / (Decrease) in Stock	(0.55)	1.35
3. Total Expenditure	128.28	109.24
4. Interest	107.11	99.13
5. Gross Loss	106.15	103.49
6. Depreciation	29.33	15.53
7. Write Offs:	194.88	55.54
8. Loss carried to Balance Sheet	330.36	174.56

### Operations:

During the financial year 1999 -00 the company could not perform well due to various reasons beyond the control of the management. As envisaged during the last year, the company could not complete the re - plantation work. However, the Company has performed comparatively well compared to the previous years. Hence the company could not achieve the projected production & revenue.

### Projections Vs Actuals

Particulars	Projections	Actuals
	(Rupees in Lakhs)	
Total Income	639.36	129.79
Profit / (Loss) after tax	108.22	(330.36)
Dividend	15%	Nil

The reasons for variations are:

Due to the low utilization of the farm, and lower exports, the company could not produce and export the expected number of stems. Hence the company could not achieve the projected turnover and profit.

### Prospects:

Even in the face of all this adversity the promoters have immense confidence in the industry. During the current year, the Company has replanted some of the old plants with new plants. Thus now almost 60 percent of the plants are new and expect very good yield during the current year. So far in the current year the company has produced 20.47 lakhs stems during (April - August) as against 11.30 lakhs stems in the corresponding period last year. The Company is hopeful of maintaining the same production trend in future and plan to export 15 lakhs stems during the coming export season valued around Rs.225 lakhs. The promoters are taking all the measures to turnaround the company with the help of the Financial Institutions. The Indian Floriculture Industry is stabilizing with the help of viable rehabilitation packages from financial institutions, initiatives from Government of India's Agriculture Export Promotion Agencies, better infrastructure facilities, availability of experienced personnel and the inter action amongst the various companies to focus on better quality and efficient production practices.

Your company is putting more thrust on exploring the possibilities in the International markets to realise better prices through out the export season by sending the company's personnel abroad, and making arrangements to sell directly to the wholesalers, wherever possible, there by enhancing the profitability of the Company.

**Financial:**

The Government of India (GOI) has set up a committee under the chairmanship of the Executive Director of IDBI to consider the various proposals for rehabilitation of the ailing floriculture industry. The Committee has looking at various options for rehabilitation of the industry. The first and the foremost among the suggestions were to reduce the interest rate on the long term loans obtained by the floriculture units. Accordingly the company has submitted its proposal to its lender banks. The main concession sought by the company is to recalculate the interest at the Prime Lending Rate with retrospective effect from 1994; treat the interest accrued as on 31<sup>st</sup> March, 2000 as free interest bearing amount and allow us to repay this amount after the principal long term loans are repaid; grant the company two years moratorium on repayment of principal amount; repayment of term loan to be spread over eight years.

The above proposal is under the active consideration of our lender banks and we are hopeful of getting the sanction soon.

With the above rehabilitation package, the company will be able to generate sufficient cash accruals to service the equity and debt in the coming years.

**Y2K Compliance:**

Your company faced no disruptions whatsoever on account of Y2K related activities and completed a smooth transition into the new millennium.

**Personnel:**

Employee relations continue to be cordial. Information on particulars of Employees Remuneration required as per Section 217(2A) read with Companies (Particulars of Employees) Rules 1975 is not applicable to the company as none of the employees is drawing remuneration in excess of limits prescribed thereunder.

**Disclosure of Particulars:**

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, requiring disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange are given in Annexure 1, which forms part of this report.

**Deposits:**

Your Company has not accepted any deposits from the public during the year.

**Directors:**

Mr N.Purushotham Reddy and Mr.R.D.Reddy retire by rotation at the forthcoming Annual General Meeting and not opted for re appointment. Mr.P.Ramalinga Reddy, retire by rotation and being eligible offers himself for re-appointment.

**Auditor's Report:**

The notes to the Accounts are self explanatory.

**Auditors:**

Auditors of the company M/s. Tukaram & Co., Chartered Accountants, Hyderabad are retiring at the conclusion of this Annual General Meeting. The Company has received a certificate from the auditors to the effect that their reappointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

**Acknowledgements:**

Your Directors wish to thanks the Central and State Governments, Canara Bank, State Bank of Hyderabad, APEDA, National Horticulture Board, FMO, Netherlands Suppliers, Customers and employees for their support and assistance offered to the Company. The Company wishes to thank the Shareholders for their continued support.

For and on behalf of the Board

Hyderabad.  
2<sup>nd</sup> September, 2000.

G. Pramod  
Director

G. Vinod Reddy  
Managing Director