BOARD OF DIRECTORS

Mr. Bhavin Shah    Chairman
Mr. Uday Shah      Director
Mr. Bhadresh Parikh Director

AUDITORS

M/s. Vishves A. Shah & Co.
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

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

NOTICE is hereby given that the Annual General Meeting of Company will be held on 30th September, 2010 at 11.30 a.m. at the registered office of the Company to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account of the Company for the year ended on that date and the reports of the Directors and auditors thereon.

2. To appoint a Director in place of Mr. Bhadresh Parikh, who retires by rotation and being eligible offers himself for reappointment.

3. To appoint Auditors of the company and to fix their remuneration.

DATE: 01.09.2010
PLACE: AHMEDABAD

BY ORDER OF THE BOARD OF DIRECTORS

(CHAIRMAN)

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 AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty eight hours before the time of holding the Meeting.

2. Register of Members and Share Transfer Books will remain close from 27.09.2010 to 30.09.2010.
DIRECTORS REPORT

To,
The Members
Nilchem Industries Ltd.

Your Directors have pleasure in presenting the Annual Report together with the audited statement of accounts for the period ended on 31st March, 2010.

FINANCIAL RESULTS:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2009-10</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total Income</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2. Total Expenditure</td>
<td>(75775)</td>
<td>(137460)</td>
</tr>
<tr>
<td>3. Profit/Loss before Tax</td>
<td>(75775)</td>
<td>(137460)</td>
</tr>
</tbody>
</table>

Your Directors do not recommend the dividend for the financial year ended 31.03.2010.

DIRECTORS:

Mr. Bhadresh Parikh, Director of the company is retiring by rotation and being eligible, offer himself for reappointment. Board recommends his reappointment.

All other Directors continue to hold their Directorships.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956 and Rules made there under.

AUDITORS REPORTS:

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

AUDITORS:

Vishwesh A. Shah, Auditors of the Company retire at this Annual General Meeting and being eligible, are recommended for reappointment.
DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2010 the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Profit of Loss of the Company for the year under review.

3. That the Directors had taken proper and sufficient care 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.

4. That the Directors had prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

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 2009-2010 as part of this Directors report.

CORPORATE GOVERNANCE:

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.

LISTING:

Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE) as well as Ahmedabad Stock Exchange (ASE). However the trading in the shares of the company is suspended.

PARTICULARS OF THE EMPLOYEES:

The company has no employee to whom the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 apply and so, forming part of the report is nil.
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION 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 are not applicable to the Company. The Company has no any Foreign exchange earnings or outgoes.

ACKNOWLEDGMENT:

Your Director wish to thanks the Shareholders of the Company for their continued support.

DATE: 01.09.2010
PLACE: AHMEDABAD

BY ORDER OF THE BOARD OF DIRECTORS

(CHAIRMAN)
Nilchem Industries Limited

Report on Corporate Governance

Company’s Philosophy on Code of Corporate Governance

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other shareholder. The following information is placed before the shareholders.

Board of Directors

Company has three members on the Board of the Company constituting Non-executive directors. Composition of board of directors is as under:

1. Mr. Bhavin S. Shah - Director & Promoter (Executive)
2. Mr. Uday R. Shah - Director (Non Executive, Independent)
3. Mr. Bhadresh B. Parikh - Director (Non Executive, Independent)

Numbers of Board Meeting held and the dates on which held:

During the year the Company has held 6 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:


Director’s presence in the Board Meeting held during the year:

All directors were present in all Board Meeting of the Company.

Audit Committee

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

The audit committee has the following non – executive Director:

1. Mr. Bhadreshbhai B. Parikh
2. Mr. Uday R. Shah

Powers of the audit committee includes:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
The scope of committee includes:

1. Review of company's financial reporting process and the financial statement.
2. Review internal control systems and functioning of internal audit process.
3. Post audit review with statutory auditors.

During the year under review, Audit committee met five times where all the members were present.


Company is trying its best to induct one more member having Financial background as a member of Audit Committee and to Become a part of Board of Directors of the Company to comply with the code of Corporate Governance.

REMUNERATION COMMITTEE

The remuneration committee consists of the following two Non – Executive, Independent Directors.

(1) Mr. Bhadreshbhai B. Parikh
(2) Mr. Uday R. Shah

At present, no remuneration is paid to any Directors of the company. As there was no business to discuss, meeting of the Remuneration committee was not held during the year.

SHAREHOLDERS COMMITTEE

Shareholder’s Committee consists of two members:

(1) Mr. Bhavin S. Shah
(2) Mr. Bhadreshbhai B. Parikh

During the year under review, Shareholders committee met Twelve times where all the members were present.


The Shares received for transfer are generally approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.
GENERAL BODY MEETING:

<table>
<thead>
<tr>
<th>DATE</th>
<th>TYPE</th>
<th>TIME</th>
<th>VENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/09/2009</td>
<td>AGM</td>
<td>11.30 A.M.</td>
<td>7-8-9, AJAY CENTER, NR. PALLAVI PARK SOCIETY, NR. VIJAY CROSS ROAD, AHMEDABAD - 380059</td>
</tr>
<tr>
<td>31/07/2008</td>
<td>AGM</td>
<td>11.30 A.M.</td>
<td>7-8-9, AJAY CENTER, NR. PALLAVI PARK SOCIETY, NR. VIJAY CROSS ROAD, AHMEDABAD - 380059</td>
</tr>
<tr>
<td>29/09/2007</td>
<td>AGM</td>
<td>11.30 A.M.</td>
<td>7-8-9, AJAY CENTER, NR. PALLAVI PARK SOCIETY, NR. VIJAY CROSS ROAD, AHMEDABAD - 380059</td>
</tr>
</tbody>
</table>

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is also hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarise themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

DISCLOSURE

As per the disclosures given by the Directors of the Company there were no materially related party transactions attracting Section 297 of the Companies Act, 1956.

All the guidelines issued by the SEBI and Stock Exchange or other statutory authority on the matter related to capital markets are fully complied.

MEANS OF COMMUNICATION

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in Chankya Pothi Journal (English) and Newsline (Gujarati) as required by the listing agreement. The same steps are displayed on the corporate website.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:
(Date, Time and Venue)

Date: 30/09/2010
Time: 11.30 A.M.
Venue: 7-8-9, Ajay Center,
Nr. Pallavi Park Society,
Nr. Vijay Cross Road,
Ahmedabad – 380059
Financial Calendar: 1st April 2009 to 31st March 2010.

Date of Book Closure: 27th September 2010 To 30th September 2010

Dividend Payment Date: No dividend declared.

Tentative Financial Calendar

Publication of Quarterly Results ending 30th June, 2010 Last week of July 2010
Publication of Quarterly Results ending 30th Sep. 2010 Last week of Oct. 2010
Publication of Quarterly Results ending 31st Dec. 2011 Last week of Jan. 2011
Publication of Quarterly Results ending 31st March 2011 Last week of April 2011

MANAGEMENT

The Company will comply with the requirement of the sub - clause V of clause 49 of Revised listing agreement.

LISTING ON STOCK EXCHANGE

1. The Stock Exchange, Mumbai
2. The Stock Exchange, Ahmedabad.

REGISTRAR AND SHARE TRANSFER AGENT

M/S. Purva Sharegistry Pvt. Ltd.
33, Printing House, 28/D, Police Lane,
B/h. Old Handloom House, Fort,
Mumbai – 400001.
Tel No. 022- 22617957

SHARE TRANSFER SYSTEM

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e. M/S. Purva Sharegistry Pvt. Ltd., Mumbai & also having connectivity with the depositories viz. NSDL and CDSL.

Share Transfer are registered and dispatched within a period of thirty days from the date of the lodgement if the transfer documents are correct and valid in all respects.
DEMATERIALIZATION OF SHARES AND LIQUIDITY

The company has entered into agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) whereby shareholders have an option to dematerialize their shares with the depositories.

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and Likely impact on equity: Not Applicable

Plant Location: -------
Address for correspondence: Registered Office of the company
Registrar and Share Transfer Agent M/s. Purva Shareregistry Pvt. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The company has not carried on any business activities during the year 2009 – 2010.

2. Financial Review

During the year under review, there was no business in the company.

3. Internal Control System and their adequacy

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or disposition.

4. Business Environment

Company has not carried on any business activities. However the company is now exploring various business opportunities which can be taken up by the company with profitability.

5. Risk and Concern

The Assets of the company are adequately insured.

6. 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 demand supply conditions, finished goods prices, raw material cost and availability 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.
DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For, Nilchem Industries Limited

Bhavin Shah
Director

CEO CERTIFICATION

We, Mr. Bhavin Shah, Director, certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2010 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) 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) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company’s code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they 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.

For Nilchem Industries Limited

Bhavin Shah
Director
SHAH & SANTOKI ASSOCIATES
Company Secretaries

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

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

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 thereunder and also the provisions contained in the
Memorandum and Articles of Association of the Company for the financial year ended on 31st
March, 2010. 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 thereunder and all entries
therein 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 six (6) times in a year on 30.04.2009, 31.07.2009,
26.08.2009, 31.10.2009, 31.01.2010 and 31.03.2010 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 form 26.09.2009 to 30.09.2009 (both days inclusive) during the year.

6. The Annual General Meeting of the Financial year ended on 31.03.2009 was held on 30th
September, 2009 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) Has not deposited any amount in a separate bank account, as no dividend was declared during the year.

   (III) The Company was 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 not appointed Managing Director / Wholetime Director during the year.

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 thereunder.

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 SBA 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 review.

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: 01.09.2010

FOR SHAH & SANTOKI ASSOCIATES
COMPANY SECRETARIES

(NIMESH SHAH)
PARTNER
C.P.NO.: 7800
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

ANNEXURE 'B'

Forms and Returns filed by Company with registrar of companies during the financial
year ended on 31st March 2010.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Form No.</th>
<th>For Financial Year</th>
<th>Filed U/s</th>
<th>Date of Filing</th>
<th>Filed in time or not</th>
<th>Filed with Additional Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Form - 23AC/ACA</td>
<td>2008-09</td>
<td>220</td>
<td>18.01.2010</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Form - 66</td>
<td>2008-09</td>
<td>383A</td>
<td>18.01.2010</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

PLACE: AHMEDABAD
DATE: 01.09.2010

FOR SHAH & SANTOKI ASSOCIATES
COMPANY SECRETARIES

(NIMISH 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, 2009 to 31st March, 2010 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 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, 2010, 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: 01.09.2010

For, Vishves A.Shah & Co.
Chartered Accountants

M.NO. 109944
(Proprietor)
M.No. 109944
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 31st March, 2010 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 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
6) 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 of schedule 12 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 31st March, 2010.

   and

   b) In the case of Profit and Loss Account, of the profit for the year ended on 31st March, 2010.

Date: 1st September, 2010
Place: Ahmedabad

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

M. No. 109944

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. (a) The company has not taken any loans from Companies, Firms or other parties other than directors; Register maintained under section 301 of the Act. No amount was borrowed from the directors of the company during the year & other financial institutes.

(b) In our opinion, the terms and conditions, on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 and from the companies under the same management, are not, prima facie, prejudicial to the interest of the company.

(c) The Principal amount and interest has been repaid as stipulated.

(d) There are no overdue payments.

4. 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.

5. (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.

6. 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.

7. In our opinion, the company has no required any internal audit system commensurate with the size and nature of its business.
8. 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.

9. (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 31st March, 2010 for a period of more than six months from the date they become payable.

10. The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. 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.

12. 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.

13. 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.

14. 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.

15. As informed to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. 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.

17. 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.

18. The company has not issued any debentures.
19. During the period covered by our audit report, the company has not raised any money by public issue.

20. 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: 1st September, 2010
Place: Ahmedabad

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

M. No. 109944

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

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.
➢ Depreciation on fixed asset is provided at the rates and in the manner specified in schedule XIV to the Companies Act, 1956 on written down value of the asset.

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

➢ The Company deals in trading in . There is closing stock of Rs. at the close of the year.
➢ 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.
> In view of the insignificant amount of Net deferred tax liability/net deferred tax asset on the date of balance sheet, no adjustment in this regard has been made.
> The expense of electricity, telephone and maintenance include expense of properties owned by the company and occupied by the directors of the company.
> The figures of the previous year are regrouped or rearranged wherever it is necessary.
> Provision in respect of Auditors Remuneration.
NILCHEM INDUSTRIES LIMITED
Ahmedabad
Balance Sheet (As per schedule VI of the Companies Act) as on 31st March, 2010

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sch No.</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
</table>

**SOURCES OF FUNDS:**

1. **Share Holders' Fund**
   - (a) Capital
   - (b) Reserves & Surplus

2. **Borrowed Fund**
   - (a) Secured Loans
   - (b) Unsecured Loans

**TOTAL Sources of Funds:**

**APPLICATION OF FUNDS:**

1. **Fixed Assets**
   - (a) Gross Block
   - (b) (Less) Depreciation
   - (c) Net Block
   - Capital work in Progress

2. **Investments**

3. **Current Assets, Loan & Advances**
   - (a) Inventories
   - (b) Sundry Debtors
   - (c) Cash & Bank Balance
   - (d) Other Current Assets
   - (e) Loans & Advances

   - (a) Liabilities
   - (b) Provisions

Net Current Assets

4. **Preliminary Expenses**

5. **Net Loss as per Profit & Loss Account**

**TOTAL:**

Signature to Schedule 1 to 18
For & on behalf of Board of Directors of NILCHEM INDUSTRIES LIMITED

As per our Separate Report
of Even Date
For, Vishves A. Shah & Co.
Chartered Accountants
Firm No. 121356W

Directors
M. No. 109944

Date: 1th September, 2010
Place: Ahmedabad

Date: 1th September, 2010
Place: Ahmedabad
## NILCHEM INDUSTRIES LIMITED
Ahmedabad
Profit & Loss Account for the year ended 31st March, 2010

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sch No.</th>
<th>Year 2009-2010</th>
<th>Year 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct and Indirect Incomes</td>
<td>14</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing Stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>15</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Employees Cost</td>
<td>16</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Indirect Expenses</td>
<td>17</td>
<td>75,775</td>
<td>1,37,460</td>
</tr>
<tr>
<td>Selling Expenses</td>
<td>18</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Preliminary Expenses (written off)</td>
<td>5</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total (A)</strong></td>
<td></td>
<td><strong>NIL</strong></td>
<td><strong>NIL</strong></td>
</tr>
<tr>
<td><strong>Sub Total (B)</strong></td>
<td></td>
<td><strong>75,775</strong></td>
<td><strong>1,37,460</strong></td>
</tr>
</tbody>
</table>

### Profit (Loss) before Tax
- **Net Profit (Loss) before Tax**: (A-B) (75,775) (1,37,460)

### Profit (Loss) after Taxation
- **Profit (Loss) after Taxation**: (75,775) (1,37,460)

### Surplus (Deficit) Carried Forward
- **Surplus (Deficit) Carried Forward**: (4,66,195) (3,28,735)

### Proposed Dividend
- **Proposed Dividend**: (5,41,970) (4,66,195)

**Signature to Schedule 1 to 18**
For & on behalf of Board of Directors of NILCHEM INDUSTRIES LIMITED
Date: 1th September, 2010
Place: Ahmedabad

**As per our Separate Report of Even Date**
For Vishves A. Shah & Co.
Chartered Accountants
Firm No. 121356W
M. No. 109944
Date: 1th September, 2010
Place: Ahmedabad
## Schedule 1: Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Share Capital</td>
<td>5,00,00,000</td>
<td>5,00,00,000</td>
</tr>
<tr>
<td>5000000 Equity shares of Rs. 10 Each</td>
<td>5,00,00,000</td>
<td>5,00,00,000</td>
</tr>
</tbody>
</table>

Issued, Subscribed & Paid up capital

4,577,500 Equity shares of Rs. 10 Each  
(Prev. Year: 4,577,500 Equity shares of Rs. 10 Each)  
Addition: NIL  
Less: Calls in Arrears  
4,577,500 4,577,500

## Schedule 2: Reserves & Surplus

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit &amp; Loss Account</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

## Schedule 3: Secured Loans

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

## Schedule 4: Unsecured Loans

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Directors</td>
<td>2,10,000</td>
<td>1,50,000</td>
</tr>
<tr>
<td>From Others</td>
<td>3,00,000</td>
<td>3,00,000</td>
</tr>
</tbody>
</table>

Total: 5,10,000 4,50,000

## Schedule 6: Investments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted Investments at Cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>552,300 Equity Shares:Nilchem Capital Ltd.</td>
<td>55,23,000</td>
<td>55,23,000</td>
</tr>
<tr>
<td>200,000 Equity Shares:Inducto Techno Casting</td>
<td>20,00,000</td>
<td>20,00,000</td>
</tr>
<tr>
<td>500,000 Equity Shares:Hans Ship Breaking P. Ltd.</td>
<td>50,00,000</td>
<td>50,00,000</td>
</tr>
</tbody>
</table>

Total: 1,25,23,000 1,25,23,000

## Schedule 7: Sundry Debtors

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Sundry Debtors

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Sundry Debtors

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31.03.2010</th>
<th>As on 31.03.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Sundry Debtors
### Schedule 8:
#### Cash & Bank Balances

<table>
<thead>
<tr>
<th></th>
<th>Cash on Hand</th>
<th>Bank Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,343</td>
<td>13,892</td>
</tr>
</tbody>
</table>

**Total:**

|                  | 23,235       | 31,510       |

---

Total: \[\text{NIL} \quad \text{NIL}\]
### Schedule 9:
#### Other Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with Others</td>
<td>42,66,500</td>
<td>42,66,500</td>
</tr>
</tbody>
</table>

### Schedule 10:
#### Loans & Advances

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances Receivable in Cash or Kind For Value</td>
<td>1,36,01,615</td>
<td>1,36,01,615</td>
</tr>
<tr>
<td>Deposits with Others</td>
<td>42,66,500</td>
<td>42,66,500</td>
</tr>
</tbody>
</table>

Total: 1,78,68,115 1,78,68,115

### Schedule 11:
#### Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry Creditors</td>
<td>36,939</td>
</tr>
</tbody>
</table>

Total: 36,939 36,939

### Schedule 12:
#### Provisions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions</td>
<td>2,12,236</td>
<td>2,04,736</td>
</tr>
</tbody>
</table>

Total: 2,12,236 2,04,736

### Schedule 13:
#### Misc. Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Expenses</td>
<td>2,00,240</td>
<td>2,00,240</td>
</tr>
<tr>
<td>Share Issue Expenses</td>
<td>62,70,000</td>
<td>62,70,000</td>
</tr>
</tbody>
</table>

Total: 64,70,240 64,70,240
NILCHEM INDUSTRIES LIMITED
Schedules for Profit & Loss Account for the year ended 31st March, 2010

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>For Year 2009-2010</th>
<th>For Year 2008-2009</th>
</tr>
</thead>
</table>

Schedule 14: Direct & Indirect Incomes

Total: **NIL**

Schedule 15: Direct Expenses

Total: **NIL**

Schedule 16: Cost of Employees

Total: **NIL**

Schedule 17: Indirect Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2009-2010</th>
<th>2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>8,275</td>
<td>2,741</td>
</tr>
<tr>
<td>Income Tax</td>
<td>60,000</td>
<td>80,092</td>
</tr>
<tr>
<td>NSDL Charges</td>
<td>0</td>
<td>14,894</td>
</tr>
<tr>
<td>Penalty</td>
<td>0</td>
<td>1,733</td>
</tr>
<tr>
<td>ROC Expenses</td>
<td>0</td>
<td>30,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,775</strong></td>
<td><strong>1,37,460</strong></td>
</tr>
</tbody>
</table>

Schedule 18: Selling Expenses

Total: **NIL**
NILCHEM INDUSTRIES LIMITED

Schedule 5:
Schedule of Fixed Assets as per the Companies Act for the year ended 31st March, 2010

<table>
<thead>
<tr>
<th>Block of Asset</th>
<th>Gross Block</th>
<th>Depreciation</th>
<th>Net Block</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31.03.2009</td>
<td>Addition for period</td>
<td>As on 31.03.2010</td>
</tr>
<tr>
<td>Land</td>
<td>13,73,061</td>
<td>13,73,061</td>
<td>0</td>
</tr>
<tr>
<td>Capital Advances</td>
<td>64,75,001</td>
<td>64,75,001</td>
<td>0</td>
</tr>
<tr>
<td>Pre-Operative &amp;</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Project Expenses</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pending Allocation</td>
<td>12,59,553</td>
<td>12,59,553</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>91,07,615</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

NILCHEM INDUSTRIES LIMITED

Schedule of Fixed Assets as per the Income Tax Act for the year ended 31st March, 2010

<table>
<thead>
<tr>
<th>Block of Asset</th>
<th>Opening Balance 1.4.2009</th>
<th>Addition Before 30.9.2009</th>
<th>Sale of Asset</th>
<th>Balance before Depreciation</th>
<th>Rate of Depreciation for year</th>
<th>Depreciation</th>
<th>Closing Balance 31.03.2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>13,73,061</td>
<td></td>
<td></td>
<td>13,73,061</td>
<td>0</td>
<td>13,73,061</td>
<td></td>
</tr>
<tr>
<td>Capital Advances</td>
<td>64,75,001</td>
<td></td>
<td></td>
<td>64,75,001</td>
<td>0</td>
<td>64,75,001</td>
<td></td>
</tr>
<tr>
<td>Pre-Operative &amp;</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Project Expenses</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Pending Allocation</td>
<td>12,59,553</td>
<td></td>
<td></td>
<td>12,59,553</td>
<td>0</td>
<td>12,59,553</td>
<td></td>
</tr>
</tbody>
</table>
Details of Capital Work In Progress

<table>
<thead>
<tr>
<th>Detail of Capital Work in Progress</th>
<th>As on</th>
<th>Addition for period</th>
<th>Transfer to Block</th>
<th>As on 31.03.2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Total: 91,07,615 NIL NIL NIL 91,07,615

[Signature]
### Cash Flow for the Year ended 31st March, 2010

### NILCHEM INDUSTRIES LIMITED

Ahmedabad

### Cash Flow for the Year ended 31st March, 2010

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2009-2010 Rupees</th>
<th>2008-2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Cash Flow from Operating Activity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit before tax and Extraordinary items</td>
<td>(75,775)</td>
<td>(1,37,460)</td>
</tr>
<tr>
<td>Adjustments for Non cash Items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNPAID EXPENSES</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Adjustments for in Receivables &amp; Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operating Activity [Total-A]:</strong></td>
<td>(68,275)</td>
<td>(1,29,960)</td>
</tr>
<tr>
<td><strong>B. Cash Flow from Investing Activity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHANGE IN LOAN &amp; ADVANCE</td>
<td>60,000</td>
<td>1,50,000</td>
</tr>
<tr>
<td></td>
<td>60,000</td>
<td>1,50,000</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Investing Activity [Total-B]:</strong></td>
<td>60,000</td>
<td>1,50,000</td>
</tr>
<tr>
<td><strong>C. Cash Flow from Financing Activity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Financing Activity [Total-C]:</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Increase/Decrease in Cash &amp; Cash Equivalents [A+B+C]:</strong></td>
<td>(8,275)</td>
<td>20,040</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents - Opening Balance</td>
<td>31,510</td>
<td>11,470</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents - Closing Balance</td>
<td>23,235</td>
<td>31,510</td>
</tr>
<tr>
<td><strong>Net Increase/Decrease in Cash &amp; Cash Equivalents (Closing - Opening Balance)</strong></td>
<td>(8,275)</td>
<td>20,040</td>
</tr>
</tbody>
</table>

As per our Saperate Report of Even Date

For, Vishves A. Shah & Co. Chartered Accountants

M. No. 109944

For & on behalf of Board of Directors of NILCHEM INDUSTRIES LIMITED

Directors
NILCHEM INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY’S GENERAL BUSINESS PROFILE

I. Registration Details
   Registration No. 0 2 3 3 9 6
   Balance Sheet Date 3 1 0 3 1 0

II. Capital Raised during the year (Amount in Rs. Thousands)
   Public Issue
   Rights Issue
   Bonus Issue
   Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
   Total Liabilities
   Total Assets
   Sources of Funds
   Paid up Capital
   Secured Loans
   Reserves & Surplus
   Unsecured Loans
   Application of Funds
   Net Fixed Assets
   Net Current Assets
   Investments
   Misc. Expenditures
   Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)
   Turnover*
   + - Profit/Loss Before Tax
   Earning Per Share in Rs.
   Total Expenditure
   + - Profit/Loss After Tax
   Dividend Rate%

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)
   I.T.C. Code
   Product Description
   N A
   N A
   N A
   N A
   N A