

NEIL INDUSTRIES LIMITED

ANNUAL REPORT 2011-2012

CONTENTS

- CHAIRMAN'S MESSAGE

- BRIEF PROFILE OF THE COMPANY

- CORPORATE GOVERNANCE REPORT

- DIRECTOR'S REPORT

- AUDITOR'S REPORT

- BALANCE SHEET AND PROFIT & LOSS STATEMENT ALONG WITH ANNEXURES

CHAIRMAN'S MESSAGE

Dear Shareholders,

It's a matter of great pleasure for me to get this opportunity and share with you the performance of your Company for the financial year 2011-12. Your Company has endured to make a profits of 31.09(Rs in '00000) from the last financial year of 30.42(Rs in '00000). Keeping in view the prevailing uncertainties over the economic conditions globally your company has strived hard to maintain its pace. Though the macro environment is beyond our control, our effort to overcome such challenges has resulted in positive note.

Growth in Business is appreciated only when a Company follows strong corporate value and high quality in service and also works in a manner which is beneficial to all stakeholders. You may feel proud to know that your Company has responded well with reasonably good care to meet the expectations of all.

Your Company has ardent desire to identify, and create new opportunities for the growth of business. Less said then done, the Company's endeavor is prominently visible for the appraisal of all. I, along with my fellow Board Members and every stakeholder of the Company reinforce our commitment towards the success of the Company and also look forward to your continued support in realizing the vision of the Company.

With warm wishes,

Yours sincerely,

-Sd-
(Arvind Kumar Mittal)
Director

BOARD OF DIRECTORS

Mr. Arvind Kumar Mittal	Director
Mr. Anurag Khandelwal	Director
Mr. Rajesh Bajpai	Director

AUDITOR

R K Patodi & Company,
2 Church Lane 4th floor,
Kolkata-700001,

BANKER

PUNJAB NATIONAL BANK
UNION BANK OF INDIA

REGISTERED OFFICE

203, Sarat Bose Road, 3rd floor,
Near Deshpriya Park,
Kolkata -700029

CORPORATE OFFICE

16/19-A, Civil lines, Kanpur 208001

COMPLIANCE OFFICER

Mr. Arvind Kumar Mittal

REGISTRAR AND SHARE TRANSFER AGENT

M/S Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane, 2nd Floor
Kolkata-700001

E-MAIL I.D. & CONTACT NO. FOR INVESTORS

E- Mail ID: neilil@rediffmail.com
Contact No. : 0512- 3071471

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONDITION

Company's projections are based on various economic factors. Inflation and volatility in currency market has made serious impact on the functioning and profitability of the company.

BUSINESS OVERVIEW

The Company is of the view that there is ample opportunity to work for the object of the Company including NBFC business. It has endured itself to meet all the future challenges and continue on its mission.

PERFORMANCE

The performance of Company for the financial year 2011-12 has been satisfactory. Company has made a profits of 31.09(Rs in '00000) from the last financial year of 30.42(Rs in '00000).

OUTLOOK

The company has increased its function towards the business of NBFC. The Company is of opinion that there is ample opportunity in this field.

RISK AND CONCERNS

The company is fully aware of the risk factors which have serious impact on its operations and profitability. Apart from inflation risk and NPA, the competition risk is also always on radar. The company takes special care of all these factors.

INTERNAL CONTROL SYSTEM

The Company has deployed proper internal as well as external control system. Audit committee oversees the internal audit function as well as the internal control system. The Company ensures strict compliance of applicable laws and regulation for financial transactions.

HUMAN RESOURCE CAPITAL

The company is keen to employ best talent and also train them to suit best for our purpose as their effort and role is instrumental in the success of company.

DISCLAIMER

The statements and projections made in this report may vary depending on the economic conditions, government policies, and other factors beyond the control of the Company. Company is not under any obligation to amend, modify or revise any statement.

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the most of the requirements of Corporate Governance as laid down under the applicable Clause 49 of the Listing Agreements with the Stock Exchanges.

1. **BOARD OF DIRECTORS**

The Board of the Company comprises of three Directors having two Directors as Non-executive independent Directors, one Director as Non- executive Promoter Director as follows:

SL NO.	NAME	DESIGNATION
1.	Mr. Arvind Kumar Mittal	Non-Executive Director
2.	Mr. Anurag Khandelwal	Non-Executive Director
3	Mr. Rajesh Bajpai	Non-Executive Director

NUMBER OF BOARD MEETINGS

During the year the Board met 5 times on 30/04/2011, 31/07/2011, 31/10/2011, 14/02/2012, 05/03/2012 and the maximum gap between two board meetings was not more than 4 months.

DIRECTORS ATTENDANCE RECORD & DIRECTORSHIP HELD

The Composition and category of the Directors on the Board, and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of Directorship and Committee Membership/Chairmanship as on 31st March, 2012 are as follows:

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Director ship	Other Committees
Mr. Arvind Kumar Mittal	Non-Executive Director	5	5	Yes	Nil	Chairman shareholders /investors Grievance committee, Member Audit & Remuneration committee
Mr. Anurag Khandelwal	Non-Executive Director	5	5	Yes	Nil	Chairman Audit committee, Member Remuneration & shareholders /investors Grievance committee,
Mr. Rajesh Bajpai	Non-Executive Director	5	5	No	Nil	Chairman Remuneration committee, Member Audit & shareholders /investors Grievance committee

DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

As per Section 255 read with Section 256 of the Companies Act, 1956 two third of the Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible they can offer themselves for reappointment. But presently Mr. Rajesh Bajpai is the Additional Director of the Company who is eligible for appointment as the regular director of the Company subject to approval of members in general meeting.

2. COMMITTEE OF THE BOARD

The Company has constituted the committee as required under the Listing Agreement at its Board Meeting held on 30 April 2011.

AUDIT COMMITTEE

The Composition of Audit Committee is as mentioned herein below:

Sl No.	Name	Designated position in the committee
1.	Anurag Khandelwal	Chairman
2.	Arvind Kumar Mittal	Member
3.	Rajesh Bajpai	Member

REMUNARATION COMMITTEE

The composition of remuneration committee is as follows:

SL No.	Name	Designated position in the committee
1.	Rajesh Bajpai	Chairman
2.	Arvind Kumar Mittal	Member
3.	Anurag Khandelwal	Member

DETAILS OF REMUNARATION TO THE DIRECTORS

SL NO	Name and designation	Salary	Other Benefits	Total
1.	Arvind Kumar Mittal , Director	nil	nil	nil
2.	Anurag Khandelwal, Director	nil	nil	nil
3.	Rajesh Bajpai Director	nil	nil	nil

SHAREHOLDER/INVESTOR'S GRIEVENCE COMMITTEE

The Composition of shareholder/investor's grievance committee is as follows:

Sl No.	Name	Designated position in the committee
1.	Arvind Kumar Mittal	Chairman
2.	Rajiv Agarwal	Member
3.	Anurag Khandelwal	Member

3. GENERAL BODY MEETING

Details regarding the last three Annual General Meetings are as follows:

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2008-09	29/09/2009	19, Synagoouge Street, Kolkata-700001	10:30 A.M.
2009-10	30/09/2010	19, Synagoouge Street, Kolkata-700001	11:00 A.M.
2010-2011	30/09/2011	203 Sarat Bose Road Third floor near Deshpriya Park Kolkata-700029	11:00 A.M.

DETAILS OF SPECIAL RESOLUTION IN THE LAST THREE AGM

During this financial year the Company has not passed any special resolution.

DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS

There is no resolution passed through postal ballot process at the ensuing Annual General Meeting.

4. DISCLOUSERS

The Company has complied with most of the mandatory requirements of Clause 49 of the Listing Agreement.

5. MEANS OF COMUNICATATION

The Company has timely published its quarterly results in the newspapers.

6. GENERAL SHARE HOLDER INFORMATION

I. Annual General Meeting : Date: 28/09/2012

Time: 11:00 AM

Venue: 203, Sarat Bose Road,
3rd floor, near Deshpriya Park
Kolkata -700029

II. Financial Year : April 2011- March 2012

III. Date of book closure : 21/09/2012- 28/09/2012

IV. Dividend payment date : N/A

The Directors of the company are of the opinion not to declare dividend for the financial year.

V. Listing on Stock Exchange: CSE Limited, Kolkata
U.P. Stock Exchange Limited, Kanpur

VI. Stock Code : 1913

VII. Marker Price : Rs. 11.80

VIII. Registrar and Transfer Agent: M/S Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane, 2nd Floor
Kolkata-700001

IX. Share Transfer System: The Company has provided a common agency regarding the Share Registration and Transfer by our Registrar And Transfer Agent i.e. Maheshwari Datamatics Private Limited, Kolkata within a period of 30 days from the date of receiving, subject to the validity and completeness of documents in all respect.

X. Distribution of shareholding:

Shareholding pattern of the Company as on 31st March 2012

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	0
Govt Companies	0	0
Public financial institution	0	0
Nationalized/Other Institutions/Bank	0	0
Mutual Funds	0	0
Venture Capital	0	0
Foreign Holding	0	0
Bodies Corporate	25400	00.52
Directors/Relative	151800	03.11
Others	4711100	96.37
TOTAL	4888300	100.00

Distribution of Shareholding:

CATEGORY		SHAREHOLDERS	
FROM	TO	NUMBER	PERCENTAGE
01	100000	173	67.58
100001	200000	28	10.94
200001	300000	17	06.64
300001	400000	03	01.17
400001	500000	13	05.08
500001	600000	01	00.39
600001	700000	05	01.95
700001	900000	00	00
900001	1000000	08	03.13
1000001	1500000	03	01.17
1500001	2500000	03	01.17
2500001	2600000	02	0.78
TOTAL		256	100

XI Dematerialization of Shares and Liquidity:
90% of the shares of Company are in dematerialized form.

XII Address for correspondence:
16/19-A, Civil Lines, Kanpur- 208001

XIII CFO Certification:

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CFO have submitted necessary certificate to the Board at its meeting held on 31/07/2012 stating the particulars specified under the said clause.

7. **CORPORATE SOCIAL RESPONSIBILITY**

The Company is planning for taking an initiative for implementation of “Green Initiative” in the corporate governance for allowing paperless compliances as per the circular issued by the Ministry of Corporate affairs and to facilitate its member by providing all the information relating to notices of Shareholder Meetings, Annual Report of the Company by e-mail. The Company is also planning to take initiative on promoting social welfare in near future.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2012.

FINANCIAL RESULTS:

	2011-2012	2010-2011
	(Rs.in`00000)	(Rs.in`00000)
Income	5536.92	5229.24
Profit/(Loss) before interest & dep.	53.10	46.46
Less:		
Interest	0.00	0.00
Depreciation and amortization	6.50	2.44
Profit / (Loss) Before Tax	46.60	44.02
Provision for Taxation	15.79	13.82
Deferred Tax	(1.00)	(0.22)
Adjustment related to previous year	0.72	0.00
Net Profit	31.09	30.42

OPERATIONAL RESULTS:

During the year under review, the company has received an income of Rs. 5536.92(in`00000) as compared to the previous year income of Rs. 5229.24 and earned a profit after tax of Rs. 31.09 (in`00000) as compared to the previous year profit of Rs. 30.42 (in`00000). Though the performance of company is marginally better than the last year still your directors are trying to improve the performance of the company and are hopeful for the better result of the company in the next financial year.

DIVIDEND:

In view to conserve the financial resources of the company for meeting financial requirements for future business projects it was decided by your director not to declare any dividend this year.

FIXED DEPOSIT:

Your company has not accepted any deposit prescribed U/s 58A of the companies Act 1956 during the financial year.

AUDITORS:

R K Patodi & Company, Chartered Accountants, from whom company has received a certificate that his appointment as Auditors, is within the limit as laid down 224(1B) of the companies Act, 1956, shall hold office from the conclusion this Annual General Meeting to the conclusion of next Annual General Meeting.

CHANGE IN MANAGEMENT & TAKEOVER:

There is no change in the management of the company during the Financial Year.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

As stipulated in section 217 (2AA) of Companies Act 1956, Your Directors subscribe to the Directors Responsibility statement and confirm as under:

- i. That the preparations of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the Profit of the company for that period.
- iii. That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:

During the period under review the relation between employee and Management remained cordial.

DIRECTOR:

The Board of the company is duly constituted and there has been no change in the composition of the board.

Shri Rajesh Bajpai , additional director is eligible to be appointed as regular director at the AGM.

None of the Directors is Disqualified u/s 274(1) (g) of the companies Act, 1956.

AUDITORS REPORT:

The observation as per Auditors Report is self-explanatory and does not call any further clarification from directors.

CORPORATE GOVERNANCES:

As the company is required to comply with clause 49 of the Listing Agreement so the Corporate Governance Report confirming the compliance of conditions of corporate Governance forms part of the Annual Report.

LISTING OF SHARES:

The Company's shares are listed with the Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata - 700001 and Uttar Pradesh Stock Exchange Ltd., Padam Tower, 14/113, Civil Lines, Kanpur.

RISK AND INTERNAL ADEQUACY:

The company has adequate internal control procedures commensurate with its size and nature of its business. The Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal control and mismanagement.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING OUTGO:

Your Company is not engaged in any manufacturing activity which is power intensive, it basically engaged in trading activities and use power saving devices by implementing the advanced and latest technology in carrying out its operational activities. There is a system of proper check and control in order to avoid unnecessary wastage of power and energy. Foreign Exchange earnings and outgo is NIL.

EMPLOYEES:

The particulars as required u/s217 (3A) of the companies Act, 1956 are furnished as none of the employee is drawing remuneration of Rs.500000/- or more per month if employees for apart of the year of Rs.6000000/-if employed throughout the period.

ACKNOWLEDGEMENTS:

Yours Directors acknowledge with thanks for the co-operation and assistance what so ever received from employees, members, banks and govt. Authorities.

By the Order and on behalf of the Board of Directors

For Neil Industries Limited

PLACE: KANPUR
DATE : 10-08-2012

**SD/-
Arvind Kumar Mittal
DIRECTOR**

**SD/
Anurag Khandelwal
DIRECTOR**

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provide under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended March31, 2012.

For Neil Industries Limited

**Place: Kanpur
Date: 10 August 2012**

**SD/
Arvind Kumar Mittal
Director**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Neil Industries Limited

We have examined the companies of conditions of Corporate Government by Sulabh Engineers and Services Ltd, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanation given to us and representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as Stipulated in Clause 49.

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.

-Sd-
(CA. R K Patodi)
Proprietor

Place: Kolkata
Date: 31 May 2012

For, R. K. Patodi & Co.
Chartered Accountants

Address-2 Church Lane. 4th floor.
Kolkata-700001

The Members, NEIL INDUSTRIES LIMITED

- 1 We have audited the attached Balance Sheet of NEIL INDUSTRIES LIMITED. as at 31st March, 2012. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these statements based on our audit.
- 2 We conducted our audit in accordance with the 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, issued by Department of Companies Affairs, in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure - A, a statement on the matters specified in paragraphs 4 and 5 of the said order
- 4 Further to our comments above, we report that:-
- a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
- c) The Balance Sheet dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit & Loss Statement & Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from the being appointed as a director in term of clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said
- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- (ii) in the case of the Profit and Loss Statement, of the profit for the period ending on that date.
- (iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For, R.K. Patodi & Co.
Chartered Accountants
FRN 305091E

CERTIFIED TRUE COPY

Place: Kolkata
Date: 31.05.2012.



sd/-
S Patodi (Partner)
Membership No. 059144

Annexure "A" referred to in our Auditor's Report of even date.

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The assets have been physically verified by the management during the period. No material discrepancies were noticed on such verification.
c) During the period, the company has not disposed off any asset to effect the going concern of the company.
- (ii) a) Physical verification of inventory has been done by the management at regular intervals.
b) The procedure followed by the management in ensuring control over inventory is reasonable and adequate in relation to the size of the company and its nature of business.
c) Proper records of inventory have been maintained by the company and no material discrepancies on physical verification were found.
- (iv) 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 inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (v) According to the information and explanation given to us, we are of the opinion that the company had no contracts or arrangements during the period that is to be entered into the register required to be maintained under section 301 of the Companies Act 1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public.
- (vii) In our opinion the company has an adequate internal audit system that commensurate with the size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government u/s.209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, the company regularly deposits undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, there were no disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has no dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The Company is trading in shares, securities, debentures and other investment for which proper record have been maintained of the transactions and contract and also timely entries have been made therein as such shares, debentures and other investment have been held by the company in its own name.

CERTIFIED TRUE COPY



- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans raised by the company during the year has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital basis..
- (xviii) The company did not make any preferential allotment of shares during the period.
- (xix) The company did not issue any debentures during the year.
- (xx) The company has not raised any money by public issue during the period under review.
- (xxi) 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.

For, R. K. Patodi & Co.
Chartered Accountants
FRN 305091E

sd/-
S Patodi (Partner)
Membership No. 059144

Place: Kolkata
Date: 31.05.2012.

CERTIFIED TRUE COPY



NEIL INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012.

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
(A)Share Capital	2	48,883,000	48,883,000
(B)Reserves and Surplus	3	440,314,491	437,205,671
Current Liabilities			
(A)Short Term Borrowings	4	238,705,497	38,128,695
(B)Trade Payables	5	15,573,103	34,604,790
(D)Short-term Provision	6	3,080,787	1,501,401
Total		746,556,877	560,323,557
ASSETS			
Non-Current Assets:			
(A)Fixed Assets:			
Tangible Assets	7	2,031,619	2,086,328
(B)Non-Current Investments	8	-	14,800,000
(C)Current Investments	9	499,999	-
(E)Deferred Tax Assets(Net)	10	122,134	21,322
Current Assets:			
(A)Inventories	11	76,186,213	54,588,908
(B)Trade Receivables	12	42,144,600	54,755,394
(C)Cash and Bank Balances	13	862,907	8,851,466
(D)Short-term Loans and Advances	14	624,709,406	424,970,126
(E)Other Current Assets	15	-	250,013
Total		746,556,877	560,323,557

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For R.K.PATODI & CO.
CHARTERED ACCOUNTANTS
FRN-305091E

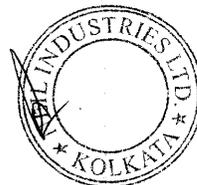
for & on behalf of the Board

sd/-
(S.PATODI)
PARTNER
Membership No.059144
2,Church Lane,Kolkata-700 001.
Dated : 31.05.2012.

CERTIFIED TRUE COPY

sd/-
Director

sd/-
Director



NEIL INDUSTRIES LTD.

Profit and loss statement for the year ended 31.03.2012

PARTICULARS	Note No.	For the year Ended 31st March 2012	For the year Ended 31st March 2011
I Revenue From Operations	16	524,442,755	505,502,644
II Other Incomes	17	29,248,830	17,421,218
III Total Revenue (I + II)		553,691,585	522,923,862
IV. EXPENSES			
Purchases of Stock in Trade	18	569,153,559	224,902,720
Changes in Inventory of Stock-in-Trade	19	(21,597,305)	291,821,982
Employee Benefits Expense	20	344,500	214,740
Depreciation & Amortisation Expense	7	649,553	244,442
Other Expenses	21	481,410	1,337,766
		549,031,717	518,521,650
V. Profit before Tax (IV-V)		4,659,868	4,402,213
VI. Tax Expenses:			
(1) Current Income Tax		1,579,386	1,381,817
(2) Deferred Tax		(100,812)	(21,322)
(3) (Excess)/Short provision for Income tax in earlier years		72,474	-
Total Tax Expenses		1,551,048	1,360,495
VII. Profit for the year (VI-VII)		3,108,820	3,041,718
VIII. Earnings per equity share:			
(1) Basic	22	0.64	0.62
(2) Diluted		0.64	0.62

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For R.K.PATODI & CO.
CHARTERED ACCOUNTANTS
FRN-305091E

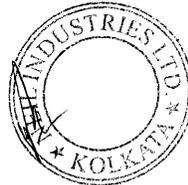
for & on behalf of the Board

sd/-
(S.PATODI)
PARTNER
Membership No.059144
2,Church Lane,Kolkata-700 001.
Dated : 31.05.2012.

sd/-
Director

sd/-
Director

CERTIFIED TRUE COPY



Note-1

NOTES OF ACCOUNTS:

1. Significant Accounting Policies :

(a)Basis of Accounting:

The Accounts are kept on the basis of historical cost convention.

(b) Method of Accounting:

The Accounts are prepared under accrual system of accounting.

(c) Fixed Assets:

Fixed Assets are stated at cost less depreciation, wherever applicable.

(d) Depreciation:

Depreciation is provided under written down value method at the rates prescribed in Schedule -XIV of the Companies Act,1956

(e) Investments:

Investments held by the company are in the nature of long term investment and are being stated at cost.

The Accounting policies not specifically referred to above are consistent and in accordance with the generally accepted accounting principles.

2. Calculation of Basic and Diluted Earnings per Share:

	In Rs.	
	Current Year	Previous Year
a. Profit after Tax(Rs.)	3,108,820	242,019
b. No. of shares(nos.)	4888300	4888300
c. Face value of each share(Rs.)	10	10
d. Basic and Diluted Earnings per share(a/b)(Rs)	0.64	0.05

4. The Previous year's figure has been regrouped/re-arranged , wherever found necessary.

CERTIFIED TRUE COPY



NEIL INDUSTRIES LTD.

Notes forming part of Balance Sheet as on 31st March 2012

Note: 2

<u>SHARE CAPITAL</u>	As at 31st March,2012 Rs.	As at 31st March,2011 Rs.
AUTHORISED		
100000 Equity Shares of Rs.10/-each	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID UP		
4888300 Equity Shares of Rs.10/- each fully paid up	48,883,000	48,883,000

(a) Rights, preference, repayability and restriction, if any, on equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

	31st March 2012	31st March 2011
(b)Details of shareholders holding more than 5% shares in the	Nil	Nil

Note 3

<u>RESERVES & SURPLUS</u>	As at 31st March,2012 Rs.	As at 31st March,2011 Rs.
Securities Premium	431,524,000	431,524,000
Add: Adjustment during the year	-	-
(a)Closing Balance	431,524,000	431,524,000
SURPLUS		
Opening Balance	5,681,671	2,639,953
Add: Net Profit/(Net Loss) For the current year	3,108,820	3,041,718
(b)Closing Balance	8,790,491	5,681,671
Closing Balance(a+b)	440,314,491	437,205,671

Note 4

<u>SHORT TERM BORROWINGS</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Advance from Customers	18,557,619	21,800,000
Loans from others (Including interest accrued & due thereon)	218,727,623	2,083,335
Bank Overdraft	1,420,255	14,245,361
Total	238,705,497	38,128,695

Note 5

<u>TRADE PAYABLES</u>	As at 31st March,2012 Rs.	As at 31st March,2011 Rs.
Sundry Creditors for goods	15,492,216	34,576,663
Sundry Creditors for expenses	80,887	28,127
Total	15,573,103	34,604,790

Note 6

<u>Short-term Provisions</u>	As at 31st March,2012 Rs.	As at 31st March,2011 Rs.
Provisions For Tax	3,080,787	1,501,401
Total	3,080,787	1,501,401



NEIL INDUSTRIES LTD.

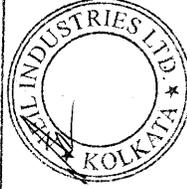
Notes forming part of Balance Sheet as on 31st March 2012

Note 7

FIXED ASSETS - TANGIBLE ASSETS

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.04.2011	Addition during the year	Deductions during the year	As on 31.03.2012	Upto 31.03.2011	Provided for the year	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Motor Car	2,330,088.00	594,844.00	0.00	2,924,932.00	243,760.00	649,553.00	893,313.00	2,031,619.00	2,086,328.0
TOTAL	2,330,088.00	594,844.00	0.00	2,924,932.00	243,760.00	649,553.00	893,313.00	2,031,619.00	546,409.0
Previous Year	17,000.00	2,330,088.00	0.00	2,347,088.00	16,318.00	244,442.03	260,760.03		2,086,327.9

CERTIFIED TRUE COPY



NEIL INDUSTRIES LTD.

Notes forming part of Balance Sheet as on 31st March 2012

Note 8

<u>NON CURRENT INVESTMENTS</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
<u>Unquoted Investments</u>		
Investment in equity instrument:		
Each Rs. 10 fully paid up		
Axis Hotel (P) Ltd (11500 Shares)	-	2,300,000
Ghata Mehndipur Balaji Grind.(17500 Shares)	-	3,500,000
Shama Leasing & Investment (10000 Shares)	-	2,000,000
Svam Stock Deal(P) Ltd (10000 Shares)	-	2,000,000
Vedant Edible Products (25000 Shares)	-	5,000,000
Total	-	14,800,000

Note 9

<u>CURRENT INVESTMENTS</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
<u>Unquoted Investments</u>		
Investment in chit funds	499,999	
Total	499,999	-

Note 10

<u>DEFERRED TAX ASSETS(NET)</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Deferred Tax Asset	122,134	21,322
Less: Deferred tax Liability	-	-
Net Deferred Tax Asset	122,134	21,322

Note 11

<u>INVENTORIES</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Finished Goods	76,186,213	54,588,908
Total	76,186,213	54,588,908

Note 12

<u>TRADE RECEIVABLES</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
<u>Sundry Debtors (Unsecured & considered Good by the management)</u>		
Outstanding for more than six months from the date they became payable	19,450,000	4,415,312
Others	22,694,600	50,340,082
Total	42,144,600	54,755,394

Note 13

<u>CASH & BANK BALANCES</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
<u>Cash & Cash Equivalents</u>		
Cash in hand	833,881	733,536
Balances with scheduled Banks		
<u>In Current Account:</u>		
Union Bank Of India	-	8,092,738
State Bank of Patiala	29,026	25,192
Total	29,026	8,117,930
Total	862,907	8,851,466

CERTIFIED TRUE COPY



Note 14

<u>SHORT TERM LOANS & ADVANCES</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
(unsecured, considered good)		
Loans to Others	618,753,611	409,275,636
Advances to Suppliers	561,750	13,154,000
Advance Income Tax	19,762	19,762
Tax Deducted at Source	5,359,155	2,520,728
Prepaid Insurance	15,128	-
		-
Total	624,709,406	424,970,126

Note 15

<u>OTHER CURRENT ASSETS</u>	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Preliminary Expenses	-	250,013
		-
Total	-	250,013

CERTIFIED TRUE COPY



NEIL INDUSTRIES LTD.

Notes forming part of profit & loss account for the year ended 31st March 2012

Note 16

<u>REVENUE FROM OPERATION</u>	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
Sales of shares	98,268,589	505,502,644
Sales of Cloth	426,174,166	-
Total	524,442,755	505,502,644

Note 17

<u>OTHER INCOME</u>	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
Dividend from Chit Fund	214,246	-
Interest Received	28,968,584	17,421,218
Late Payment Charges	66,000	-
Total	29,248,830	17,421,218

Note-18

<u>PURCHASES</u>	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
Purchases(Net)	139,985,827	-
Purchase (Cloth)	429,167,732	224,902,720
Total	569,153,559	224,902,720

Note 19

<u>CHANGE IN INVENTORIES</u>	For the year ended 31st March,2012 (Rs.)	For the year ended 31st March,2011 (Rs.)
Closing Stock in trade	76,186,213	54,588,908
Opening Stock in trade	54,588,908	346,410,890
Total	(21,597,305)	291,821,982

Note 20

<u>EMPLOYEE BENEFIT EXPENSES</u>	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
Salary, Bonus & Allowances	344,500	214,740
Total	344,500	214,740

Note 21

<u>OTHER EXPENSES</u>	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
Advertisement Expenses	25,000	-
Audit Fees	10,112	8,273
Bank Charges	7,729	37,267
Demat & Other Charges	14,698	47,730
Filing Fees	2,000	2,000
General Insurance	30,253	-
Legal & Professional Expenses	75,208	114,672
Loss on Chit Fund Redemption	-	354,667
Misc Expenditure	16,896	690,842
Office Expenses	12,000	10,011
Preliminary Expenses Written Off	250,013	52,380
Printing and Stationary	20,000	19,925
Professional Tax	17,500	-
Total	481,410	1,337,766

