

A *NNUAL*

REPORT

2009-2010

NILCHEM CAPITAL LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of the members of the company will be held on 8th day of July, 2010 at 11.00 a.m. at Registered office of the company situated at 8, 4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380 009 to transact the following business.

ORDINARY BUSINESS:

- 1] To receive, Consider and adapt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account ended on that date and Directors Report and Auditors Report thereon.
- 2] To appoint a Director in place of Mr. Dinesh V. Patel who retires by rotation and eligible for reappointment.
- 3] To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

- 4] **To Consider and if thought fit to pass with or without modification, following resolution as special resolution.**

RESOLVED THAT pursuant to provisions of section 21 and other applicable provisions if any ,of Companies Act, 1956 and subject to approval of central government, the name of the company be and is hereby changed form NILCHEM CAPITAL LIMITED TO EMPORIS PROJECTS LIMITED.

Amendment in Name Clause:

“FURTHER RESOLVED THAT Clause I of Memorandum of Association of the Company be and is hereby altered as under.

(I) Name of the Company is EMPORIS PROJECTS LIMITED.”

- 5] **To Consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.**

RESOLVED THAT Shri Kirit Sanghvi be and is hereby appointed as Director of the company.

- 6] **To Consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.**

RESOLVED THAT shri Hemant Manjrekar be and is hereby appointed as Director of the company.

- 7] **To Consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.**

RESOLVED THAT Smt. Parul B Chauhan be and is hereby appointed as Director of the company.

FOR, NILCHEM CAPITAL LIMITED.

Place : AHMEDABAD

Date : 31/05/2010

(Jayantibhai V. Patel)

MG. DIRECTOR

NOTES:

- 1] A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend on his behalf. A proxy need not be a member of the company. Proxy in order to be effective must be received by the company at least 48 hours before the time fixed for the meeting.
- 2] Register of members and share transfer books of the company shall remain closed from 1st July, 2010 to 8th July, 2010 [Both days inclusive].
- 3] Members are requested to notice any changes in their address and requested to communicate at its Regd. office and investor service cell at 8, 4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380 009
- 4] As a message of the company, members are requested to bring their copy of Annual Report at meeting venue. Members desiring any information as regards to the Accounts are requested to write to the Company at least nine days in advance.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES , 1956.

ITEM NO-4:

As the company was not active in the areas for which it was incorporated and remained active in other areas of operations. Therefore, It was thought fit by the board to diversify into logistic and infrastructure activities to take advantage of lucrative operations for which future looks bright.

Company has got availability of name EMPORIS PORJECTS LTD from ROC, Gujarat and pursuant to section 21, approval of members is required for change in name.

None of the directors are concerned or interested in the resolution.

Item No 5,6 & 7:-

In pursuance of compliance of clause 49 of listing agreement, Board of directors of the company was broad based. Mr. Kirit Sanghvi, Mr, Hemant Manjrekar and Smt. Parul B chauhan were appointed as additional directors of the company on 1st January, 2010 as non executive independent directors.

Pursuant to section 262 of companies act, 1956, Their appointment needs to be regularized in the AGM by appointing them as directors of the company. As company has received notices from members of the company along with deposit of Rs. 500/- with request to appoint them as directors of the company pursuant to section 257 of the companies Act, 1956.

None of the directors except additional directors are concerned or interested in the resolution.

FOR, NILCHEM CAPITAL LIMITED.

Place : AHMEDABAD
Date : 31/05/2010

(Jayantibhai V. Patel)
MG. DIRECTOR

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report of the company together with Audited Statement of Accounts for the year ended on 31st March 2010.

1. FINANCIAL RESULT AND DIVIDEND

On Account of accumulated losses, No Dividend has been recommended by Board of Directors. However, Company has started functioning in the newer areas after diversification.

2. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on corporate Governance and Management Discussion and Analysis is attached to this report and forms part of this report.

3. DIRECTORS

Mr. Dinesh V. Patel is retiring by rotation and being eligible, offer himself for reappointment.

Three directors namely, Mr, Kirit Sanghvi, Mr, Hemant Manjrekar and Smt. Parul B Chauhan were appointed as additional directors of the company on 1st January, 2010 in compliance of clause 49 of listing agreement as independent directors.

4. ENERGY, TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE

The information required under section 217(1)(e) of the companies Act, 1956 read with the companies (disclosure of particulars in the Report of the Board of Director) Rule, 1988. With respect to conservation of energy, the Total cost of power and fuel during the year are contained at minimum levels and hence no step was proposed for conservation of energy.

5. DEPOSITS

The Company has not accepted any deposits from the public falling U/s.58A of Companies Act, 1956.

6. EMPLOYEES

Information in accordance with sub- section (2A) of Section 217 of the companies act, 1956 read with companies (Particulars of Employees Rules, 1975 as amended and forming part this report is annexed to this report.

7. DIRECTORS RESPONSIBILITY STATEMENT:

- 1] The Directors confirm that, in preparation of the Balance sheet and the Profit and Loss account of the company, the applicable accounting standards have been followed along with proper explanation relating to material departures, subject to notes on accounts.
- 2] The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2010 and of the Profit and Loss of the company for that period.
- 3] The Directors have taken proper and sufficient care for the maintenance of adequate accounting record 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] The Directors have prepared the Annual Accounts on the basis of going concern concept.

8. AUDITORS

M/s. Ashit T. Macwan & Associates, Chartered Accountant, Ahmedabad retired as auditors of the company at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

9. APPRECIATION

Your Directors wish to place on record their appreciation of co-operation received by the company from banks and grateful for the services rendered by the employees of the company.

For and On behalf of the Board of Directors

Place : AHMEDABAD
Date : 31/05/2010

(Jayantibhai V. Patel)
Managing Director

ANNEXURE 'A'

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the committee on Corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

The Company has taken necessary steps to comply with the newly amended clause 49 of the Listing Agreement. Given below is the report of the Directors on the corporate governance:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believe 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 share holders. In compliance thereof, the following information is placed before the shareholders.

(1) BOARD OF DIRECTORS

Name of Director	Category	Date of Board Meeting						AGM
		30/04/09	31/07/09	12/08/09	31/10/09	31/01/10	31/03/10	
Shri Jayantilal Patel	Managing Director	P	P	P	P	P	P	P
Shri Kalpesh Patel	Promoter Director	P	P	P	P	P	P	P
Smt. Parul B Chauhan	Independent Director	A	A	A	A	P	P	A
Shri Hemnat Manjrekar	Independent Director	A	A	A	A	P	P	A
Shri Kirit Sanghvi	Independent Director	A	A	A	A	P	P	A
Shri Dinesh Patel	Promoter Director	P	P	P	P	P	P	P

P – Present A – Leave of absence granted

Details of other Directorships

Name of Director	Other Directorship
Shri Jayantilal Patel	Nil
Shri Kalpesh Patel	Nil
Smt. Parul B Chauhan	Nil
Shri Hemant Manjrekar	Nil
Shri Kirit Sanghvi	Nil
Shri Dinesh Patel	Nil

In line with the requirements of the code of the Corporate Governance, the board of directors comprises of six members. The composition of the Board is in conformity with the revised agreement, having one Managing Director, two Promoter-directors and remaining three directors are Non – Executive independent Directors.

Company do not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held six times.

A declaration signed by Shri Jayantilal Patel, Managing Director of the Company according compliance of sub – Clause (1D) of Clause 49 of Listing Agreement as amended is attached herewith forming part of this Annual Report.

(2) AUDIT COMMITTEE

Presently the company has six Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit Committee consisting of followings:

- (i) Mr.Kalpesh Patel – Chairman
- (ii) Mr.Hemant Manjrekar – Member
- (iii) Mr. Kirit Sanghvi – Member

Function of audit committee is as under.

- (a) To review financial reporting process and financial statement.
- (b) To review internal control system and functioning of internal audit process.
- (c) Post Audit review with statutory auditors.

During the year Audit Committee met six times and reviewed performance of the company.

(3) REMUNERATION COMMITTEE

No remuneration was paid to directors during the year and they have waived their part of remuneration.No sitting fees are payable to any Director.

Remuneration committee consists of Mr Jayantilal Patel and Mr. Dinesh Patel.

4) SHAREHOLDERS COMMITTEE

The company has complied the requirements of the Clause 49 of the Listing Agreement. Mr.Kirit Sanghvi, Director heads the committee.

During the year, the company and their Registrar and Share Transfer Agents M/S Sharepro Services received no complaint. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI / Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s Sharepro Services was appointed as common Agent for electronic as well as physical share transfer work.

5) GENERAL BODY MEETING

The Company's shares are listed on Bombay Stock Exchange and Ahmedabad Stock Exchange.Annual General Meeting of the Shareholders was held on 30-09-2009 at 10.45 A.M. at Registered office of the Company.

6) DISCLOSURES

- (a) Company has followed all accounting standards diligently.
- (b) Further, Company is in the process of laying down risk assessment systems.
- (c) Further, Company has not received any funds through capital market during the year.
- (d) Management Discussion & Analysis report is attached and forms part of this Report.
- (e) During the year, transaction with related parties has been properly disclosed in Notes to accounts and discussed at arms length by Audit Committee.
- (f) Further, Shri Jayantilal Patel , Managing Director of the company has certified to Board of Directors of the company regarding compliance of sub – clause (v) of clause 49 of listing Agreement.

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7) 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 English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

8) GENERAL SHAREHOLDER INFORMATION

Date of Annual General Meeting : 08/07/2010.
Financial Calendar : 1st April, 2009 to 31st March, 2010
Dividend Payment Date : No dividend declared.
Date of Book Closure : 1st July,2010 to 8th July, 2010.

9) LISTING OF STOCK EXCHANGE

Bombay Stock Exchange Limited
Ahmedabad Stock Exchange Limited

10) MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED

MONTH	HIGH (Rs.)	LOW (Rs.)
April, 2009	N.A.	N.A.
May, 2009		
June, 2009		
July, 2009		
August, 2009		
September, 2009		
October, 2009		
November, 2009		
December, 2009		
January, 2010		
February, 2010		
March, 2010		

Performance in Comparison to board based indices such as BSE sensex, CRISIL Index etc. Not applicable.

11) REGISTRAR AND SHARE TRANSFER AGENT

M/S Sharepro Srvices(india) Pvt. Ltd.

13AB, Samhita Warehousing Complex, 2nd Floor, Nr. Sakinaka Tel exchange, Andheri-Kurla Rd. Sakinaka, Andheri(E), Mumbai-400072.

12) SHARE TRANSFER SYSTEM

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

13) Distribution of shareholding as on 31st March, 2010

No. of EquityShares held	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
1 to 500	2795	84.68	1385000	16.88
501 to 1000	51	01.54	50000	00.60
1001 to 2000	299	09.05	568100	06.92
2001 to 3000	32	00.96	85000	01.03
3001 to 4000	51	01.54	202800	02.47
4001 to 5000	25	00.75	119000	01.45
5001 to 10000	1	00.03	8700	00.10
10001 to above.	48	01.45	5783000	70.55
Total	3302	100	8201600	100

14) DISTRIBUTION PATTERN AS ON 31st March, 2010

CATEGORY	No of Shares	Percentage
Promoters and Relatives	2900000	35.36%
Banks / FII / FI	—	—
Public	5301600	64.64%
Body Corporate	—	—
NRI	—	—

15) DEMATERIALIZATION OF SHARES AND LIQUIDITY

Outstanding GDRs / ADRs / Warrants or any Convertibles instruments and conversion date and likely impact on equity

Not Applicable

Address for Correspondence

4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380009.

Registrar for electronic connectively as well as physical share transfer dept

Sharepro Services, Mumbai.

None of the shares out of 8201600 Equity shares of the company have been dematerialized as at 31st March, 2010 representing 0.0% of total paid up capital of the company.

By order of the Board of Directors
For **Nilchem Capital Ltd.**

Place : Ahmedabad
Date : 31/05/2010

Shri Jayantilal Patel
Chairman

ANNEXURE 'B' MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The overall performance during the financial year 2009-2010 has been satisfactory.

2. Financial Review

Total turnover for the year ended 31st March, 2010 was Rs. 31.24 Lacs. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

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 deposition.

4. Business Environment

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern

The building, plant and machinery, vehicle and stocks of the Company are adequately insured.

6. Cautionary Statement

Statements 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 of events.

By order of the Board of Directors
For **Nilchem Capital Ltd.**

Place : Ahmedabad
Date : 31/05/2010

Shri Jayantilal Patel
Chairman

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. Jayantilal Patel, Managing Director of Nilchem Capital Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These 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.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 31/05/2010

Place : AHMEDABAD

Shri Jayantilal Patel

Managing Director

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR ABOUT CORPORATE GOVERNANCE.

I, Mr. Jayantilal Patel, Chairman & Managing Director of Nilchem Capital Ltd hereby confirm pursuant to clause 49(1) (d) of the listing agreement that :

1. The board of directors of Nilchem Capital Ltd has laid down a code of conduct for all board members and senior management of company. The said code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March, 2010.

Date : 31/05/2010

Place : AHMEDABAD

Shri Jayantilal Patel

Chairman & Whole Time Director

AUDITOR'S REPORT

To,
The Members of Nilchem Capital Limited,

We have audited the attached Balance sheet of Nilchem Capital Limited, Ahmedabad as at 31st March 2010 together with the Profit & Loss Account for the year ended on that date annexed there to and report that:

We conducted 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 check basis, evidence supporting the amounts and disclosures made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the companies Act, 1956, we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above, We report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of books of accounts.
 - c. In our opinion the Balance Sheet and Profit & Loss Account are drawn up in accordance with the accounting standards referred to in Section 211 (3C) of the companies Act, 1956 subject to the
 - d. The Balance Sheet & Profit Account dealt with by report are in agreement with the books of accounts.
 - e. On the basis of written representations received from the directors and taken on records by the Board of Directors we report that none of the directors of the company are disqualified from being appointed as directors of the company under clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
 - f. In our opinion, and to the best of our information and according to the explanation given to us the said accounts subject to the notes thereon gives the information required and gives a true & fair view.
 1. In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2010.

AND

2. In the case of Profit and Loss Account of the Loss for the year ended on that date.

For, ASHIT T. MACWAN
Chartered Accountant

(ASHIT T. MACWAN)
PROPRIETOR
Mem No. 107891

Place : Ahmedabad
Date : 31/05/2010

ANNEXURE TO THE AUDITORS' REPORT

Annexure to the Auditor's Report referred to in paragraph 1 of our report of even date on the accounts for the year ended on 31st March, 2010 of Nilchem Capital Limited.

- (i) As there is no fixed assets in the company question of reporting thereof does not arise.
- (ii) As there is no stock in the company question of reporting thereof does not arise.
- (iii) In our opinion the terms and conditions on which loans have been taken from the firm & other parties listed in the register maintained under section 301 are not prima facie, prejudicial to the interest of the company.
- (iv) The company has given loans secured or unsecured to companies, parties or firm listed in the register maintained under section 301 of the companies act, 1956 is prima facie prejudicial to the interest of the company.
- (v) In respect of loans and Advances of the nature of loans given by the company, parties have generally not repaid the principal amount, as informed to us, in absence of any stipulation and the company has not charged interest, on most of such loans.
- (vi) In our opinion & according to the information and explanations given to us there are adequate internal control procedures to commensurate with size of the company & nature of its business with regard to purchase of stores, raw materials, items traded including components, plant and machinery, equipment & other assets and with regard to the sale of goods.

- (vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section (209)(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (viii) (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income –tax, sales – tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues with the appropriate authorities though there had been delays in certain cases.
- (b) According to the information & explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income –Tax, Sales-Tax, Wealth-Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were outstanding, at the year end for the period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales –tax, income-tax, customs duty, wealth-tax, excise-duty, cess on account of any dispute, are as follows:
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions and during the year.
- (x) In our opinion & according to the information and explanations given to us the transaction for purchases of raw material made in pursuance of contracts of agreements entered in the register maintained under section 301 of the Companies Act, aggregating during the year to Rs. 50000/- or more in respect of each party have been made at a price which are reasonable in regard to the prevailing market prices.
- (xi) Directives issued by the Reserve Bank of India and the provision of section 58- A of the Companies Act, 1956 and rules framed there under are not applicable as the company has not accepted any public deposits.
- (xii) In our opinion, the company has made adequate internal audit system commensurate with the size and nature of its business.
- (xiii) As informed to us, Central Government has not order cost records under section 209(1) (d) of the Companies Act, 1956.
- (xiv) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures & other securities.
- (xv) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provisions of clause 4(xii) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xvi) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(iv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xvii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institution.
- (xviii) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.
- (xix) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that short term funds to the tune of Rs. Nil approximately (without considering permanent working capital) have been used to finance long term assets, stated to be primarily because of significant cash loss during the year.
- (xx) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xxi) The Company did not have any outstanding debentures during the year.
- (xxii) The Company has not raised any money through a public issue during the year.
- (xxiii) Based upon the audit procedures performed for the purpose of reporting the true & fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For, ASHIT T. MACWAN
Chartered Accountant

(ASHIT T. MACWAN)
PROPRIETOR
Mem No. 107891

Place : Ahmedabad
Date : 31/05/2010

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BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH.	RS.	CURRENT YR. RS.	PREV.YR. RS.
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	1	82,016,000		82,016,000
			<u>82,016,000</u>	<u>82,016,000</u>
Loan funds				
a Secured Loans				
b Unsecured Loans	2	6,833,020		6,833,020
			<u>6,833,020</u>	<u>6,833,020</u>
TOTAL RS.			<u><u>88,849,020</u></u>	<u><u>88,849,020</u></u>
APPLICATION OF FUNDS				
Fixed Assets				
Investments	3		4,500,000	4,500,000
Current Assets, Loans and Advances :				
a Inventory				
b Sundry Debtors	4	22,354,891		20,257,763
c Cash & Bank Balances	5	79,099		176,429
d Loans and Advances	6	70,036,720		70,785,129
		<u>92,470,710</u>		<u>91,219,321</u>
Less : Current Liabilities & Provisions :				
a Current Liabilities	7	13,135,948		12,117,569
		<u>13,135,948</u>		<u>12,117,569</u>
Net Current Assets			<u>79,334,762</u>	<u>79,101,752</u>
Miscellaneous Expenditure	8			
a Preliminary Expenses (to the extent not written off)		2,096,383		2,096,383
b Profit & Loss A/c.		2,917,875	5,014,258	3,150,885
TOTAL RS.			<u><u>88,849,020</u></u>	<u><u>88,849,020</u></u>
Notes forming part of A/c.	9			
Significant Accounting Pol.	10			
As per our Report of even date attached		For and on behalf of the Board		
FOR, ASHIT. T. MACWAN		FOR, NILCHEM CAPITAL LIMITED		
Chartered Accountants				
(ASHIT T. MACWAN)		(MG.DIRECTOR)	(DIRECTOR)	
PROPRIETOR M.No:107891				
Date :- 31/05/2010		Date :- 31/05/2010		
Place :- Ahmedabad		Place :- Ahmedabad		

NILCHEM CAPITAL LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAR, 2010

	SCH.	CURRENT YR. RS.	RS.	PREV.YR. RS.
INCOME				
Income(Sales)		3,124,569		1,175,113
			3,124,569	1,175,113
EXPENDITURE				
Purchase		2,305,685		951,876
Employee Emoluments		320,000		108,000
Registration & Fees		63,045		—
Travelling Expense		20,121		—
Income Tax		33,410		—
Printing & Stationery		2,863		2,156
Office Exps		6,435		5,708
Audit Fees		7,500		7,500
ROC Filing Fees		2,500		2,500
			2,761,559	1,077,740
PROFIT AFTER DEP. & BEFORE TAXATION			363,010	97,373
Less : Provision for Taxation			130,000	35,000
NET PROFIT AFTER TAX			233,010	62,373
Add : Balance as per Last Year's B/s.			(3,150,885)	(3,213,258)
			(2,917,875)	(3,150,885)
			—	—
			(2,917,875)	(3,150,885)
NET SURPLUS CARRIED TO THE BALANCE SHEET			(2,917,875)	(3,150,885)
Notes forming part of A/c.	9			
Significant Accounting Pol.	10			
As per our Report of even date attached		For and on behalf of the Board		
FOR, ASHIT. T. MACWAN		FOR, NILCHEM CAPITAL LIMITED		
<i>Chartered Accountants</i>				
(ASHIT T. MACWAN)		(MG.DIRECTOR)	(DIRECTOR)	
PROPRIETOR M.No:107891				
Date :- 31/05/2010		Date :- 31/05/2010		
Place :- Ahmedabad		Place :- Ahmedabad		

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SCHEDULE FORMING PART OF THE ACCOUNTS

	CUR.YR.Rs.	PREV.YR.Rs.
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED CAPITAL		
10000000 Equity shares of Rs. 10/- each (Pre. Yr. 10000000 Equity shares of Rs. 10/- each)	100,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP		
8201600 Equity Shares Of Rs. 10/- each. (Pre. Yr. 8201600 Equity Shares Of Rs. 10/- each.)	82,016,000	82,016,000
Total Rs.	82,016,000	82,016,000
SCHEDULE 2 - UNSECURED LOAN		
From Corporate Bodies	6,351,020	6,351,020
From Others	455,000	455,000
From Directors	27,000	27,000
Total Rs.	6,833,020	6,833,020
SCHEDULE 3 - INVESTMENT(AT COST)		
100000 Shares of Nilchem Infrastructure	1,000,000	1,000,000
250000 Shares of Vax Finance Ltd.	2,500,000	2,500,000
50000 Shares of Ashit Leasing & Finance Pvt. Ltd.	500,000	500,000
50000 Shares of Treand Land Finance Ltd.	500,000	500,000
	4,500,000	4,500,000
SCHEDULE 4 - SUNDRY DEBTORS (Unsecured, Cionsidered good)		
Debts Outstandings	22,354,891	20,257,763
Total Rs.	22,354,891	20,257,763
SCHEDULE 5 - CASH & BANK BALANCE		
Cash on Hand	68,725	172,629
With nationalised Bank	10,374	3,800
Total Rs.	79,099	176,429
SCHEDULE 6 - LOANS & ADVANCES (Unsecured, Cionsidered good)		
Advances recoverable in cash or in kind or for value to received	66,036,720	66,785,129
Deposit with others	4,000,000	4,000,000
Total Rs.	70,036,720	70,785,129
SCHEDULE 7 - CURRENTN LIABILITIES & PROVISIONS		
Sundry Creditors	1,285,569	267,190
Advances from Customers	11,682,000	11,682,000
Outstanding Liabilities	104,379	104,379
Provision for Tax	64,000	64,000
Total Rs.	13,135,948	12,117,569
SCHEDULE 8 - MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expense	24,688	24,688
Share Issue Expense	2,030,551	2,030,551
Pre Operative Expenditure	41,144	41,144
Total Rs.	2,096,383	2,096,383

SCHEDULE: - 9: NOTES TO AND FORMING PART OF THE ACCOUNTS

Notes on accounts to and forming part of the Balance sheet as on 31st March 2010 and also of the profit and loss account for the year ended on that day.

1. General:

- 1) Previous Year figures have been regrouped wherever necessary.
- 2) The debit and credit balances in the Balance sheet are subject to the confirmation by the parties concerned and are subject to reconciliation if any.
- 3) No Provision for gratuity & Provident fund is made; as the actual valuation is not done the same is not quantified.
- 4) In the opinion of the board, Current assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business.
- 5) Earning/Expenditure in Foreign Exchange:

- Earning in foreign Exchange	NIL	(NIL)
- Expenditure in Foreign Exchange	NIL	(NIL)
- 6) Auditor's Remuneration:

Audit Fees	Rs.7, 500/-	(Rs.7,500)
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- 7) Managerial Remuneration:

Salary	NIL	(Rs. NIL)
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- 8) Contingent Liabilities not provided for:

Filing fees paid to ROC on increase of authorised capital	NIL	(NIL)
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- 9) Estimated amount of capital contracts remaining to be executed on capital account: Rs. NIL (NIL)
- 10) According to the management, advances made to companies under section 370(1-B) or parties listed in register maintained under section 301 of the Companies Act, 1956 are as per the contractual obligations with the said party/ company or trade advances.
- 11) According to the management, the company has entered into an agreement for sale in respect of land. Final sale deed will be executed upon certain statutory clearance.
- 12) All the debtors including those outstanding for more than one year are considered good by the management: hence no provision of doubtful debts is made during the year.

SCHEDULE: - 10 SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting:

The Accounts of the company are prepared under the historic cost convention and on the accounting principal of going concern in accordance with applicable accounting standard except where stated otherwise. For recognition of income and expenses, mercantile system of accounting is followed except stated Otherwise.

2. Fixed Assets & Depreciation:

All fixed assets are stated at cost of acquisition and/or Construction less accumulated depreciation. Depreciation is provided on the strait line method at the rates specified in schedule XIV of the Companies Act, 1956.

3. Inventory Valuation:

Stock in trade comprising of raw materials, finished goods and work in progress are valued at cost or net realizable value, which ever is lower and is on the same basis as was in the preceding year. Stores and spares are treated as consumed at the time of purchase.

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4. Sales:

Sales is accounted net of sales tax.

5. Contingent Liability:

Contingent Liabilities determined on the basis of the available information.

6. Investments:

Investments are stated at cost

7. Miscellaneous Expenditure:

Consistent to the accounting policy adopted last year, preliminary and public issue expenses are note amortised during the year (refer note 12.)

8. Taxation:

The provision for tax made during the year, is based on the assessable profits of the company computed in accordance with provisions of the Income-Tax Act, 1961.

9. Retirement Benefits:

These are accounted on cash basis.

As per our Report of even date attached

FOR, ASHIT. T. MACWAN

Chartered Accountants

(ASHIT T. MACWAN)

PROPRIETOR M.No:107891

Date :- 31/05/2010

Place :- Ahmedabad

For and on behalf of the Board

FOR, NILCHEM CAPITAL LIMITED

(MG.DIRECTOR)

(DIRECTOR)

Date :- 31/05/2010

Place :- Ahmedabad

NILCHEM CAPITAL LIMITED

Registered office : 8, 4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380 009

ATTENDANCE SLIP

Annual General Meeting

Thursday, the 8th July, 2010 at 11.00 A.M.

Place :

8, 4th Floor, Swastik Super Market,
Ashram Road, Ahmedabad-380 009

Signature of Member/Proxy attending the meeting _____

NOTES :

1. This meeting is only for members. Please therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

NILCHEM CAPITAL LIMITED

Registered office : 8, 4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380 009

PROXY FORM

I/ We _____
of _____ in the district of _____
being a member/s of the above Company hereby appoint _____ of
_____ in the district of _____
or failing him _____
of _____ in the district of _____
as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the Annual General Meeting of the Company to be held on Thursday,
the 8th July, 2010 at 11.00 a.m. and at 8, 4th Floor, Swastik Super Market, Ashram Road, Ahmedabad-380 009 any adjournment thereof.

L.F. No. _____

D.P. ID No. _____

Client I.D. No. _____

No. of Shares _____

Signed the _____ day of _____ 2010.

Signature

NOTE : The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the meeting.

Affix
Revenue
Stamp

BOOK-POST

If undelivered please return to :

NILCHEM CAPITAL LIMITED

Registered office : 8, 4th Floor, Swastik Super
Market, Ashram Road, Ahmedabad-380 009