

# **NILCHEM INDUSTRIES LIMITED**

## **ANNUAL REPORT 2011-2012**

### **REGISTERED OFFICE**

7-8-9, AJAY CENTER,  
NR. PALLAVI PARK SOCIETY,  
NR. VIJAY CROSS ROAD,  
AHMEDABAD - 380059

## For Members' Attention

The Register of Members and the Share Transfer Books of the Company will remain closed from 24, September 2012 to 28, September 2012.

The Shares of the Company have been brought under Compulsory dematerialization. Those share holders who has not dematerialized their shareholding from physical to demat mode are requested to do so at the earliest.

The Members are requested to quote their Folio Number in all correspondence and also to notify immediately, change of address, if any to the Registrar and Share Transfer Agents viz, Link Intime (India) Private Ltd, at the address given on this page.

Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as the practice of distributing copies of the Report at the Meeting has been discontinued and also to bring with them their Attendance Slip which may be submitted at the entrance duly signed.

Members desirous of getting any information about accounts and operations of the Company are requested to address their queries to the Company at least 10 days in advance of the meeting so that information required can be made readily available at the meeting.

### GREEN INITIATIVE

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s Link Intime (India) Private Limited.

#### REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited  
211, Sudarshan Complex,  
Nr., Mithakhali Underbridge,  
Navrangpura, Ahmedabad-380009  
Telefax : +91-79-26465179  
Email:- [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

#### INVESTOR RELATIONS CENTER

7-8-9, Ajay Centre,  
Nr. Pallavi Park Society,  
Nr. Vijay Cross Road,  
Ahmedabad:- 380059  
Phone : 079-30072979.  
Email : [nilchem.industries@gmail.com](mailto:nilchem.industries@gmail.com)  
Web Site: [www.nilchemind.com](http://www.nilchemind.com)



## Corporate Information

### BOARD OF DIRECTORS

Bhavin Shah, Chairman and Managing Director

Uday Shah, Independent non-executive director

Bhadresh Parikh, Independent non-executive director

### REGISTERED OFFICE

7-8-9, Ajay Centre,

Near Pallavi Park Society,

Near Vijay Cross Road,

Ahmedabad:- 380059, Gujarat (India)

### REGISTRARS AND SHARE TRANSFER AGENT

Link Intime India Private Limited

211, Sudarshan Complex,

Nr. Mithakhali Underbridge,

Navrangpura, Ahmedabad-380009

Telefax : +91-79-26465179

Email:- ahmedabad@linkintime .co.in

### COMMITTEES OF DIRECTORS SHARE TRANSFER AND SHAREHOLDERS/ INVESTORS' GRIEVANCE COMMITTEE

Bhavin S. Shah, Chairman

Uday R. Shah, Member

### AUDIT COMMITTEE

Bhadresh B. Parikh, Chairman

Uday R. Shah, Member

Bhavin S. Shah, Member

### AUDITORS

**Vishves A. Shah & Co.**

Chartered Accountants

22, Narayan Park -1, Bopal,

Ahmedabad- 380058

### REMUNERATION COMMITTEE

Bhadresh B. Parikh, Chairman

Uday R. Shah, Member

Bhavin S. Shah, Member



# Notice

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON FRIDAY, THE 28TH DAY OF SEPTEMBER, 2012 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 7-8-9, AJAY CENTRE, NEAR PALLAVI PARK SOCIETY, NEAR VIJAY CROSS ROAD, AHMEDABAD:- 380059 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account for the year ended on that date, with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Uday R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modification(s) the following Resolution as an "Ordinary Resolution".

"RESOLVED THAT M/s. Vishves Shah & Co., Chartered Accountants, Ahmedabad be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2012-13 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting."

**Ahmedabad**  
**August 14, 2012**



For and on behalf of the Board

  
**Bhavin S. Shah**  
**Chairman**

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT APROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY FILLED IN MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF HOLDING MEETING. A BLANK PROXY FORM IS ANNEXED TO THIS NOTICE.
2. The Register of Members and Share Transfer Books of the company will remain closed from 24<sup>th</sup> September, 2012 to 28<sup>th</sup> September 2012 (both days inclusive).
3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business set out in the accompanying notice is annexed thereto.
4. Members are requested to bring their Attendance slip along with their copy of Annual Report to the Meeting.
5. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

**INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

<b>Name of Director</b>	<b>Mr. Uday R. Shah</b>
Date of Birth	June 15, 1969
Date of Appointment	January 1, 2006
Qualifications	B. Sc.
Expertise in Specific Functional Areas	Marketing and administration
Directorships held in other Companies	Nil
Memberships/Chairmanships of Committees of other Companies	Nil
Number of Shares held in the Company	Nil
Disclosure of relationship	Mr. Uday R. Shah is not related to any Director of the Company.

None of the Directors are related to each other.

**Ahmedabad**  
**August 14, 2012**



and on behalf of the Board

**Bhavin S. Shah**  
**Chairman**

## Directors' Report

Your Directors take pleasure in presenting herewith Annual Report and Audited Accounts for the year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS:

	<i>(Amt. in Rs.)</i>	
	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
Profit/ (Loss) before Interest and Taxation	(6,86,392)	4,48,462
Net Profit / (Loss) before Taxation	(6,86,392)	4,48,462
Provision for Taxation	1,53,880	Nil
Profit/(Loss) For the year	(8,40,272)	4,48,462
Balance brought forward from previous year	(93,508)	(5,41,970)
Balance carried to balance sheet	(9,33,780)	(93,508)

### Review of Performance

During the year company has achieved turnover of Rs. 31.33 Lacs. Company has incurred loss of Rs. 8.40 Lacs during the year.

### Dividend

The Directors, regret their inability to recommend any dividend for the year, due to accumulated losses.

### Public Deposits

During the year, the Company has not accepted any deposits from the public or otherwise in terms of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

### Subsidiary Companies

There are no any subsidiary Companies.

### Stock Options

As required under Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are not applicable to the Company during the year.

### Personnel

The relations between employees and the management during the year have been cordial. The Directors wish to thank all the employees for their continued support and co-operation during the year under review.

## Listing

Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE), and Ahmedabad Stock Exchange (ASE). Suspension in trading of equity shares of the company on Bombay Stock Exchange Limited has been revoked and trading in equity shares has been started on the Bombay Stock Exchange Limited w.e.f. 26.09.2011.

## Directors Responsibility Statement

In Compliance of Section 217(2AA) of the Companies Amendment Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Companies confirm:

1. That the applicable Accounting Standards have been followed in the preparation of final accounts and that there are no material departures.
2. That such accounting policies have been selected are applied consistently judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2012.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the annual accounts have been prepared on going concern basis.

## Directors

At the forthcoming Annual General Meeting, Mr. Uday R. Shah will retire by rotation pursuant to Article 145 of the Articles of Association of the Company. Being eligible, he offers him-self for reappointment.

## Corporate Governance & Management Discussion & Analysis

A separate section on Corporate Governance and a Certificate from Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement together with the Management Discussion and Analysis of the financial position of the company forms part of the Annual Report.

## Audit Committee

The company's present Board of Directors is properly constituted and the company has also formed an Audit Committee in compliance with provisions of Section – 292A of the Companies Act, 1956 and also in compliance with the Clause 49 relating to Corporate Governance. The duties, powers, responsibilities assigned to the Audit Committee are in line with the Clause 49 of the Listing Agreement.

## Particulars of the employees

Company has no employee who were in receipt of the remuneration of Rs. 60,00,000/- in the aggregate, if employed for the year and in receipt of the monthly remuneration of Rs. 5,00,000/- p.m. if employed for a part of the year as per the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975. Hence the information required under S-217(2A) of the Companies Act, 1956 being not applicable are not given in this report.

## Risk Assessment and Management

The Company has a well defined risk management system in place as a part of good Corporate Governance practices. All the risks are identified at various levels with suitable mitigation measures and are subjected to a quarterly review by the Audit Committee. The Company assigned the key risks to various risk owners responsible for mitigation plans and review of these risks from time to time.

There are adequate internal systems, control and Checks in place commensurate with the size of the Company and nature of its business. The management exercises financial control through a well defined budget monitoring process and other standard operating procedures.

### **Conservation of energy, Technology absorption, Research & Development and Foreign exchange earnings and out go**

The Additional information required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of energy, technology absorption, research & development are not applicable to the Company, as the company is not engaged in the manufacturing activities. The Company has no any Foreign exchange earnings or outgoes during the financial year.

### **Secretarial Compliance Report**

In compliance of the provision of section 383 A of the companies Act, 1956 the board is pleased to enclose the secretaries compliance report of M/s Shah & Santoki Associates, Company secretaries for the year 2011-2012 as part of this Directors report.

### **Auditors**

M/s. Vishves A. Shah & Co., Chartered Accountants of the Company retire at this Annual General Meeting and being eligible, are recommended their re-appointment as auditors of the company for the period from the conclusion of this Annual General Meeting up to the date of the next Annual General Meeting.

### **Auditors Reports**


The observations of the Auditors in their Report and Notes Attached to the Accounts are Self-Explanatory and do not require any Further Clarifications.


### **Acknowledgment**

Your company & Directors wish to place on record their appreciation of the assistance and co-operation extended by Investors, Bankers, Customers, Business Associates, Suppliers and Government. We are deeply grateful to shareholders for their continued faith, confidence and support to the company. The Directors wishes to place on record its appreciation of sincere and dedicated work of employees at all levels, which has largely contributed to the present growth of the Company.

Ahmedabad  
August 14, 2012

For and on behalf of the Board



  
Bhavin S. Shah  
Chairman





## Management Discussion & Analysis Report

### Activity

The company is engaged in Trading of chemicals. During the year company has achieved turnover of Rs. 31.33 Lacs. Company has incurred loss of Rs. 8.40 Lacs during the year.

### Financial Review

Company has achieved turnover of Rs. 31.33 Lacs during the year and incurred Loss of Rs. 8.40 Lacs during the year.

### Risk and Concern

There are no risks and concerns other than the fluctuation in the global economy.

### Material Development in Human Resource

The Company will be investing appropriately with focus on customer centricity, human resources will be focused on optimum employment engagement and the talent will be strengthened vis-a-vis the performance.

### Internal Control Systems

The Company has in place adequate internal control systems and procedures covering all the financial and operating functions. These have been designed to provided adequate assurance to the management regarding compliance with the accounting standards by maintenance of appropriate accounting records, monitoring the economy and efficiency of operations, protecting the assets of the Company form losses and ensuring the reliability of financial and operational information though proper compliance with the statutory enactments and its rules and regulations. Some of the significant features of the internal control systems and procedures are as follows:

- Appropriate delegation of authority limits with responsibility incurring capital and revenue expenditures.
- Approval and monitoring of annual revenue budget for all operating and service functions.
- Procedure for approval of capital budget proposals and monitoring the expenditure on such acquisitions.
- Formulating and reviewing the annual and long-term business plans.
- A comprehensive code of conduct for ensuring the integrity of financial reporting, ethical conduct, regulatory compliances and conflict of interest, if any.
- Review of the operations and financial plans in key business areas through monthly management meetings.

- Appointment of an independent experienced accountant for conducting internal audit for reporting to the management and the Audit committee, the adequacy and compliance with the internal controls and efficiency and effectiveness of operations.

The Audit Committee of the Board of Directors which reviews the findings of the internal audit, adequacy of internal controls, compliance with the accounting standards, as well as recommends to the Board the adoptions of the quarterly and annual results of the company and appointment of auditors. The Audit Committee also reviews the related party transactions, entered into by the company during each quarter.

### Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

### Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic conditions. And changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

Ahmedabad  
August 14, 2012



For and on behalf of the Board

  
Bhavin S. Shah  
Chairman

# Corporate Governance

## Report on Corporate Governance [For the year ended 31.03.2012]

### A. Governance Philosophy

The Company's philosophy on Corporate Governance is aimed at assisting the top management of the Company in conducting its business in an efficient and transparent manner and meeting its obligations to shareholders and other stakeholders. In doing so, the Company strives to adhere to Nilchem Industries Limited values viz Profitability, Responsibility, Integrity, Excellence, Sincerity and Partnership

### B. Board of Directors

#### 1. Composition

The present strength of the Board is Three. The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. The Board consists of three members Mr. Bhavin S. Shah is the Promoter Director and Mr. Uday Shah and Mr. Bhadresh Parikh being non-executive Independent Directors.

#### 2. Attendance of Directors at the Board Meetings and at the Last Annual General Meeting

Sl. No.	Name of Directors	Position	Number of Board Meetings attended	Attendance at the last AGM held on 30.09.2011
1	Mr. Bhavin S. Shah	Chairman	9	Yes
2	Mr. Bhadresh Parikh	Non - Executive, Independent Director	9	Yes
3	Mr. Uday Shah	Non - Executive, Independent Director	9	Yes

#### 3. Number of other Companies or Committees in which any of the Directors is a Director/ Chairman /Member

Sl. No.	Name of Directors	Directorships in other Indian Public Companies* as at 31 <sup>st</sup> March 2012	Other Mandatory Committee** membership as at 31 <sup>st</sup> March 2012	
			Chairman	Member
1	Mr. Bhavin S. Shah	Nil	Nil	Nil
2	Mr. Bhadresh Parikh	Nil	Nil	Nil
3	Mr. Uday Shah	Nil	Nil	Nil

\*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

\*\*Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

**4. Number of Board Meeting held and the dates of Board Meeting**

Number of Board Meetings held during the year ended March 31, 2012: **Nine**

**Dates of the Board meetings:**

- May 14, 2011
- June 16, 2011
- June 17, 2011
- August 03, 2011
- August 09, 2011
- October 31, 2011
- December 31, 2011
- February 06, 2012
- March 31, 2012

**C. Disclosure regarding Director's reappointment**

At the forthcoming Annual General Meeting, Mr. Uday R. Shah will retire by rotation pursuant to Article 145 of the Articles of Association of the Company. Being eligible, he offers him-self for reappointment.

**D. Non-executive Directors Compensation and Disclosures**

Non- executive Directors are not paid any compensation or any sitting fees.

**E. Details of Shares held by Non-Executive Directors as on March 31, 2012**

<b>Name of the Non Executive Director</b>	<b>Shares Held</b>
Mr. Uday Shah	Nil
Mr. Bhadresh Parikh	Nil

**F. Code of Conduct and Ethics for Directors and Senior Executives**

In line with the amended Clause 49 of the Listing Agreement, the Company adopted a Code of Conduct and Ethics for its Directors and Senior Executives. The purpose of this Code is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to Shareholders and all other Stakeholders in full Compliance.

**G. CEO Certification**

In line with the requirements of Clause 49 (V) of the listing agreement, the Managing Director Mr. Bhavin S. Shah, have submitted the CEO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the year ended 31<sup>st</sup> Mach 2012 were reviewed to the best of their knowledge and belief, that do not contain any untrue Statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The Certificate further confirms that the transactions entered in to by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

**H. Audit Committee**

The composition of the Audit Committee is as under:

Mr. Bhadresh Parikh	Chairman
Mr. Uday Shah	Member
Mr. Bhavin S. Shah	Member

The above composition duly meets Director the requirement under amended Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee are wide enough covering the matters stipulated in Clause 49 of the Listing Agreement and The Companies Act, 1956.

The terms of reference and powers of the Audit Committee shall be as mentioned in Clause 49 II (D) of the Listing Agreement entered into with the Stock Exchanges and would include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal control and to discuss significant internal control findings, statutory compliance issues and issues related to risk management and compliances.

During the year 2012, the Audit Committee met five times and the attendance of the Audit Committee Members at the said meeting are as details below:-

Sl No.	Name of Director	Number of Meeting attended
1	Mr. Bhadresh Parikh	5
2	Mr. Uday Shah	5
3	Mr. Bhavin S. Shah	5

**I. Remuneration Committee:**

Remuneration committee of the company consists of following directors.

Mr. Bhadresh Parikh	Chairman
Mr. Uday Shah	Member
Mr. Bhavin S. Shah	Member

During the year under review, company has not paid any remuneration to any Director.

**J. Shareholders Investor' Grievances Committee**

The Board of Directors have constituted a "Share Transfer and Shareholders / Investor Grievance Committee" in line with the Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievance of the shareholders.

The present composition of the Committee is as under:

Mr. Uday Shah  
Mr. Bhavin Shah

The Company has appointed Mr. Bhavin S. Shah Chairman as the "Compliance Officer", who may be contacted for any matter relating to share transfer/transmissions, non-receipt of Annual Reports, Dividend etc. During the year, Company has not received any complaints.

## K. General Body Meetings

A. The details of General Body Meetings held during the last three years are given below:

Sl No.	General Body Meetings	Date and Time	Vane
1	Annual General Meeting	30 <sup>th</sup> September, 2011 11.30 a.m	7- 8- 9, Ajay Center, Nr. Pallavi Park Society, Nr. Vijay Cross Road, Ahmedabad – 380059
2	Annual General Meeting	30 <sup>th</sup> September, 2010 11.30 a.m	7- 8- 9, Ajay Center, Nr. Pallavi Park Society, Nr. Vijay Cross Road, Ahmedabad – 380059
3	Annual General Meeting	30 <sup>th</sup> September, 2009 11.30 a.m	7- 8- 9, Ajay Center, Nr. Pallavi Park Society, Nr. Vijay Cross Road, Ahmedabad – 380059

### Note:

- All the resolutions set out in the respective notices for the above meetings were duly passed by the Shareholders with the requisite majority in each case.
- Passing of the Resolution by Postal Resolution**  
The Company has not passed any resolution through Postal Ballot during the last year.
- Special Resolutions passed in the previous three AGMs :**  
(1) In the Annual General Meeting held on 30<sup>th</sup> September, 2011, Special Resolution was passed for appointment of Mr. Bhavin Shah as Managing Director.

## L. Disclosures

- There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital market during the last three years. The Company has not made any rights or public issue during the year March 31<sup>st</sup> 2012.

- It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted wherever necessary.

## M. Means of Communication

The Board takes on record the Un-Audited quarterly financial results in the format prescribed by Clause 41 of the Listing Agreement with the stock exchanges within one month of the close of the quarter, and announces the results to the Bombay Stock Exchange where the shares of the Company is listed.

- The quarterly results are then submitted to the Statutory Auditors of the Company for a limited review and the report of the Auditors is also filed with all stock exchanges after it is approved by the Board of Directors.
- The quarterly results are not sent to each shareholder as they intimated through Bombay Stock Exchange.
- The BSE website [www.bseindia.com](http://www.bseindia.com) provides information about the company to its existing and prospective stakeholders.
- The quarterly results are displayed on the BSE website along with other relevant information.
- In line with the Listing Agreement, the company has created a separate e-mail address viz [nilchem.industries@gmail.com](mailto:nilchem.industries@gmail.com) receive complaints and grievances of the investors.
- Management Discussion and analysis is a part of this Annual Report.

## O. General Shareholders Information

- |   |   |   |
|---|---|---|
| 1. AGM : Venue, Date and time   | : | 7- 8- 9, Ajay Center,<br>Nr. Pallavi Park Society,<br>Nr. Vijay Cross Road,<br>Ahmedabad – 380059 |
|   |   | Friday the 28th Day of Sept., 2012<br>at 11.30 A.M.   |
| 2. Financial Calendar   | : | April to March  |
| For the Financial Year 2013   |   |   |
| • First Quarter Results   | : | on or before 31 <sup>st</sup> July, 2012  |
| • Half Yearly Results   | : | on or before 31 <sup>st</sup> October, 2012   |
| • Third Quarter Results   | : | on or before 31 <sup>st</sup> January, 2013   |
| • Results for the forth quarter and for the year ending on March 31, 2012 | : | on or before 30 <sup>th</sup> April, 2013   |
| 3. Date of Book Closure   | : | From Sept. 24, 2012 to Sept. 28, 2012<br>(both days inclusive)                                    |

4. Dividend : No Dividend proposed to be declared at the ensuing Annual General Meeting
5. Listing on Stock Exchanges : Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001
- Ahmedabad Stock Exchange Ltd.  
Kamdhenu Complex,  
Panjara Pole, Ambavadi,  
Ahmedabad – 380 015

## 6. Stock Code

Bombay Stock Exchange Ltd. (Script Code) : 526905

ISIN Numbers in NSDL and CDSL : INE743D01011

## 7. Stock Market Price Data:

Shares of the Company are suspended for trading with the stock exchanges.

Month	High	Low
Sep-11	47.85	11.03
Oct-11	39.00	18.25
Nov-11	18.50	14.40
Dec-11	13.69	13.01
Jan-12	12.36	12.36
Feb-12	12.36	12.36
Mar-12	12.25	10.90

Trading in the shares of the company has been started on the Bombay stock Exchange Limited w.e.f. 26.09.2011.

## 8. Shareholding Pattern as on March 31, 2012

Category	No. of Shares	Percentage (%)
Indian Promoters	6,74,200	14.73
Private Corporate Bodies	5,878	0.13
Indian Public	38,97,422	85.14
<b>Total</b>	<b>45,77,500</b>	<b>100.00</b>

9. Registrar and Share Transfer Agents: Link Intime India Private Limited  
211 Sudarshan Complex,  
Nr. Mithakhali Under Bridge  
Navrangpura, Ahmedabad - 390009  
Contact Person : Mr. Hitesh Patel  
Tel No. : 079-26465179  
Fax No : 079-26465179  
E-mail : ahmedabad@linkintime.co.in



**10. Share Transfer Systems**

A Committee of Directors – Share Transfer and Shareholders / Investors Grievance Committee, was constituted to approve the transfer and transmission of shares, issue of duplicate share certificates and allied matters. In addition to the above, to expedite that share transfer process Mr. Bhavin S. Shah, Compliance Officer of the Company and the Registrars and the /share Transfer Agent M/s. Link Intime India Private Limited have been severally to approve transfers and transmissions, which are given effect to atleast every fortnight.

The Company's Registrars, M/s. Link Intime India Private Limited have adequate infrastructure to the shareholders and process to share transfer. In compliance with the Listing Agreement every six months the share processing system is audited by a Company Secretary and Certificate to that effect is issued. The Company's scrip form part of the SEBI's compulsory demat segment.

**11. Dematerialisation of Shares and liquidity**

The Company's scrip forms part of the compulsory demat segment for all investors. To facilitate the investors in having an easy access to the Demat Systems, the Company signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrar M/s. Link Intime India Private Limited. As March 31, 2012 a total of 24,57,400 equity shares of the company, constituting 53.68% of the paid-up share capital, stand dematerialised.

**12. Secretarial Audit Report**

As stipulated by SEBI a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchange and is also placed before the Board of Directors. The Report inter alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

**13. Outstanding GDRs / ADRs Warrants or any Convertible Instruments, Conversion date likely impact on Equity: NONE****14. Plant Locations**

The Company has no any plant.

**15. Address for Correspondence Investor Complaints**

Registered Office:  
7-8-9, Ajay Centre,  
Nr. Pallavi Park Society,  
Nr. Vijay Cross Road,  
Ahmedabad:- 380059  
Phone : 079-30072979.

Contact Person :  
Ms. Bhavin S. Shah (Compliance Officer)  
Tel. 079-30072979  
Email.: nilchem.industries@gmail.com  
Web Site:- [www.nilchemind.com](http://www.nilchemind.com)

Ahmedabad  
August 14, 2012



For and on behalf of the Board

  
Bhavin S. Shah  
Chairman

## Declaration under Clause 49 of the Listing Agreement

### The Member of Nilchem Industries Limited

This is declare that to the best of my knowledge and belief all the Members of the Board and Senior Management personnel of the Company have affirmed respective Compliance with the Nilchem Industries Limited Code of Conduct for the year ended March 31, 2012.

Ahmedabad  
August 14, 2012



For and on behalf of the Board

  
Bhavin S. Shah  
Chairman

### Chief Executive Officer (CEO) Certification

### The Member of Nilchem Industries Limited


A required under Clause 49(v) of the Listing Agreement with Indian Stock Exchanges, the under signed hereby confirm the following:

- (a) We have reviewed the financial statements and the cash flow statement for the year ending March 31, 2012 and that to the best of our knowledge and belief:
1. These statements do not contain any materially nature statement or omit any material facts or contain any statement might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best our knowledge and belief, no transactions have been entered into by the company during the years that are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken or are proposed to be rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
1. There were no significant changes in internal control over financial reporting during the year;
  2. There were no significant changes in accounting polices during the year; and
  3. There were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (e) We further declare that the all Board Members and Senior Management have affirmed the compliance with the code conduct for the year 2011-12.

Ahmedabad  
August 14, 2012



For and on behalf of the Board

  
Bhavin S. Shah  
Chairman

**SHAH & SANTOKI ASSOCIATES  
Company Secretaries**

Nimesh Shah  
B.Com, L.L.B., A.C.S.

203, AbhishekComplex,  
B/h. Navgujarat College,  
Income-Tax,  
Ahmedabad-380014,  
Ph.(O)27541156.

**SECRETARIAL COMPLIANCE CERTIFICATE**

To,  
The Members,  
NILCHEM INDUSTRIES LIMITED  
Ahmedabad.

We have examined the relevant registers, records, books and papers of M/S NILCHEM INDUSTRIES LIMITED [The Company] as required to be maintained under the Companies Act, 1956 (The Act) and rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to examinations carried out by us and explanations furnished to us by the company, its officer and agents, we certify that in respect of aforesaid financial year.

1. The Company has kept and maintained all registers as stated in "Annexure A" to this Certificate, as per the provisions of the Act and rules made there under and all entries there in have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure B" to this Certificate, with the Registrar of the Companies, Gujarat within prescribed time under the Act and rules made thereunder.
3. The company is a Limited Company and therefore Section 3 (1) (iii) of the Act is not applicable.
4. The Board of Directors duly met Nine times in a year on 14.05.2011, 16.06.2011, 17.06.2011, 03.08.2011, 09.08.2011, 31.10.2011, 31.12.2011, 06.02.2012 and 31.03.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from 24.09.2011 to 30.09.2011 (both days inclusive) during the year.
6. The Annual General Meeting of the Financial year ended on 31.03.2011 was held on 30th September, 2011 after giving due notice to the Members of the Company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or Persons or Firms or companies referred to under Section 295 of the Act.
9. According to the Register of Contracts the Company has not entered into any contract during the year falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Provisions of Section 314 of the Companies Act, 1956 have not been attracted and therefore no approval was required to be taken.
12. The Company has not issued any duplicate share certificate during the financial year.

13. The Company has:
- (I) Delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the act. However, there was no any allotment / transmission of securities during the financial year.
  - (II) Not deposited any amount in a separate bank account, as no dividend was declared during the year
  - (III) Not required to post dividend warrant, as no dividend was declared.
  - (IV) No Amount lying in the Books of Accounts in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest occurred thereon.
  - (V) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the company has not appointed additional directors / alternate directors and directors to fill casual vacancy during the year.
15. The Company has appointed Mr. Bhavin Shah as Managing Director during the year. However, company has not filed any forms with the Registrar of Companies for appointment of Mr. Bhavin Shah as Managing Director.
16. The Company has not appointed any sole selling agents during the year under review.
17. There were no transactions or events during the year requiring particular Approvals from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares, debentures or any other Securities during the year.
20. The Company has not bought back shares during the year.
21. The Company has not redeemed any preference shares/ Debentures during the year.
22. As the Company has not declared any dividend, right shares or bonus shares, the question of keeping in abeyance right to dividend, right shares and bonus shares pending registration of transfer of shares does not arise.
23. The company has not invited/accepted any deposits during the year falling within purview of 58A of the Act.
24. The Company had not borrowed the amount during the year falling within purview of Section 293(1)(d) of the Act.
25. The Company had not made the Loans and Investments in accordance with the provisions of the Section 372A of the Act during the year under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office of the Company during the year under purview.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under purview.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered the articles of association.
31. As informed to us by management, no prosecution has been initiated or show cause notices issued for any offence to the Company during the year under the Act.
32. The Company has not received any security in whatsoever form, from its employees during the year.
33. The provisions of section 418 of the Act are not applicable to the Company.

**PLACE : Ahmedabad**  
**DATE : 14.08.2012**

**For SHAH & SANTOKI ASSOCIATES**  
**Company Secretaries**

**Sd/-**  
**(NIMESH SHAH)**  
**PARTNER**  
**C.P.No.: 7600**

**ANNEXURE : 'A'**

**REGISTERES MAINTAINED BY THE COMPANY**

1. Register of Members u/s 150 of the Act.
2. Register of Share Transfer.
3. Register of Directors u/s 303 of the Act.
4. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s 301 of the Act.
5. Register of Director's Shareholding u/s 307.
6. Minutes Book of the general Meeting
7. Minutes Book of Board Meeting u/s193 of the Act.

**ANNEXURE: ' B'**

Forms and Returns filed by Company with registrar of companies during the financial year ended on 31st March, 2012.

Sr. No.	Form No.	For Financial Year	Filed U/s	Date of Filing	Filed in time or not	Filed with Additional Fees
1	Form - 66	2010-11	383A	22.10.2011	Yes	No
2	Form 20B	2010-11	161	27.11.2011	Yes	No

**PLACE : Ahmedabad**  
**DATE : 14.08.2012**

**For SHAH & SANTOKI ASSOCIATES**  
**Company Secretaries**

**Sd/-**  
**(NIMESH SHAH)**  
**PARTNER**  
**C.P.No.: 7600**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

1. We have examined the Compliance of conditions of Corporate Governance by **NILCHEM INDUSTRIES LIMITED** ("the Company ") for the period from during the year ended 1st April, 2011 to 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.
2. The compliance of conditions of corporate governance is the responsibility of the management .Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us , and 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 the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given by the Registrar of the Company to the Investor's Grievance Committee, as on 31st March, 2012, there were no investor grievance matter against the Company remaining unattended /pending for more than 30 days.
5. 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.

Place : Ahmedabad

Date : 16.06.2011



**For, Vishves A. Shah & Co.**

Chartered Accountant

Firm No.121356W

*Shobhankar*  
(Proprietor)

M.No. 109944

# VISHVES A. SHAH & CO.

Chartered Accountants

22, Narayan Park -1, Bopal, Ahmedabad - 380058

Ph. +91 98254 71182, +91 93777 71182

E-Mail: vishvesca@gmail.com

## AUDITORS' REPORT

### **Auditor's Report to the Members of NILCHEM INDUSTRIES LIMITED.**

1. We have audited the attached Balance sheet of NILCHEM INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2012 and the related Profit & Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 as amended by Companies (Auditor's Report) amendment Order, 2004 (together with the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above and information and explanations provided to us, we report that:
  - 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
  - 2) In our opinion, proper books of accounts as required by the law have been kept by the Company so far as it appears from our examination of such books.
  - 3) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of accounts of the company.
  - 4) In our opinion, these financial statements comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956, except as stated in Para 6(a) and (b) below.
  - 5) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.





- 6) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon and in particular, 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 31<sup>st</sup> March, 2012.
  - b) In the case of Profit and Loss Account, of the profit for the year ended on 31<sup>st</sup> March, 2012.
  - c) In the case of Cash Flow Statement, of the Cash flows of the Company the year ended on 31<sup>st</sup> March, 2012.

Date : 14<sup>th</sup> August, 2012  
Place : Ahmedabad

For, Vishves A. Shah & Co.  
Chartered Accountants  
Firm No. 121356W



*(Signature)*  
(Vishves A. Shah)  
Proprietor  
M. No. 109944

Re: **NILCHEM INDUSTRIES LIMITED:**

**Annexure referred to in paragraph 3 of our report even date.**

1. (a) Proper records showing full particulars including quantitative details and situation of Fixed Assets of the company are being updated
- (b) The management physically verifies the fixed assets of the Company. No material discrepancies were noticed on verification.
- (c) No substantial parts of the fixed assets have been disposed off during the year.
2. (a) At the end of the year company have inventory of ₹ Nil
- (b) The Inventories are valued at cost or market value, which is lower.
- (c) Inventories have been physically verified by the management at regular intervals during the year.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchases of plant and machinery, equipment and other assets and with regard to the sale of goods.
4. (a) According to the information and explanation given to us, we are of the opinion at the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanation given to us, There is no any transaction more than Rs. 500000/ or more of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and aggregating during the year in respect of each party, so this provision is not applicable.
5. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits; hence the provision of section 58A of the Companies Act 1956 and Companies (acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable.
6. In our opinion, the company has no required any internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the Company.
8. (a) According to the information and explanation given to us, the company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, ESIC, Income Tax, Sales Tax, Excise Duty, Cess and any other material statutory dues applicable to it
- (b) According to the information and explanations given to us, No Any undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were outstanding, as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they become payable.



9. The company have accumulated losses of Rs.933780/-. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
10. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
11. According to the information and explanations given to us, the company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
12. In our opinion, the company is not a Chit Fund or a NIDHI Mutual Benefit Fund/Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
13. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
14. As informed to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
15. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for Long-term assets. No long-term funds have been used to finance short-term assets.
16. The company has not made any preferential allotment of shares to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act.
17. The company has not issued any debentures.
18. During the period covered by our audit report, the company has not raised any money by public issue.
19. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Date : 14<sup>th</sup> August, 2012  
Place : Ahmedabad

For, Vishves A. Shah & Co.  
Chartered Accountants  
Firm No. 121356W



(Vishves A. Shah)  
Proprietor  
M. No. 109944

**NILCHEM INDUSTRIES LIMITED**  
Balance Sheet as at March 31, 2012

(Amount in INR)

Particulars	Note No.	As at March 31, 2012		As at March 31, 2011	
<b>I Equity &amp; Liabilities</b>					
<b>1. Shareholders' funds</b>					
(a) Share Capital	2	45,775,000		45,775,000	
(b) Reserves and Surplus	3	(933,780)		(93,508)	
(c) Money received against share warrants		-		-	
			44,841,220		45,681,492
<b>2. Share application money pending allotment</b>					
			-		-
<b>3. Non - Current Liabilities</b>					
(a) Long - Term Borrowings	4	510,000		510,000	
(b) Deferred Tax Liabilities (Net)		-		-	
(c) Other Long - Term Liabilities	5	-		-	
(d) Long - Term Provisions	6	-		-	
			510,000		510,000
<b>4. Current Liabilities</b>					
(a) Short - Term Borrowings	7	-		-	
(b) Trade Payables	8	12,372,828		9,818,602	
(c) Other Current Liabilities	9	-		-	
(d) Short - Term Provisions	10	212,236		212,236	
			12,585,064		10,030,838
<b>TOTAL</b>			<b>57,936,284</b>		<b>56,222,330</b>
<b>II Assets</b>					
<b>1. Non - Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	11	2,632,614		2,632,614	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non - Current Investments	12	12,523,000		12,523,000	
(c) Deferred tax assets (net)		-		-	
(d) Long - Term Loans and Advances	13	24,343,116		24,343,116	
(e) Other Non - Current Assets	14	6,470,240		6,470,240	
			45,968,970		45,968,970
<b>2. Current Assets</b>					
(a) Current Investments		-		-	
(b) Inventories		-		-	
(c) Trade Receivables	15	11,959,382		10,234,675	
(d) Cash and Cash equivalents	16	7,932		18,685	
(e) Short - Term Loans and Advances	17	-		-	
(f) Other Current Assets	18	-		-	
			11,967,314		10,253,360
<b>TOTAL</b>			<b>57,936,284</b>		<b>56,222,330</b>
<b>Significant Accounting Policies</b>					
	†				

As per our separate report of even date

See accompanying notes to the financial statements

For, Vishves A. Shah & Co  
Chartered Accountants  
Firm No-121356W

For & on behalf of the Board  
NILCHEM INDUSTRIES LIMITED

(Vishves A. Shah)  
Proprietor  
M/No. 109944



*[Signature]*  
Director



*[Signature]*  
Director

Place : AHMEDABAD  
Date : 14th August 2012

**NILCHEM INDUSTRIES LIMITED**  
Statement of Profit and Loss for the year ended March 31, 2012

(Amount in INR)

Particulars		Notes No.	For the year ended March 31, 2012		For the year ended March 31, 2011	
I	Revenue from Operations	19	3,133,570		10,234,675	
II	Other Income	20	-		-	
III	Total Revenue (I + II)			3,133,570		10,234,675
IV	Expenses					
	Cost of Material Consumed		-		-	
	Purchases	21	2,539,226		9,120,118	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	-		-	
	Employee Benefits Expenses	23	419,630		315,380	
	Finance Costs	24	10,072		-	
	Depreciation and Amortization Expense	25	-		-	
	Other Expenses	26	851,034		350,715	
	Total Expense			3,819,962		9,786,213
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)			(686,392)		448,462
VI	Exceptional Items			-		-
VII	Profit before Extraordinary Items and Tax (V-VI)			(686,392)		448,462
VIII	Extraordinary Items			-		-
IX	Profit Before Tax (VII-VIII)			(686,392)		448,462
X	Tax Expense:					
	(a) Current Tax		-		-	
	(b) Deferred Tax		-		-	
	(c) Tax of Earlier Year		153,880		-	
	(d) MAT Credit Entitlement		-		-	
				153,880		-
XI	Profit for the Period from Continuing Operations (IX - X)			(840,272)		448,462
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)			-		-
XV	Profit for the Period (XI + XIV)			(840,272)		448,462
XVI	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):	27				
	Basic (Rs.)			(0.18)		0.10
	Significant Accounting Policies	1				

As per our separate report of even date

See accompanying notes to the financial statements

For, Vishves A. Shah & Co.

Chartered Accountants

Firm No. 1213961V

Vishves A. Shah

Proprietor

M. No. 109944

Place: AHMEDABAD

Date: 14th August, 2012



For & on behalf of the Board  
NILCHEM INDUSTRIES LIMITED



Director

Director

**NILCHEM INDUSTRIES LIMITED**  
Notes to financial statements for the year ended March 31, 2012

**Note 2 - Share Capital**

(Amount in INR)

(a)	Particulars	As at March 31, 2012	As at March 31, 2011
	<b>Authorized :</b>		
	50,00,000 Equity Shares (Previous Year 50,00,000) of Rs. 10/- each	50,000,000	50,000,000
	<b>TOTAL</b>	<u>50,000,000</u>	<u>50,000,000</u>
	<b>Issued, Subscribed and Paid-up :</b>		
	45,77,500 Equity Shares (Previous Year 45,77,500) of Rs. 10/- each	45,775,000	45,775,000
	Less : Calls in Arrears	-	-
	<b>TOTAL</b>	<u>45,775,000</u>	<u>45,775,000</u>

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2012, the Company has not declared any dividend.
- ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012	As at March 31, 2011
No. of shares at the beginning of the year	4,577,500	4,577,500
Add: Issue of Shares during the year		
Subscriber to the Memorandum	-	-
Private Placement	-	-
	<u>-</u>	<u>-</u>
Less: Forfeiture of Shares during the Year		
	<u>-</u>	<u>-</u>
No. of shares at the end of the year	<u>4,577,500</u>	<u>4,577,500</u>

(d) Aggregate details for five immediately previous reporting periods for each class of shares

Particulars	As at March 31, 2012	As at March 31, 2011
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	-	-
- No. of shares bought back	-	-



**MILCHEM INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2012

(e) Details of shareholders holding more than 5% shares in the company

No. of Shares held by	As at March 31, 2012		As at March 31, 2011	
	Nos.	%	Nos.	%
Pankaj Mohanlal Shah	500,000	10.92%	-	0.00%
Narendrabhai Bhikhubhai Gohil	282,000	6.16%	282,000	6.16%
Amit Ramji Parajapati	275,000	6.01%	275,000	6.01%
Alka Shailesh Jain	-	0.00%	500,000	10.92%

(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.

The company does not have any such contract / commitment as on reporting date.

(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The company does not have any securities convertible into shares as on reporting date.

**Note 3 - Reserves & Surplus**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(i) Capital Reserve</b>		
As per last Balance Sheet	-	-
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	-	-
<b>(ii) Securities premium account</b>		
Opening balance	-	-
Add: Premium on shares issued during the year	-	-
Less: Utilised during the year for:	-	-
Closing balance	-	-
<b>(iii) General Reserve</b>		
As per last Balance Sheet	-	-
Add: Transferred from Profit and Loss Account	-	-
Less: Transferred to Profit and Loss Account	-	-
Closing balance	-	-
<b>(iv) Surplus in the Profit &amp; Loss Account</b>		
As per last Balance Sheet	(93,506)	(541,970)
Add: Profit / (Loss) for the year	(840,272)	448,462
Amount available for appropriations	(933,780)	(93,506)
Appropriations:		
Add: Transferred from reserves	-	-
Interest Payable Written Back	-	-
Less: Transferred to General reserve	-	-
Proposed dividend	-	-
	(933,780)	(93,506)
<b>TOTAL</b>	<b>(933,780)</b>	<b>(93,506)</b>



NILCHEM INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2012

Note 4: Long Term Borrowing

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Loans From Bank and Financial Institutions		
Secured Loans	-	-
Unsecured Loans	-	-
Term Loan from others		
Secured	-	-
Unsecured	-	-
(b) Loans and advances from related parties		
Secured	-	-
Unsecured Loans- From Directors	210,000	210,000
	<u>210,000</u>	<u>210,000</u>
(c) Other Loan & Advances		
Secured Loans	-	-
Unsecured Loans		
Loans from Others	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
	<u>510,000</u>	<u>510,000</u>

Note 5: Other Long Term Liability

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Trade Payable	-	-
(ii) Others	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>-</u>	<u>-</u>

Note 8: Long Term Provisions

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee's benefits	-	-
(b) Others (Specify Nature)	-	-
	<u>-</u>	<u>-</u>





**NILCHEM INDUSTRIES LIMITED**  
Notes to financial statements for the year ended March 31, 2012

**Note 7 - Short Term Borrowings**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Loans repayable on demand		
From banks		
Secured	-	-
Unsecured	-	-
From Other parties	-	-
(b) Loans and advances		
Secured	-	-
Unsecured	-	-
	<u>-</u>	<u>-</u>

**Note 8 - Trade Payables**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
Current payables (including acceptances) outstanding for less than 12 months	12,372,828	9,818,602
	<u>12,372,828</u>	<u>9,818,602</u>

**Note 9 - Other Current Liabilities**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
Unpaid Salary	-	-
Director Sitting Fees	-	-
Service Tax	-	-
TDS Deducted	-	-
Unpaid Exp.	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>

**Note 10 - Short-Term Provisions**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
Employees ESI Payable		
Employee's Share of PF Payable		
Employer's ESI Payable		
Employer's Share of PF Payable		
Provision for Audit fees	-	-
Provision for Taxation	-	-
Other Provision	212,236	212,236
Provision for Tax on Proposed Dividend	-	-
<b>TOTAL</b>	<u>212,236</u>	<u>212,236</u>

**Note -12 - Non-Current Investments**

**Quoted Investments at Cost :**

552,300 Equity Shares:Nilchem Capital Ltd.	5,523,000	5,523,000
200,000 Equity Shares:Inducto Techno Casting	2,000,000	2,000,000
500,000 Equity Shares:Hans Ship Breaking P. Ltd.	5,000,000	5,000,000
	<u>12,523,000</u>	<u>12,523,000</u>



**NILCHEM INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2012

**Note -13 - Long Term Loan & Advances**

(a) Capital Advances	6,475,001	6,475,001
(b) Security Deposits		
Unsecured Considered good		
Deposits	4,266,500	4,266,500
(c) Loans & Advances to Related Parties		
(d) Other Loans & Advances (Specify Nature)		
Secured, Considered good		
Unsecured Considered good	-	-
Advance to Staff		
Due from Others	13,601,615	13,601,615
Doubtful or Bad		
	<u>24,343,116</u>	<u>24,343,116</u>

**Note -14 - Other Non-Current Assets**

(a) Long Term Trade Receivable		
(b) Others (Specify Nature)		
MAT Credit		
Preliminary Expenses	200,240	200,240
Share Issue Expenses	6,270,000	6,270,000
	<u>6,470,240</u>	<u>6,470,240</u>

**Note 15 - Trade Receivables**

(Amount in INR)

(a)	Particulars	As at March 31, 2012	As at March 31, 2011
	(i) Due for a period exceeding six months		
	- Unsecured, considered good	-	-
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
	(ii) Others		
	- Unsecured, considered good	11,959,382	10,234,675
	- Doubtful		
	Less: Doubtful Debts Writtewn off		
		<u>11,959,382</u>	<u>10,234,675</u>
	<b>TOTAL</b>	<u><b>11,959,382</b></u>	<u><b>10,234,675</b></u>

**(b) Detailed note on debts due by the following persons :**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
<b>TOTAL</b>	<u><b>-</b></u>	<u><b>-</b></u>



**NILCHEM INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2012

**Note 16 - Cash & Cash equivalents**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Cash &amp; Cash Equivalents</b>		
(i) Balances with Banks :		
- Bank Current/Saving Accounts	-	13,892
(ii) Cash-on-hand	7,932	4,793
(iii) Cheques & Drafts on-hand		
(iv) Others - Stamps on Hand		
<b>(b) Other Bank Balances</b>		
- Margin Money or Security Deposit		
- Repatriation Restrictions		
- Deposit Accounts more than 3 month maturity		
- Deposit Accounts more than 12 month maturity		
	<u>7,932</u>	<u>18,685</u>
<b>TOTAL</b>	<u><u>7,932</u></u>	<u><u>18,685</u></u>

**Note 17 - Short Term Loans & Advances**

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(i) Security deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
<b>(ii) Inter-corporate deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
<b>(iii) Share Application Money Given</b>		
<b>(iv) Advance income tax and TDS - Unsecured, considered good</b>		
	-	-
<b>(v) Others</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for Doubtful Debts		
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Note 18: Other Current Assets**

Particulars	As at March 31, 2012	As at March 31, 2011
	-	-



NILCHEM INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2012

Note 19 - Revenue from Operations

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
Sales	3,133,570	10,234,675	
	<u>3,133,570</u>	<u>10,234,675</u>	
TOTAL	<u>3,133,570</u>	<u>10,234,675</u>	

Note 20 - Other Income

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
	-	-	
TOTAL	<u>-</u>	<u>-</u>	

Note 21 - Purchases

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
Purchases	2,539,226	9,120,118	
TOTAL	<u>2,539,226</u>	<u>9,120,118</u>	

Note 22 - Changes in inventories of finished goods, work in progress and stock in trade

		(Amount in INR)	
<u>Inventories at the end of the year:</u>			
Finished goods	-	-	
Work-in-progress	-	-	
Stock-in-trade	-	-	
<u>Inventories at the beginning of the year:</u>			
Finished goods	-	-	
Work-in-progress	-	-	
Stock-in-trade	-	-	
	<u>-</u>	<u>-</u>	

Note 23 - Employee Benefit Expenses

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
Staff Welfare Exp.	54,415	40,580.00	
Salary	365,215	274,800.00	
TOTAL	<u>419,630</u>	<u>315,380</u>	

Note 24 - Financial Costs

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
Interest Expense	-	-	
Bank Charges	10,072	-	
TOTAL	<u>10,072</u>	<u>-</u>	

Note 25 - Depreciation & Amortised Cost

		(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	
Depreciation	-	-	
TOTAL	<u>-</u>	<u>-</u>	



NILCHEM INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2012

Note 26 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit Fees	15,000	15,000
Consultancy Fees Expense	75,875	68,600
Office Exp.	17,910	58,640
Conveyance Exp.	8,745	31,248
Repair & Maintenance	11,745	14,490
Legal Expense	17,400	48,900
Listing Fees	463,280	-
Petrol & Diesel	29,675	38,000
Postage Expense	5,645	6,210
Printing & Stationery	9,325	7,520
Telephone Expense	18,654	20,077
Travelling Expense	18,550	32,980
Misc Expense	159,250	8,850
<b>TOTAL</b>	<b>651,034</b>	<b>350,715</b>

Note 27 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Net profit after tax attributable to equity shareholders for Basic EPS	(840,272)	448,462
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	(840,272)	448,462
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	4,577,500	4,577,500
(c) Face Value per Equity Share (Rs.)		
Basic EPS	(0.18)	0.10

Note 28 - Previous year figures

The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary



**NILCHEM INDUSTRIES LIMITED**

Note : 11

Schedule of Fixed Assets as per the Companies Act for the year ended 31st March, 2012

Block of Asset	Gross Block		Accumulated Depreciation and Impairment		Net Block	
	As on 01.04.2011	Addition for period 31.03.2012	As on 01.04.2011	Depreciation Exp. for the year 31.03.2012	As on 31.03.2011	As on 31.03.2012
Land	1,373,061		0	0	1,373,061	1,373,061
Pre Operative & Project Exp Pending Allocation	1,259,553	0	0	0	1,259,553	1,259,553
<b>Total :</b>	<b>2,632,614</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>2,632,614</b>	<b>2,632,614</b>
Previous Year	2,632,614		NIL	NIL	2,632,614	2,632,614

**NILCHEM INDUSTRIES LIMITED**

Schedule of Fixed Assets as per the Income Tax Act for the year ended 31st March, 2012

Block of Asset	Opening Balance 01.04.2011	Addition		Sale of Asset	Balance before Depre.	Rate of Depreciation	Depreciation for year	Closing Balance 31.03.2012
		Before 30.09.2011	After 30.09.2011					
Land	1,373,061	0	0	0	1,373,061		0	1,373,061
Pre Operative & Project Exp Pending Allocation	1,259,553	0	0	0	1,259,553		0	1,259,553
<b>Total :</b>	<b>2,632,614</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>2,632,614</b>		<b>NIL</b>	<b>2,632,614</b>



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS.**

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

**b) REVENUE RECOGNITION.**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties. The Principles of revenue recognition are given below:

- Revenue from the sale of goods is recognized when supply of goods takes place in accordance with the term of sales and on passing of title to the customers.

**c) FIXED ASSETS AND DEPRECIATION**

- Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes all identifiable expenditure incurred to bring the asset to its present condition and location.

**d) INVENTORIES**

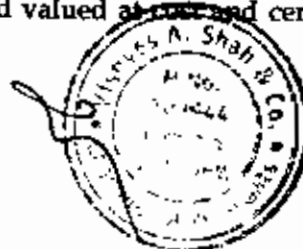
- Raw material and other material are valued at cost or net realizable value whichever is lower.
- Finished goods are valued at cost or market value whichever is lower.

**e) INCOME TAX**

- Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.
- Deferred Tax resulting from timing differences are expected to crystallize in case of deferred tax liabilities with reasonable certainty and in case of deferred tax asset with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations.

**2. NOTES FORMING PART OF ACCOUNTS**

- Balance of cash on hand at the end is accepted as certified by the management of the company.
- Balance of sundry Debtors, Creditors, unsecured loans, Loans & advances are subject to the confirmation of parties.
- The expense of electricity, telephone and maintenance include expense of properties owned by the company and occupied by the directors of the company.
- Provision in respect of Auditors Remuneration is done.
- Non-Current Investment-quoted valued at cost and certified by the management of the company.



NILCHEM INDUSTRIES LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Year ended 31st March, 2012 Rs.		Year ended 31st March, 2011 Rs.	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax for the year		(686,392)		448,462
<b>Adjustments for :</b>				
Misc. Expenses w/off		-		-
Depreciation		-		-
Non Cash Item Loss		-		-
Interest Received		-		-
Interest Paid		-		-
<b>Operating Profit before Working Capital change</b>		(686,392)		448,462
<b>Adjustments for :</b>				
Decrease/(Increase) in Receivables	(1,724,707)		(10,234,675)	
Decrease/(Increase) in Loans & Advances	-		-	
Decrease/(Increase) in Other Current Assets	-		-	
Increase/(Decrease) in Payables	2,554,226		9,781,663	
Increase/(Decrease) in Current Liabilities	-		-	
Increase/(Decrease) in Provisions	-	829,519	-	(453,012)
<b>Cash Generated From Operations</b>		143,127		(4,550)
Income Tax paid		153,880		-
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>		(10,753)		(4,550)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Fixed Assets	-		-	
Non Current Investment	-		-	
Non Current Assets Sold	-		-	
Interest Received	-		-	
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>		-		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Capital	-		-	
Share Application Money	-		-	
Share Premium	-		-	
Long Term Borrowing	-		-	
Long Term Loans & Advances	-		-	
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>		-		-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>		(10,753)		(4,550)
Cash and Cash Equivalents – Opening Balance		18,685		23,235
Cash and Cash Equivalents – Closing Balance		7,932		18,685
		-		-
		-		-

Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our separate report of even date

See accompanying notes to the financial statements

For, Vishves A. Shah & Co.

Chartered Accountants

Firm No:-1218500

(Vishves A. Shah)

Proprietor

M. No. 109944

Place : AHMEDABAD

Date : 14th August, 2012

For & on behalf of the Board

NILCHEM INDUSTRIES LIMITED



Director



Director