

Board of Directors

Shri. D.B. Engineer	-	Director
Shri. K. R. Ramamoorthy	-	Director
Shri. Mahendra V. Doshi	-	Director
Shri. R.P. Goyal	-	Director
Shri. Rajesh G. Kapadia	-	Director
Shri. Hiten V. Parekh	-	Executive Director
Shri. Manish V. Parekh	-	Whole-time Director
Shri. Nayan S. Parekh	-	Whole-time Director
Shri. Sharad V. Parekh	-	Managing Director
Shri. Vamanrai V. Parekh	-	Chairman

Financial Controller

Mr. Paresh B. Mehta

Company Secretary

Ms. Priti P. Dave

Bankers

State Bank of India
Corporation Bank
IDBI Bank Ltd.
Citibank N.A.
HSBC Ltd.
DBS Bank Ltd.

Auditors

M/s. Dalal & Shah
M/s. Vora & Associates

Registrar and Transfer Agents

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W), Mumbai – 400 078.

Barjora Factory

Plot No. 1498/2613, WBIDC,
Barjora Mejia Road, P.S.: Barjora,
District: Bankura, West Bengal.

Jammu Factory

IGC Sambha, Phase – II, Samba – 184121,
Jammu & Kashmir.

Kharadpada Factory

Survey No. 389, 391, 393, 396 & 401
Naroli – Kharadpad road,
Village : Kharadpada Silvassa - 396230

Noida Factory

Plot No.26, B/C Sector No.31, Surajpur – Kasna Road,
Greater Noida – 203 207 (U.P.)

Pondicherry Factory

19/3, Pit -Olaivaikkal Village,
Koodapakam Villianoor Road,
Villianoor Taluk, Pondicherry – 605 110.

Sinnar Factory

STICE, Plot No.971/1A,
Sinnar Shirdi Road, Sinnar-422 103,
Dist, Nashik, Maharashtra.

Registered Office and**Vasona Factory**

Survey No.354/2, and 354/3, Near Rakholi Bridge,
Silvassa Khanvel Road, Village Vasona,
U.T. of D & NH, Silvassa.

Corporate Office

Nilkamal House, Plot No.77/78,
Road No.13/14, MIDC., Andheri (E),
Mumbai – 400 093.

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NOTICE

NOTICE is hereby given that the **22nd ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli on Saturday, **the 9th day of August, 2008 at 11.00 am** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2008 and Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2008.
3. To appoint a Director in place of Mr. Hiten V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place Mr. Manish V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Mahendra V. Doshi, who retires by rotation and being eligible, offers himself for re-election.
6. To appoint M/s. Dalal & Shah and M/s. Vora & Associates, Chartered Accountant, Mumbai as Statutory Auditors and fix their remuneration for the financial year 2008-09.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the applicable provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, the Company hereby revise the remuneration payable to Mr. Sharad V. Parekh, Managing Director, Mr. Hiten V. Parekh, Executive Director, Mr. Manish V. Parekh and Mr. Nayan S. Parekh, Whole Time Directors of the Company w.e.f. April 1st, 2008 for the remaining tenure of their respective appointments, as per the individual supplemental agreements between the Company and the said respective Directors, which is hereby approved, with authority to the Board of Directors to alter and vary the terms and conditions of the said supplementary agreements as they may deem fit and necessary from time to time.

RESOLVED FURTHER THAT besides the aforesaid, the other terms and conditions governing their remaining tenure of appointment shall remain unaltered and binding on the Company and the respective Directors as mentioned in the original agreements".

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages / charges / hypothecation on all or any of the immovable and movable properties of the Company present and future, of the whole, or substantially the whole, of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgages / charges / hypothecation already created or to be created in further by the Company for securing any loans and/or advances and /or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets / business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for debenture holders / bondholders / FCCBs holders that may be appointed hereafter, as security for the debentures / bonds / FCCBs that may be issued by the Company on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amount of Rs.500 Crores (Rupees Five Hundred Crores Only) together with interest thereon and further interest if any, costs, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks,

machinery suppliers, financial institutions and trustees for the Debenture/Bond/FCCBs holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and are expedient for giving effect to the foregoing resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter the terms and conditions of the security created / to be created as aforesaid in consultation with the Lenders, Trustees and other Mortgagees as they may deem fit”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the provisions of the Articles of Association of the Company, and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, for the purpose of business of the Company, such sums as they may deem necessary, notwithstanding the fact that the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such moneys already borrowed together with the moneys to be borrowed shall not exceed Rs. 500 crores (Rupees Five Hundred Crores Only) at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable, to give effect to this resolution”.

10. **Issuance of Securities :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** in accordance with and subject to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the Foreign Exchange (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and other applicable Rules, Regulations, Notifications, Circulars, Schemes, Guidelines and Directions, if any, of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of the Listing Agreement with them) and other concerned and relevant authorities and other applicable laws if any, and the relevant provisions of the Memorandum and Articles of Association of the Company and also subject to such approvals, consents, permissions or sanctions of the Government of India (GOI), RBI, SEBI and any other Indian/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications or variations as may be prescribed by any of them in granting any such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred by the Board), the consent of the Shareholders be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches (including with provision for reservation on firm and/or competitive basis) of public or private offerings in domestic and/or international markets, through prospectus and/or offer letter, and/or offering memorandum, and/or other permissible/requisite offer document or letter; Foreign Currency Convertible Bonds (FCCBs) and/or Global Depository Receipts (GDRs) and/or any other Depository Receipts (DRs), and/or Securities representing either Equity Shares or convertible Securities through Depository Receipts, and/or Equity Shares and/or Preference Shares, and/or any other Securities convertible into Equity Shares at the option of the Company and/or holders of the Security and/or Securities linked to Equity Shares and/or Securities with or without detachable/non-detachable warrants (hereinafter referred to as the “Securities”), whether secured by way of creating charge on the assets of the Company or unsecured, subscribed to in Indian/Foreign Currency(ies), by Indian or Foreign Banks, Institutions, Institutional Investors, Mutual Funds, Companies, Other Corporate Bodies, Trusts, Funds, Hedge Funds, Resident/Non-Resident Indians, Foreign Nationals, Individuals and other eligible Investors, persons or entities (hereinafter collectively referred to as “Investors”) as may be decided by the Board, whether or not such investors are members of the Company; up to an aggregate amount not exceeding US\$ 50 millions (United States Dollars Fifty Million Only) or equivalent amount in Indian or any other currency as the case may be (inclusive of such premium as may be determined) and such offer, issue and allotment to be made, at such time or times, in Indian Rupees or any convertible foreign exchange or other currencies as may be permissible and/or required, at such

price or prices, in such form and manner and on such other terms and conditions as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment, subject however, to the applicable guidelines, rules, regulations, notifications, circulars and other applicable statutory provisions.

RESOLVED FURTHER THAT in case of offer/issue/allotment of shares/securities in Indian and/or international market under the respective guidelines of SEBI, RBI, or other appropriate authorities, as the case may be, the price (inclusive of premium) of the shares and / or securities shall not be less than the price arrived in accordance with the provisions of respective applicable guidelines, rules, regulations or directions.

RESOLVED FURTHER THAT the Company through its Board or any of its Committee and/or any agency or body authorised by the Company, may issue receipts/certificates or other requisite documents representing the underlying securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian/International capital markets, for instruments of this nature and provide for the free tradability or transferability thereof as per laws, rules, regulations and guidelines under the forms and practices prevalent in the Indian/International market.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, offer, issue and allot, from time to time, such number of equity shares/securities at such price that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid shares/securities, including additional equity shares or securities, all such shares/securities ranking pari-passu in all respects, with the then existing respective shares/securities, as the case may be, of the Company, but shall be subject to such lock-in requirements as may be prescribed by appropriate authorities under applicable laws, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/conversion of securities/exercise of warrants/redemption of securities, rate of interest, conversion or redemption period, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements/arrangements/Memorandum of Understandings/documents with any authorities/agencies, and listing of the shares/securities (including the resultant equity shares to be issued as per the terms of issue of the said securities) on any Indian and/or Foreign Stock Exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of the aforesaid shares/securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Directors or any Director or Directors or other officer of the Company, or to any intermediary or agent of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

11. **Qualified Institutions Placement :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("DIP Guidelines") and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion, issue, offer and allot equity shares of the Company ("Equity Shares") or instruments convertible into Equity Shares ("Securities") for up to the amount of US\$ 50 million (United States Dollars Fifty Million Only) or in equivalent Indian Rupees inclusive of such premium, as may be

determined, to Qualified Institutional Buyers (as defined by the DIP Guidelines) pursuant to a qualified institutions placement, as provided under Chapter XIII-A of the DIP Guidelines.

RESOLVED FURTHER THAT the Board or its Committee be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such shares ranking *pari passu* with the existing Equity Shares of the Company in all respects from the date of allotment and:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and;
- (b) the relevant date for the determination of applicable price for the issue of the Securities means the date which is thirty days prior to the date of this Extra-ordinary General Meeting.

RESOLVED FURTHER THAT the issue to the holders of the Securities of the Equity Shares underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders and;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to form a committee or delegate all or any of its power to any committee of Directors to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- a. Approving the offer document and filing the same with the any other authority or persons as may be required;
- b. Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- c. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- d. Opening a separate special account with a scheduled bank to receive monies in respect of the issue of the equity shares of the Company;
- e. Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s).

RESOLVED FURTHER THAT the Board's Management Committee of the Company be and is hereby authorised (including to empower any Director or Executive/Officer of the Company thereof) to approach and obtain such of the approvals, permissions, sanctions as may be required from SEBI, Stock Exchanges, Central Government or its Agencies / Authorities like FIPB, RBI etc., and also to do all such acts, deeds and things as may be necessary for giving effect to the above resolutions, whether incidental or ancillary thereto".

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 2nd August, 2008 to 9th August, 2008 (both days inclusive) for the purpose of determining eligibility of Members entitled to Dividend. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid after 9th August, 2008.
4. The explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of the businesses under Item Nos. 7 to 11 of the Notice is annexed hereto.
5. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
6. Members, who have not yet encashed their dividend warrant(s) for the financial years 2001-2002 onwards, are requested to write to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078 accordingly. **It may be noted that once such unclaimed dividends are transferred on expiry of seven years, to the Investor Education and Protection Fund as stated herein no claim shall lie in respect thereof.**
7. The Company has applied to the Central Government for exemption from attaching the accounts and reports of all its subsidiaries under section 212 of The Companies Act, 1956. Shareholders requiring the same may write to the Company.
8. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.
9. All intimation regarding change of address, merging of folios, request for making nominations from shareholders holding shares in physical form and request for revalidation of dividend warrant may be directed to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited.
10. Members/ Proxies should bring the attendance slips filled in for attending the meeting.

By order of the Board
For **Nilkamal Limited**

Priti P. Dave
Company Secretary

Place : Mumbai
Date : June 14, 2008

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 7

The Managing Director, Executive Director and Whole Time Directors of the Company were appointed/reappointed at the 19th Annual General Meeting of the Company held on 10th September, 2005 on such terms and conditions, remuneration payable from such date as decided thereat for a period of five years.

The Board of Directors of the Company have, subject to consent of Shareholders' at the forthcoming Annual General Meeting, increased the remuneration payable to the said Directors, by way of increasing their basic monthly salary with corresponding increase in value of allowances and perquisites thereto effective from 1st April, 2008 for the remaining tenure of their respective appointments. Other terms and conditions as agreed between them individually and the Company shall remain unchanged.

The draft agreements between the Company and the respective Directors contain the following principle terms and conditions:

1. SALARY (Basic):

- | | | | |
|----|---|---|---|
| a. | Mr. Sharad V. Parekh
(Managing Director) | : | Rs. 3,40,000 per month
(in the scale of Rs. 3,40,000 to Rs. 4,25,000) |
| b. | Mr. Hiten V. Parekh
(Executive Director) | : | Rs. 3,35,000 per month
(in the scale of Rs. 3,35,000 to Rs. 4,00,000) |
| c. | Mr. Manish V. Parekh
(Whole-time Director) | : | Rs. 3,20,000 per month
(in the scale of Rs. 3,20,000 to Rs. 3,75,000) |
| d. | Mr. Nayan S. Parekh
(Whole-time Director) | : | Rs. 3,10,000 per month
(in the scale of Rs. 3,10,000 to Rs. 3,65,000). |

(The annual increments will be decided by the Board or a Committee thereof each year within the above mentioned scale which will be merit based and take into account the Company's performance.)

2. PERQUISITES:

The aforesaid Directors shall be entitled to perquisites (evaluated as per the Income Tax Rules, wherever applicable and at the actual cost to the Company in other cases) like the benefit of rent free accommodation for self, spouse and family or house rent allowance in lieu thereof, company car with chauffeur, telephone at residence/cellular phones, statutory contribution to retirement funds, gratuity, club membership fees, re-imbursment of medical expenses, medical coverage, overseas medical expenses, leave encashment and long service awards and other benefits/allowances in accordance with the scheme(s) and rule(s) of the Company from time to time, for the aforesaid benefits.

Explanation: For the purpose of these Agreements 'Family' includes spouse, dependent children and dependent parents of the concerned Appointee.

3. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained in the event of absence or inadequacy of profits of the Company in any financial year, the aforesaid Directors shall be entitled to receive such minimum remuneration as is permissible under Section II of part II of Schedule XIII of the Companies Act, 1956.

4. REIMBURSEMENT OF ENTERTAINMENT EXPENSES

The respective Directors shall be individually entitled to reimbursement of entertainment expenses actually and properly incurred by them for business of the Company, which will not be treated as an item of their remuneration in terms of Section 198 of the Companies Act, 1956.

The draft of the Supplemental Agreements to be executed between the Company and the respective Directors as approved by the Board of Directors are available for inspection by the members at the registered office of the Company on any working day between 2.00 to 4.00 p.m. and will also be made available at the venue of the 22nd Annual General Meeting of the Company.

This may also be treated as an abstract of the terms of contract/agreement between the Company and the respective Directors pursuant to section 302 of the Companies Act, 1956.

Mr. Sharad V. Parekh, Mr. Hiten V. Parekh, Mr. Manish V. Parekh and Mr. Nayan S. Parekh, the Directors of the Company are interested in the said resolution being related inter se. Mr. Vamanrai V. Parekh is to be considered as interested in the said resolution, being related to Mr. Sharad V. Parekh, Mr. Hiten V. Parekh and Mr. Manish V. Parekh. Except the aforesaid, none of the other Directors of the Company is in any way concern or interested in the resolution set above.

Item No. 8

Under Section 293(1)(a) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company has been borrowing money from banks, financial institutions and other lenders pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 from time to time. The Company has to create securities for such borrowings by creation of mortgage and/ or charge on immovable and movable properties of the Company.

The Board of Directors therefore recommended the passing of the Ordinary Resolution of contained in this item of the accompanying notice to be approved and adopted under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors of the Company is in any way concerned or interested in the above resolutions.

Item No. 9

The present limit of borrowings, apart from temporary loans from the Company's banker in the ordinary course of business is Rs. 200 Crores. In order to meet the requirements for its ongoing business, it has become necessary to enhance the borrowing limit to Rs. 500 Crores (Rupees Five Hundred Crores Only). The member's approval is sought pursuant to Section 293(1)(d) of the Companies Act, 1956.

None of the Directors of the Company is in any way concerned or interested in the above resolutions.

Item No. 10 and 11

The Company needs to raise additional long-term resources to strengthen the capital base of the Company, to finance its expansion plans and to meet its future long term working capital needs. In this regard, the Company proposes to raise resources to the extent of US\$ 50 million or in equivalent Indian Rupees by way of issuance of equity shares of the Company ("**Equity Shares**") and/or any instruments or securities including Global Depository Receipts and American Depository Receipts representing Equity Shares and/or convertible into Equity Shares (either at the option of the Company or holder thereof) any such instrument or security being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/ instruments or securities including Global Depository Receipts and American Depository Receipts representing Equity Shares (hereinafter collectively referred to as the "**Securities**") in the domestic or international markets by way of private placement or otherwise.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Special Resolution seeks to give the Board enabling powers to issue Securities in such tranche or tranches at such time or times, at such price or prices and to such persons including institutions and/or incorporated bodies and/or individuals or otherwise as the Board may, in its absolute discretion, deem fit.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 and other applicable provisions of the Companies Act, 1956 and in terms of the Listing Agreement entered into by the Company with the respective Stock Exchanges in India where the Company's Equity Shares are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, special resolution in terms of Section 81 (1A) is proposed for your approval.

The Equity Shares, which would be allotted, shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the special resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

The members are requested to note that for the purposes of raising additional long-term resources to strengthen the capital base of the Company, to finance the expansion plans and the working capital needs of the Company and after consideration of the various options that were available to the Company for the purposes of raising resources, it is proposed to raise such resources not exceeding US\$ 50 million or in equivalent Indian Rupees by way of issuance of equity shares of the Company ("**Equity Shares**") and/or any instruments or securities representing Equity Shares and/or convertible into Equity Shares (either at the option of the Board or holder thereof) by way of private placement(s) / preferential offer(s) to Qualified Institutional Buyers (QIP) (as defined by the Securities and Exchange Board of India ("SEBI") Disclosure and Investor Protection ("DIP") Guidelines) pursuant to a qualified institutional placement, as provided under Chapter XIII-A of the SEBI DIP Guidelines.

The aforementioned issue and allotment will require the approval of Shareholders by way of a Special Resolution and such other approvals, permissions, consents and sanctions of any authorities, as may be necessary for the issue and allotment of Equity Shares pursuant to a preferential issue, approval pursuant to the relevant provisions of Companies Act, 1956, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the SEBI and any other statutory/regulatory authorities. The resolution seeks to give the Board enabling powers to issue such shares to such persons, institutions as the Board may in its absolute discretion deem fit.

Your Board of Directors recommends the above enabling resolutions for your approval in the best interest of the Company.

None of the Directors is interested in the above resolutions except to the extent of their respective shareholdings.

By order of the Board
For **Nilkamal Limited**

Priti P. Dave
Company Secretary

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT
THE ENSUING ANNUAL GENERAL MEETING**

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Hiten V. Parekh	Mr. Manish V. Parekh	Mr. Mahendra V. Doshi
Date of birth	27-5-1963	04-02-1969	29-11-1949
Date of appointment	9-12-1985	01-04-2000	3-12-1990
Qualifications	B.Com, Diploma in Quality System and Management	B.Com.	M.B.A (U.S.A)
Expertise in specific area	Industrialist with enriched and diverse experience in Corporate Management	Industrialist with enriched and diverse experience in Corporate Management	Merchant Banker
Directorship in other public Limited Companies	-	-	a. LKP Merchant Financing Ltd. b. LKP Securities Ltd. c. G. L. Hotels Ltd. d. MKM Share and Stock Brokers Ltd.
Membership of Committees in other Public Limited Companies	-	-	a. LKP Merchant Financing Ltd. - Audit Committee - Share Transfer Committee b. G. L. Hotels Ltd. - Audit Committee - Shareholders' /Investors Grievance Committee
Number of Shares Held	11,39,455	6,71,789	29,800

DIRECTORS REPORT**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2008.**

Dear Members,

Your Directors have pleasure to present this **22nd ANNUAL REPORT** of the Company together with the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS:

(Rs.in Lacs)

		2007-2008	2006-2007
Gross Turnover and Other Income		89126.75	53428.24
Net Turnover and Other Income		78147.28	46615.88
Profit before Depreciation and Tax		10114.73	2278.41
Less: Depreciation		2329.81	1538.72
Profit before Tax		7784.92	739.69
Less: Provision for Taxes		2049.10	44.87
Profit after Tax		5735.82	694.82
Profit after Tax (excluding effect of exceptional item)		2145.60	694.82
Amount Available for Appropriations		7910.79	2675.93
Less: Appropriations:			
i) Proposed Final Dividend		383.47	257.24
ii) Interim Dividend		447.38	-
iii) Total Tax on Dividend		141.20	43.72
iv) Transfer to General Reserves		2257.90	200
Leaving a Balance to be carried forward		4680.84	2174.97
Earnings Per Share	Rs.	44.87	8.10
(including effect of exceptional item)			
Earnings Per Share	Rs.	16.79	8.10
(excluding effect of exceptional item)			
Cash Earnings Per Share	Rs.	63.10	26.05
(including effect of exceptional item)			
Cash Earnings Per Share	Rs.	35.02	26.05
(excluding effect of exceptional item)			
Book Value per Share	Rs.	162.72	152.45

CHANGE IN PAID UP SHARE CAPITAL

On 29th October, 2007, two group companies of the Company viz. Nilkamal Crates and Bins Private Limited (NCBPL) and Stackwell Marketing Services Private Limited (SMSPL) has amalgamated with the Company (Nilkamal Limited) pursuant to the Scheme of Amalgamation.

The Scheme of Amalgamation of the two group companies with the Company involved issue of 42,07,644 fresh equity shares to the shareholders of the two group companies resulting in an increase in the paid up equity share capital of the Company from Rs. 8,57,47,000/- to Rs. 12,78,23,440/- consisting of 1,27,82,344 equity shares of Rs.10/- each.

DIVIDEND

Your Company paid an Interim Dividend of Rs. 3.50 per equity share (35%) in January, 2008. The Board of Directors now recommend a final Dividend of Rs. 3/- per equity share (30%), making the aggregate dividend at Rs. 6.50 per equity share (65%), against previous year's Rs. 3/- per equity share (30%). The total dividend will absorb Rs. 830.85 lacs besides Rs. 141.20 lacs as tax on dividend.

RESERVES

Your Directors have proposed to carry a sum of Rs. 2257.90 lacs to the General Reserve Account out of the profits available.

YEAR IN RETROSPECT

During the year under review the Company has progressed on the path of sustainable and profitable growth. The amalgamation of group companies, takeover of Prince Containers Private Limited and Prince Multiplast Private Limited and setting up of a plant at Jammu for plastic business has resulted into remarkable revenue growth. The gross turnover of the Company has increase to Rs. 89009.79 lacs as compared to Rs. 53303.93 lacs

in the previous year. The net profit after tax has increase to Rs. 5735.82 lacs as compared to Rs. 694.82 lacs in the previous year.

The Company has maintained and strengthened its leadership position in injection moulded plastic business.

The retail business of the Company i.e. @home division has achieved a turnover of Rs. 6255 lacs resulting into a growth of 115% as compared to the previous year. The Company has opened six @home stores in the financial year 2007-2008. This has resulted into thirteen stores in eleven cities having total retail space of about 2,23,000 sq.ft. carpet area. Although currently small, the retail business is progressing well, and has the potential for scale up by leveraging the existing supply chain and product development capabilities.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

A detailed review of the progress and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

SUBSIDIARIES & JOINT VENTURE

Pursuant to the merger of erstwhile Company Nilkamal Crates and Bins Private Limited with the Company (Nilkamal Limited), the ownership of Nilkamal Crates and Bins-FZE, Dubai a wholly owned subsidiary of Nilkamal Crates and Bins Private Limited was transferred to the Company.

During the year under review the Company sold its investment in its subsidiary, Nilkamal Bhoomi Developers Private Limited and made capital gain of Rs. 4643 lacs in the span of fifteen months on an investment of Rs.2844 lacs.

The business of Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited is on move and manufacturing unit adhering German Standards has been set up at Jammu, India and has commenced commercial production in July, 2007. During the last financial year both the joint venture partners have infused additional funds of Rs. 900 lacs each by way of equity participation to meet the future business needs.

EXPORTS

Company's Exports during the year were Rs. 1299.99 lacs as compared to Rs. 664.38 lacs in the previous year.

AMALGAMATION

During the financial year under review two group companies of the Company viz. Nilkamal Crates and Bins Private Limited (NCBPL) and Stackwell Marketing Services Private Limited (SMSPL) have amalgamated with the Company (Nilkamal Limited). The amalgamation is operative retrospectively from 1st April, 2007.

The merger of NCBPL and SMSPL with the Company has enhanced financial strength and flexibility of the Company with efficient management control, effective use of infrastructure and integrated operations.

FIXED DEPOSITS

The Company has not accepted any Public Deposits covered under Section 58A of the Companies Act, 1956 from the Members or the Public during the year.

AUDITORS AND AUDITORS' REPORT

The Joint Auditors M/s. Dalal & Shah and M/s. Vora & Associates, retire at the ensuing Annual General Meeting. It has been decided that M/s. Dalal & Shah and M/s. Vora & Associates, would be appointed as the joint statutory auditors of the Company.

M/s. Dalal & Shah and M/s. Vora & Associates, are entitled for re-appointment as statutory auditors. Both M/s. Dalal & Shah and M/s. Vora & Associates, have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in pursuance to the provisions of Section 224(1B) of the Companies Act, 1956.

The notes to accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

DIRECTORS

Mr. Hiten V. Parekh, Mr. Mahendra V. Doshi and Mr. Manish V. Parekh, Directors of the Company retire by rotation at the ensuing Annual General Meeting. The retiring Directors being eligible have offered themselves for re-election.

Disclosures as required under provision of clause 49 of the Listing Agreement forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

- ii) that they 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 at the end of the financial year and of the profit of the Company for that period;
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

A certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49 is annexed to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on Financial Reporting of Interest in Joint Ventures, your Directors have pleasure in attaching the Consolidated Financial Statements which form part of the Annual Report and Accounts.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and as amended and forming part of the Directors' Report for the year ended 31st March, 2008 is given in the Annexure to this Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation received by the Company from the Financial Institutions, Bankers, State Government Authorities, Local Authorities and its Employees during the year.

For and on behalf of the Board

Place : Mumbai
Date : June 14, 2008

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

Additional information given, as required under the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY.

Energy Conservation is an effective key value driver to reduce cost of production. Your Company has a well structured **Energy Management System** with top down and bottom up approach where employees are encouraged to give suggestions resulting in energy savings.

(a) Energy Conservation measures implemented in recent past:

The Company has completed the replacement of high energy consumption cooling towers at all plants with modular low energy consumption cooling towers. This will result in marginal drop in overall consumption of electricity.

The Company has also completed the installation of inverter systems in all machines wherever possible. This will lead to substantial saving of electricity on those specific machines.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

The company intends to install low energy consumption machines in its new investment plans for the current year.

(c) Impact of Measures at (a) and (b):

The above proposal shall result in savings in terms of energy consumption per kilo of production thereby reducing the cost.

(d) Total energy consumption and energy consumption per unit as per Form A:

The requirement for Disclosure under Form A is not applicable to the Company for the year under review.

B. TECHNOLOGY ABSORPTION.

Disclosure of particulars in Form B, with respect to Technology Absorption:

RESEARCH AND DEVELOPMENT (R & D);**1. Specific areas in which R & D has been carried out by the Company.**

The Company implements and embarks on the policy to create and develop new and innovative designs for its products through its in-house design department. A dedicated design and development department relentlessly works on concept to commence new ideas / products as also on improvising existing products in terms of quality and productivity.

2. Benefits derived as a result of the above R & D.

This results into launch of new products regularly and retain the leadership position in the market. Also new product lines, storage cup boards which are very aesthetic and functional have been launched giving better value for money to the customer. The Company has designed new generation of bathroom products which it will launch in the current year.

3. Future Plan of Action.

Company launches new and novel products in the market as a result of on-going research and development carried out by the company to maintain its market leadership.

4. Expenditure on R & D. - Not Significant**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.****1. Efforts, in brief, made towards technology absorption, adaptation, and innovation.**

The Company relentlessly strives to adapt new technology at all its plants for carrying out manufacturing operations in a better manner. The machines and moulds used for manufacturing products are regularly upgraded for manufacture of novel products in line with the market trend and demand. Also methodologies of manufacturing are regularly upgraded such as usage of six sigma problem solving techniques to find innovative solutions.

2. Benefits derived as a result of the above efforts.

This has resulted into several benefits such as cost reduction, productivity, development of new products, reducing customer complaints, enabling the Company to cater to different customer needs.

3. The Company has not imported any technology or process know-how.

FOREIGN EXCHANGE EARNINGS AND OUTGO.

- 1) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Export of Company's products has increased considerably by 80% on year on year basis. Company's efforts to endeavour export of its products on an ongoing basis are expected to yield further export market for its products.

- 2) Total Foreign Exchange used and earned:

	(Rs. in lacs)	
	2007-2008	2006-2007
Foreign Exchange Earned	1,447.64	779.22
Foreign Exchange Used	7,957.55	2,047.91

For and on behalf of the Board

Place : Mumbai

Date : June 14, 2008

Vamanrai V. Parekh
Chairman

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

1.	Name of the Subsidiary	Nilkamal Eswaran Plastics Private Limited	Nilkamal Eswaran Marketing Private Limited	Nilkamal Padma Plastics Private Limited	Nilkamal Crates and Bins - FZE
2.	Financial Year of the Subsidiary Company ended on	31 st March, 2008	31 st March, 2008	31 st March, 2008	31 st March, 2008
3.	Number of shares held by Nilkamal Limited with its nominees in the subsidiary at the end of the financial year of the subsidiary company.	15,20,000 equity shares of SLR 10 each fully paid-up	Being a wholly owned subsidiary of Nilkamal Eswaran Plastics Pvt. Ltd., Nilkamal Limited holds 76% of the equity share capital through its subsidiary.	1, 31,45,942 Equity Shares of Taka 10 each fully paid up.	Wholly owned subsidiary incorporated in Ajman - UAE 1 share of AED 1,85,000/- fully paid up
4	Holding Company's Interest	76%	76%	97.23%	100%
5	The net aggregate amount of the subsidiary company's Profit/ (Loss) so far it concerns the members of the holding Company. a. Not dealt with in the holding Company Accounts – 1. For the Financial year ended 31 st March, 2008 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary b. Dealt with in the holding Company Accounts – 1. For the Financial year ended 31 st March, 2008 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary.	SLR 2,81,85,502 SLR 11,88,963 Nil NIL	SLR 26,99,730 SLR 1,47,666 (Loss) NIL NIL	BDT 2,24,61,403 (Loss) BDT 3,08,09,900 (Loss) NIL NIL	AED 7,81,932 Nil NIL NIL

For and on behalf of the Board

Vamanrai V. Parekh
Chairman

Sharad V. Parekh
Managing Director

Place : Mumbai
Date : June 14, 2008

Pareesh B. Mehta
Finance Controller

Priti P. Dave
Company Secretary

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. It is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

THE COMPOSITION OF THE BOARD

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. During the fiscal 2008, the Board consisted of Ten Directors; six amongst them being Non-Executive Directors and Five Independent Directors with a Non-executive Chairman. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises.

Membership and Chairmanship of all the Directors who are on various committees, the composition of the Board and the number of outside Directorships and Committee position as held by each of the Directors as on 31st March, 2008 is as follows:

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2007-2008	Attendance at the Last AGM	AS ON 31-3-2008		
				No. of Directorship in other Public Co.*	Committee membership in other Companies#	Chairmanship in committees in which they are members#
D. B. Engineer	Independent, Non-Executive Director	4	No	10	7	3
K. R. Ramamoorthy	Independent, Non-Executive Director	3	No	6	7	1
Mahendra V. Doshi	Independent, Non-Executive Director	4	No	4	3	2
R. P. Goyal	Independent, Non-Executive Director	3	No	2	2	2
Rajesh Kapadia	Independent, Non-Executive Director	3	No	10	8	5
Hiten V. Parekh	Promoter, Executive Director	5	No	--	--	--
Manish V. Parekh	Promoter, Executive Director	3	Yes	--	--	--
Nayan S. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Sharad V. Parekh	Promoter, Executive Director	5	Yes	--	--	--
Vamanrai V. Parekh	Promoter, Non-Executive Director	5	Yes	--	--	--

* Excluding Directorship in foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956.

Includes Audit Committee and Shareholders' Grievance Committee only.

There were five Board Meetings of the Company held during the financial year 2007-2008, on the following dates: 21st April 2007, 28th June 2007, 31st July 2007, 31st October 2007 and 28th January 2008.

Audit Committee

The Company has constituted the Audit Committee as required under section 292A of the Companies Act, 1956 and under Clause 49 of the Listing Agreements with the Stock Exchanges. The scope of activities and powers of the Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

The composition and attendance of the Audit Committee Members at the respective meetings is as under:

Name of Director	Category	No. of Meetings	
		Held	Attended
K. R. Ramamoorthy	Independent, Non- Executive Chairman	5	3
Mahendra V. Doshi	Independent, Non-Executive	5	4
D. B. Engineer	Independent, Non-Executive	5	4
R. P. Goyal	Independent, Non-Executive	5	3
Vamanrai V. Parekh	Promoter, Non-Executive	5	5

The Company Secretary acts as the Secretary to the Committee.

The Managing Director and Whole Time Directors were invited to attend the Audit Committee meetings held during the year 2007-2008. Senior Executives representing Finance, Accounts and Internal Audit functions were also invited to attend and participate at the Audit Committee Meetings. Representatives of Statutory Auditors and Internal Auditors also attended the Audit Committee meetings.

The terms of reference of the Audit Committee are broadly as under:

- to investigate and oversee the Company's financial reporting process and disclosure of financial information to reflect a true and fair position of the Company;
- to review the adequacy of internal audit function and discussion with internal auditors of any significant findings and follow-up thereon;
- to review with the management, performance of Statutory Auditors and Internal auditors , the adequacy of internal control systems;
- to recommend to the Board, appointment, and replacement or removal of external auditors, fixation of audit fees and approval for payment of other services;
- to review with the management and external auditors, the quarterly and annual financial statements before submission to the Board;
- to discuss with statutory auditors before commencement of their audit, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

Remuneration of Directors

The Company pays remuneration to its Managing Director, Executive Director and two Whole-Time Directors by way of salary, perquisites and allowances (a fixed component) within the range approved by the Shareholders.

The Non-Executive Directors are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and Audit Committee as applicable to each of them.

Remuneration of Directors for the Financial Year 2007-2008.

(Sitting fees include fees for attending the Board Meetings and Audit Committee Meetings)

Director	Salary & perquisites (Rs.)	Sitting fees (Rs.)	Total (Rs.)	No. of Shares held as on 31-3-2008
D.B. Engineer	Nil	52,000	52,000	Nil
Hiten V. Parekh	46,28,461	Nil	46,28,461	11,39,455
K.R. Ramamoorthy	Nil	39,000	39,000	Nil
Mahendra V. Doshi	Nil	52,000	52,000	29,800
Manish V. Parekh	35,40,385	Nil	35,40,385	6,71,789
Nayan S. Parekh	25,00,000	Nil	25,00,000	10,17,440
R.P. Goyal	Nil	39,000	39,000	100
Rajesh G.Kapadia	Nil	24,000	24,000	Nil
Sharad V. Parekh	45,51,923	Nil	45,51,923	12,92,908
Vamanrai V. Parekh	Nil	65,000	65,000	17,30,006

Note:- No amount by way commission was paid to any directors during the financial year ended 31st March, 2008.

CODE OF CONDUCT: As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a Code of Conduct for the Board Members and Senior Management which was approved and adopted by the Board of Directors at their meeting held on 29th October, 2005. The Code of Conduct has been posted on the website of the Company (<http://www.nilkamal.com>). The Code has been circulated to all members of the Board and Senior Management of the Company who have confirmed compliance therewith.

Shareholders'/ Investors Grievance Committee

The Board has constituted Shareholders'/Investors Grievance Committee which looks into redressal of shareholders and investors grievances. The following are the members of the Committee:

Name	Designation	Category
Vamanrai V. Parekh	Chairman	Non-executive
Sharad V. Parekh	Director	Executive
Hiten V. Parekh	Director	Executive

The Company Secretary, is the Compliance Officer to this Committee.

Report on complaints received from the Investors during the period 1st April, 2007 to 31st March, 2008.

Opening Balance	No. of complaints/letters received during the Year	No. of complaints/letters attended	Closing Balance
Nil	14	14	Nil

The Company has assigned its share transfer and dematerialisation work to Intime Spectrum Registry Limited, Registrar and Transfer Agents. As on 31st March, 2008 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

GENERAL BODY MEETINGS.

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting (AGM)	Date	Time	Venue
21st AGM	18-8-2007	11.30 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.
20th AGM	25-9-2006	2.00 p.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.
19th AGM	10-9-2005	2.00 p.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.

SPECIAL RESOLUTIONS PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS (AGMs)

Date of AGM	Details of Special Resolution
18-8-2007	No special resolutions passed
25-9-2006	Change in the name of the Company
10-9-2005	No special resolutions passed

POSTAL BALLOTS

No special resolutions were put to vote through postal ballot in the last Annual General Meeting. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

DISCLOSURES

a) RELATED PARTY TRANSACTIONS:

There were no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The details of transactions with related parties are disclosed in the Accounts.

b) COMPLIANCE WITH REGULATIONS:

There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last three years.

c) RISK MANAGEMENT:

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and / or mitigation of the same is dealt with by the concerned operational heads under the overall supervision of the Managing and Whole-time Directors of the Company. The management periodically reviews the adequacy and efficacy of overall risk management system.

MEANS OF COMMUNICATION:

The financial results of each quarter are placed before the Board of Directors and the same are published in Financial Express (English) & Samkaleen/Daman Ganga Times (Gujarati). The financial results are also displayed on Company's web-site www.nilkamal.com.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date & Time	: 9 th August, 2008 at 11.00 am.
Venue	: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Village Vasona, Union Territory of Dadra & Nagar Haveli.
Financial Calendar	: For Quarter ending 30 th June, 2008 - Before end of July, 2008 For Quarter ending 30 th September, 2008 - Before end of 31 st October, 2008 For Quarter ending 31 st December, 2008 - Before end of 31 st January, 2009 For Quarter/Year ending 31 st March, 2009- Before end of 30 th June, 2009
Date of Book Closure	: From 2 nd August, 2008 to 9 th August, 2008 (both days inclusive).
Dividend Payment Date	: A Final dividend of Rs.3/- per share has been recommended by the Board of Directors, which is subject to approval from the Shareholders at the ensuing Annual General Meeting, which if approved will be paid on or after 9 th August, 2008.
Listing on Stock Exchanges	: The Company's equity shares are listed on the following two Stock Exchanges in India.
Name of the Stock Exchange	Stock Code
1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	523385
2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	NILKAMAL

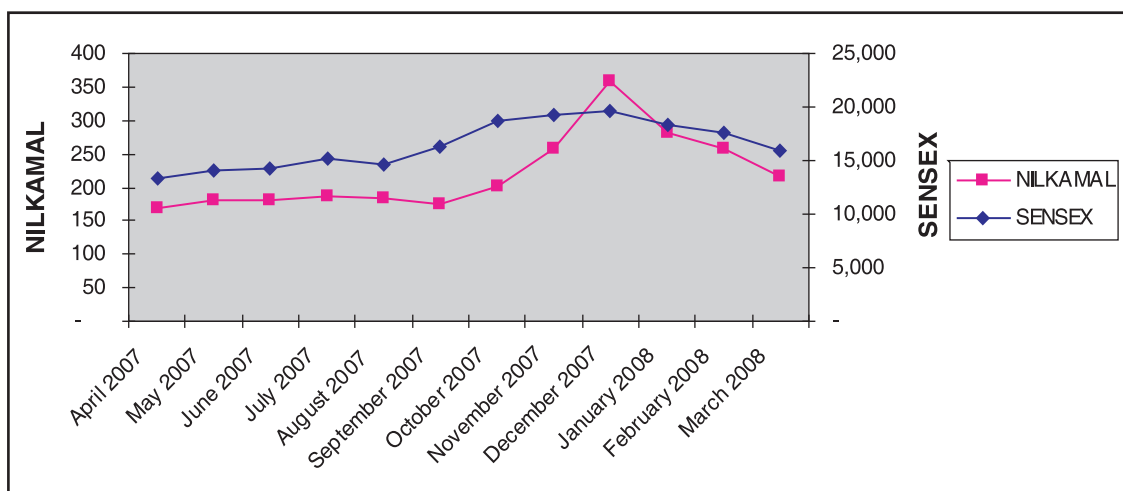
Demat ISIN in NSDL and CDSL for Equity Shares: INE310A01015

The Company has paid the Annual Listing fees to each of the above Stock Exchanges, for the financial year 2008-2009.

Market Price Data

The Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
Month	High	Low	Month	High	Low
April, 2007	202.00	135.50	April, 2007	202.95	142.00
May, 2007	196.00	167.10	May, 2007	196.00	165.00
June, 2007	193.00	167.10	June, 2007	195.00	163.15
July, 2007	205.15	168.00	July, 2007	190.00	162.00
August, 2007	202.30	164.50	August, 2007	194.00	161.00
September, 2007	189.45	161.10	September, 2007	197.40	152.25
October, 2007	245.15	158.15	October, 2007	242.10	161.00
November, 2007	310.80	205.50	November, 2007	314.70	200.55
December, 2007	410.00	307.00	December, 2007	436.90	306.15
January, 2008	348.00	213.65	January, 2008	349.35	208.00
February, 2008	315.00	202.70	February, 2008	310.00	221.00
March, 2008	278.00	156.00	March, 2008	259.70	160.95

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the Financial Year 2007-2008. *



* Sources www.bseindia.com.

Registrar and Transfer Agent

Intime Spectrum Shares Registry Limited (Intime), C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078. Tel: 022-2594 6970, Fax: 022- 2596 2691, Email: rnt.helpdesk@intimespectrum.com are the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

Slab of Shareholding (Rs.)	No of Shareholders	% of Shareholders	Amount in Rs.	% of Shareholding
0-5000	5,827	91.65	71,60,190	5.60
5001 to 10000	271	4.26	21,18,480	1.66
10001 to 20000	128	2.01	19,03,130	1.49
20001 to 30000	40	0.63	9,87,660	0.77
30001 to 40000	6	0.10	2,24,310	0.18
40001 to 50000	16	0.25	7,64,190	0.60
50001 to 100000	32	0.50	22,64,020	1.77
100001 and above	38	0.60	11,24,01,460	87.93
Total	6,358	100	12,78,23,440	100

Categories of Shareholders as per Clause 35 of the Listing Agreement

Category	No. of Shareholders	Voting Strength (%)	No. of shares
Promoters	27	71.25	91,07,385
Mutual Funds & UTI	3	0.76	97,410
Banks, Financial Institutions, Insurance Companies	1	0.00	300
FII	5	11.77	15,04,039
Bodies Corporate	233	1.61	2,05,034
Individuals	6,022	14.35	18,34,888
NRIs & OCB	67	0.26	33,288
Total	6,358	100	1,27,82,344

Pursuant to regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, Promoter and Promoter Group consists of Mr. Vamanrai V. Parekh, Mr. Sharad V. Parekh, Mr. Hiten V. Parekh, Mr. Manish V. Parekh, Mr. Nayan S. Parekh, Vamanrai V. Parekh - HUF, Sharad V. Parekh - HUF, Hiten V. Parekh - HUF, Manish V. Parekh - HUF, Mrs. Purvi N. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Hiten V. Parekh - Natural guardian of Priyanka H. Parekh, Hiten V. Parekh - Natural guardian of Mihir H. Parekh, Manish V. Parekh - Natural guardian of Eashan M. Parekh, Rajul M. Gandhi, Manoj Gandhi, Shrimant Holdings Private Limited, Nilkamal Builders Private Limited and Heirloom Finance Private Limited.

Dematerialisation of shares and liquidity:

97.39 % of the Company's Share Capital is dematerialised as on 31st March, 2008. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Ltd.

Plant Locations:

Barjora Unit	Plot No. 2613, WBIDC Industrial Complex, Barjora-Mehjia Road, PO & PS, Barjora 722202.
Jammu Unit	Industrial Growth Centre, Phase II, SAMBA, Jammu and Kashmir - 184121.
Kharadapada Unit	Survey No. 389, 391, 393, 396 & 401, Naroli - Kharadpada Road, Village : Kharadpada, Silvassa -396230 U.T. of Dadra & Nagar Haveli.
Noida Unit	Plot No. 26 B & C, Sector 31, Surajpur Kasna Road, Behind HPCL LPG Bottling Plant, Dist. Gautam Buddha Nagar, Greater Noida, U.P. 201306.
Pondicherry Unit	19/3, Olaivaikkal Village, Pathakkannu Road, Valuda Voor Post, Pondicherry 605110.
Sinnar Unit	Sinnar Taluka Industrial Co-op Estate, Plot No. 971-1A, Sinnar-Shirdi Road, Sinnar 422103. Dist. Nashik.
Vasona Unit	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.
Registered Office	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.
Corporate Office	77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri (East), Mumbai 400093.

Address for Correspondence:

Investors can communicate at the following addresses:-

- | | |
|--|---|
| 1. Ms. Priti P. Dave - Company Secretary
Nilkamal Limited
77/78, Nilkamal House,
Road No. 13/14, MIDC,
Andheri-East, Mumbai 400 093
E-mail:- investor@nilkamal.com
Tel:- 022-2681 8888 Fax:- 022-2836 1923 | 2. Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W),
Mumbai 400 078.
Tel: 022-2594 6970
Fax: 022-2596 2691
Email: rnt.helpdesk@intimespectrum.com |
|--|---|

To

The Members

Nilkamal Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2008.

The compliance of 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us and the representations made by the management, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of**DALAL & SHAH**

Chartered Accountants

For and on behalf of**VORA & ASSOCIATES**

Chartered Accountants

Venkatesh Subramanian**Partner**

Membership No.37942

Bharat B. Chovatia**Partner**

Membership No.31756

Place : Mumbai

Date : June 14, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy continued to exhibit robust growth. The GDP growth in 2007 was in excess of 8.5%. The recent Sub-Prime crisis and high increase in crude oil price at record level has started affecting the global economy. Also in turn Indian economy has started facing inflationary pressures. In spite of this the general economic condition and business outlook for the year ahead is expected to be positive. The continued growth of domestic economy has offered enormous growth opportunities & prospectus for the businesses in which the Company operates.

In the **Moulded Furniture Business** the Company is the world's largest Moulded Furniture Company producing more than 1.14 million chairs a month and enjoying a market share of around 36% in the domestic market. The Moulded Furniture industry comprises of 2 national players and around 40 regional players spread across the country.

During the year under review the company has registered a volume growth of 16% and value growth of 24% against the industry value growth of 9%. The Moulded Furniture division has achieved a turnover of Rs.40200 Lacs; more than 2.5 times the turnover of the nearest competitor. In this business one of the challenges is to develop a new range of products to increase the share of the wallet from the existing Three Crores households and new emerging ones.

The Company's emphasis would be on value added products to reduce the dependency on Monoblocks segment (basic chairs) wherein the competition is high and margins are lower. With a focus on fortifying its services to the customer aimed to trigger overall growth, the Company would be increasing its sales force for improving the qualitative aspects of its service and developing innovative promotional incentives for value added products.

The Company has invested approx. Rs.900 Lacs in various new designs and products and would be investing in excess of Rs.3000 Lacs over a period of next two years to capture increased growth with improved margins.

The **Material Handling Business** has witnessed volume growth of more than 20% and value growth of more than 37%.

The Company having acquired Material Handling Business of 'Prince' for a consideration of Rs.2500 Lacs and amalgamation of Group Companies has resulted into enhanced financial strength and flexibility. This has also resulted into efficient management control and effective use of infrastructure and integration of operation.

The Company has put up manufacturing plant at Jammu with a total capital expenditure of Rs.3592 Lacs. The Company has also added and upgraded manufacturing facilities at some of the existing plants. In order to be a One Stop Material Handling solution provider the Company has also commenced producing several different products by various manufacturing process such as Injection Moulding, Rotational Moulding, Blow Moulding, Vacuum Foaming, Polyurethane filling etc. In order to increase share of wallet from existing customers the Company has started providing range of products for their intra and inter logistic solutions. The Company in a Joint Venture with BITO lager-technic, Germany has put up the plant at Jammu for manufacturing of metallic storage system. Also, it has started providing vertical automatic storage and retrieval systems of Hanel GmbH, Germany on an exclusive representative basis to the whole of India.

The Company has exclusive arrangements with SILC GmbH Germany and Conteyor Multibag System of Belgium to provide P.P. Corrugated returnable boxes and Scratch Sensitive Material Handling System respectively for the growing automotive industry.

The Company also has strategic arrangement with Plastics Omnimum System, France for Solid Waste Handling Systems. This Business is in nascent stage and has very high growth potential having no economical substitutes.

The Company has invested approx. Rs.800 Lacs in various new designs and products.

The Company's Retail business operates under the brand name '@home' which is a chain of complete home décor stores across the country; that retails a wide range of **imported furniture (ready made furniture), soft furnishings & home accessories.**

'@home' with its international style retail format has been one of the first organized movers in this industry which created its own identity as a specialty store for home décor.

'@home' in year 07-08 was spread across the country with 13 stores in 11 cities. Its turnover for FY 07-08 was at Rs.6255 Lacs, witnessing a growth of 115% over FY 06-07.

Presently '@home' is at 16 stores (13 cities) and holds retail space of about 2,75,000 sq. feet (carpet area), to be augmented threefold in the coming One and a half years. In Financial Year 08-09 '@home' plans to be at 28 stores with a turnover of more than Rs.15000 Lacs. By Financial Year 2010-2011 '@home' will be a dominant national player with 50 flagship stores.

'@home' has a repertoire of 400 plus exclusive designs in contemporary styles in furniture, and more than 35,000 SKU's. It has a strong base of 47 suppliers of which 32 are exclusive, with over 20 reputed & international brand associations in diverse product categories under shop-in-shop arrangements. The product line is constantly evolving with new product categories being introduced eg: kitchenware & kitchen accessories, table linen, furniture care & cleaning products, room fragrances & soft toys were introduced in the last year.

The brand promise to the customer is a perfect one-stop solution store for home planning with emphasis on service, convenience & quality.

With a focus on maximizing operational efficiency, '@home' has built a centralized Merchandising Team for all product categories, with a Merchandise Analyst at each store. This team is responsible for optimizing stock

levels at the stores and ensuring the right product at the right price.

'@home' has stepped up its marketing efforts through a 360° plan that aims to make this brand a household name & an integral part of its customer's life.

Opportunities, Threats , Risks, Concern and outlook .

The Moulded Furniture has been accepted widely as a value for money proposition with no economical substitute. The fact that the Indian economy is opening up, the consumption across the middle income group and lower income group would be exponentially increasing, which will help the industry and particularly your Company to achieve higher growth on year to year basis.

The continuous double digit growth of manufacturing sector, limited corporate participation in Agriculture Sector, organized retail sector explosive boom will provide humongous growth opportunity to Material Handling Business.

Material Handling Business encompasses a wide spectrum of products and services, the provider of the same under single window will be gained most. With the direct marketing strength of more than 250 strong sales force and pan India Presence of more than 60 sales offices and warehouses, your Company is well poised to capture the momentum. The availability of inferior / improper products at cheap prices, low awareness of the same at customer level, limited spending on automation and other related Material Handling Products are some of the concerns in short to medium term time horizon of one to three years.

Recent increase in raw material prices by more than twenty percent due to increase in crude oil prices coupled with rupee devaluation (suggesting continuing trend for the rest of 2008) is a area of concern for moulded furniture as well as Material Handling Business.

In both these business categories the product have a value for money proposition; and in the instance of it being a "high demand" product with no viable substitute, it will only lead to continuous growth and expansion of the business.

With increasing disposable incomes, paucity of leisure time, shift from joint to nuclear families coupled with growing lifestyle aspirations of consumers today, the international trend of ready made furniture in India is here to stay, and growing rapidly. People want home furnishing solutions that can improve the quality of everyday life at home; home being the most important place in the world.

Indian furniture retail market is estimated at more than Rs.3000000 Lacs (Source: KSA Technopak). This industry is dominated by the unorganized sector which constitutes 85% of the market. According to Technopak Advisors, the furniture market in India is likely to witness an accelerated growth, with a compounded annual growth rate of about 30 percent.

There are 6 Million homes being built every year, and the housing boom is likely to continue. There is also a latent demand for 33 Million Houses. The housing boom is therefore a great opportunity for this industry.

The evolution of the Indian retail industry is the biggest opportunity today. Looking at the phenomenal demand & growth in the imported furniture industry, large corporate are entering into this market only helping the market to develop further & get more organized.

Low entry barriers would lead to multiple new entrants in the industry causing a competitive environment. The infrastructure is not matching up with the retail pace resulting in challenges across various functions within the retail environment. High property leasing costs with an added burden of service tax and VAT are some of the few concerns within this industry.

The high initial investment for brand establishment, non existent parent regulatory body for the retail industry and dearth & retention of skilled manpower & professionals in this industry are some of the concerns which the company is required to take care of.

With dedicated staff strength of approx. 720 people and growing, everyday '@home' aims to offer its customers unparalleled plethora of services. To meet its service promise it aims to step up personnel training, conduct research to understand & therefore enhance the customer experience, focus on product quality, design & sourcing in keeping with market requirements , pricing strategies and customer relationship management program.

These are amongst the measures to evolve the business to greater heights & attain the '@home' brand vision of establishing itself as a "Home Maker" store.

Financial Review

Operating Profit

The Company registered operating Profit of Rs.8133 Lacs against Rs.5588 Lacs in the previous year, an increase of 46% over the previous year on like to like basis. The operating margin increased to 10.42% as compared to 9.48% in the previous year.

Interest

Interest and Financial cost has increased from Rs.1484 Lacs to Rs.2661 Lacs. This increase is primarily due to additional borrowing of Rs.10600 Lacs for funding the growth plan of the Company and also due to higher cost of funds with the change in market situations.

Net Profit

Net profit of the Company amounted to Rs.3142 Lacs. (excluding extraordinary gain of Rs.4643 Lacs) as against Rs.740 Lacs in the previous year an increase of 325%.

Dividend

The Company has paid an interim dividend of 35 % and has proposed final dividend of 30 % for the current year. This total amounts to Rs.972 Lacs including dividend distribution tax.

Capital Employed

The total capital employed stood at Rs.52922 Lacs an increase of Rs.25104 Lacs in compare to previous financial year. This increase is represented by increase in borrowings of Rs.17377 Lacs (including Rs.6814 Lacs on account of amalgamation) and increase in additional equity of Rs.421 Lacs and Reserve of Rs.2608 Lacs on account of amalgamation. Return on Capital employed has been improved from 6.62% to 14.37% while Return on Equity has been improved from 5.75% to 18.25%.

The total debt to equity stands at 1.51 time against 1.13 time of the previous financial year.

Subsidiary and Joint Venture Performance

'Nilkamal Bhoomi Developers Pvt. Ltd.', cease to exist as subsidiary due to the Company's sale of it's holding. The sale of holding has resulted into capital gain of Rs.4643 Lacs in a short span of fifteen months against an investment of Rs.2844 Lacs.

The Sri Lankan Subsidiary has achieved turnover of SLR 11082 Lacs and Net Profit of SLR 684 Lacs in compare to previous year turnover of SLR 10657 Lacs and net profit of SLR 192 Lacs.

During the year under review, the Company has received towards Technical and Management Fees of Rs.112 Lacs (previous year Rs.115 Lacs).

Increase in input cost coupled with intense competition and political instability has adversely affected operations and performance of Company's foreign subsidiary situated at Bangladesh. It has achieved turnover of BDT 1734 lacs and Net Loss of BDT 230 Lacs in compare to previous year turnover of BDT 1647 Lacs and net loss of BDT 317 Lacs.

The subsidiary at Ajman has achieved a turnover of AED 60 Lacs with net profit of AED 7.82 Lacs against previous year turnover of AED 25 Lacs with net profit of AED 1.54 Lacs. The Company foresee good growth potentials in the years to come.

The Joint Venture Company - Nilkamal BITO Storage Systems Pvt. Ltd. has set up its manufacturing plant at Jammu and commenced commercial operation in July, 2007. This Joint venture Company is in manufacturing of storage systems of metal for providing intra-logistics solutions to the national and international market. In first year of operation, it has achieved turnover of Rs.2135 Lacs and has incurred a total loss of Rs.718 Lacs. The Company has contributed Rs.1825 Lacs towards equity of the said joint venture. The robust and continuous growth of Indian economy shall provide huge growth opportunity for this business in years to come.

Internal Control Systems and Their Adequacy

The Company has adequate internal control systems and checks to ensure that all assets are safeguarded and protected against all losses.

Professional firms are carrying regular internal audit across all plants, depots and offices. Reports of the internal auditors are regularly placed and reviewed by the Audit Committee in light of the management response to audit observations. The Committee also meets the Statutory Auditors to ascertain their views on adequacy of internal controls and their observations on financial reports. No serious laps/observations has been reported by any of the internal auditors.

A CISA certified Professional Company audited the existing IT infrastructure and related systems which is running SAP for its manufacturing and retail operations. The necessary recommendation / changes has been successfully implemented and been re-certified.

Human Resources Management and Industrial Relations

The Company firmly believes that quality people are the prime movers to the business. In this pursuit company attracts talents and retain the best talents in the industry through various HR processes. An HR Portal was recently launched to systemize the process related to HR and make it more employees friendly at different locations across all business divisions. Periodic training provided by the HR department aims at higher competency development and preparing the workforce for future challenges ahead.

Industrial relations remained cordial at all locations and there was no significant labour issue during the year. The Company enjoys healthy and productive relationship with its employees.

During the period under review, total standalone manpower increased to 2287 from 956 in the previous Financial Year. This manpower increases due to commencement of Jammu Plant, increase in number of '@home' stores, amalgamation of Group Companies, take over of 'Prince' Business and to meet the future growth requirement.

Cautionary Statement

The Management Discussions and Analysis Statement made above are on the basis of available data as well as certain assumptions as to the economic conditions, various factors affecting Raw Material Prices, Selling Prices, Trend and Consumer Demand and preference, governing and applicable laws and other economical and political factors. The Management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed and implied therein.

To

The Members

Nilkamal Limited

We have audited the attached Balance Sheet of NILKAMAL LIMITED, as at 31st March, 2008, the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) 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 the books of the Company;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2008, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
4. In our opinion and to the best of our information and explanations given and Management representations made to us, the said financial statements, read together with the notes thereon, present 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, 2008;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian

Partner

Membership No.37942

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Membership No.31756

Place : Mumbai

Date : June 14, 2008

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NILKAMAL LIMITED FOR THE YEAR ENDED 31st MARCH, 2008.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) There is a regular programme of physical verification, which in our opinion, is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies were noticed in respect of assets physically verified during the year;
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern;
- ii (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of the Company;
- iii (a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- iv. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls;
- v (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations made to us, we are of the opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under Section 297 and Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time;
- vi. The Company has not accepted any deposits from the public;
- vii. In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business;
- viii. According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956;
- ix (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, Wealth Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty, Cess and other statutory dues, as applicable, with the appropriate authorities in India.;
- (b) On the basis of our examination of the documents and records of the Company, there were no disputed dues in respect of Income tax, Wealth tax, Service Tax, Customs duty and Cess. However, the following disputed dues have not been deposited with the appropriate authorities:

Nature of Dues	Rs. in lacs	Forum where dispute is pending
Sales tax	62.39	Departmental Authorities
	49.17	High Court
Excise duty	83.74	Departmental Authorities
	45.26	Central Excise and Service Tax Appellate Tribunal

- x. The Company, neither has accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and the immediately preceding financial year;
- xi. In our opinion and according to the information and explanations given to us, we have to state that, the Company has not defaulted in re-payment of dues to banks. There were no dues to any Financial Institution or Debenture holder;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. According to the information and explanations given to us, the Company has given guarantee for loans taken by its Subsidiary from a bank. In our opinion, the terms and conditions of the guarantee are, prima facie, not prejudicial to the interest of the Company;
- xiv. According to the information and explanations given to us and the representations made by the Management, term loans obtained by the Company during the year have been applied for the purpose for which they were obtained;
- xv. According to the information and explanations given to us, and on an overall examination of the Financial Statements of the Company, we have to state that, prima-facie, as at the close of the year, short term funds have not been utilised for long term investments;
- xvi. The Company has not made any preferential allotment of shares during the year;
- xvii. The Company has not raised any money by way of issue of debentures during the year;
- xviii. The Company has not raised any money by way of public issue during the year;
- xix. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year;

Looking to the nature of activities being carried on at present by the Company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, clauses (iii) (b), (iii) (c), (iii) (d), (iii) (f), (iii) (g), (xiii) and (xiv) of paragraph 4 of the aforesaid Order, are, in our opinion, not applicable to the Company.

For and on behalf of
DALAL & SHAH
 Chartered Accountants

For and on behalf of
VORA & ASSOCIATES
 Chartered Accountants

Venkatesh Subramanian
Partner
 Membership No.37942

Bharat B. Chovatia
Partner
 Membership No.31756

Place : Mumbai
 Date : June 14, 2008

Balance Sheet

Nilkamal Limited

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31.03.2008 Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs
I SOURCES OF FUNDS			
1. SHAREHOLDERS' FUND			
(a) Share Capital	A	1,278.23	857.47
(b) Reserves and Surplus	B	19,520.55	12,214.68
		20,798.78	13,072.15
2. LOAN FUNDS			
(a) Secured Loans	C	28,314.41	10,220.34
(b) Unsecured Loans	D	3,809.44	4,525.98
		32,123.85	14,746.32
3. DEFERRED TAX LIABILITY (NET) [Refer Note 19]		1,200.24	718.17
TOTAL		54,122.87	28,536.64
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	E	38,783.78	22,477.79
Less: Depreciation		17,365.84	12,877.04
Net Block		21,417.94	9,600.75
(b) Capital Work In Progress		1,392.67	1,376.14
		22,810.61	10,976.89
2. INVESTMENTS	F	2,897.91	1,978.30
3. CURRENT ASSETS, LOANS & ADVANCES	G		
(a) Inventories		15,985.32	6,353.67
(b) Sundry Debtors		12,987.02	6,326.43
(c) Cash and Bank Balances		1,335.65	782.89
(d) Loans and Advances		6,349.46	6,224.02
		36,657.45	19,687.01
LESS:CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	H	7,423.74	3,660.71
(b) Provisions	I	819.36	444.85
		8,243.10	4,105.56
NET CURRENT ASSETS		28,414.35	15,581.45
TOTAL		54,122.87	28,536.64
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial controller

Priti P. Dave

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

	SCHEDULE	Year Ended on 31.03.2008 Rs. in Lacs	Year Ended on 31.03.2007 Rs. in Lacs
I INCOME			
Gross Sales and Income from Services	J	89,009.79	53,303.93
Less : Duties and Levies		10,979.47	6,812.36
NET SALES		78,030.32	46,491.57
Other Income	K	116.96	124.31
TOTAL		78,147.28	46,615.88
II EXPENDITURE			
Materials consumed / Cost of goods traded / Variation in stocks	L	51,300.36	34,574.58
Employees' Remuneration and Benefits	M	3,648.07	1,774.36
Operating and other expenses	N	15,110.17	7,134.97
Financial Expenses	O	2,661.28	853.56
Depreciation/Amortisation		2,329.81	1,538.72
TOTAL		75,049.69	45,876.19
Less : Trial Run Expenses Capitalised [Refer note 8(b)]		44.11	-
		75,005.58	45,876.19
Profit for the year before Exceptional Items		3,141.70	739.69
Add: Exceptional Income			
Profit on sale of Investment in Subsidiary Company [Refer Note 9 (b)]		4,643.22	-
Profit before Taxation		7,784.92	739.69
PROVISION FOR TAXATION			
Current Tax		1,650.00	175.00
Deferred Tax [Refer Note 19]		267.84	(74.50)
Fringe Benefit Tax		115.00	38.00
Taxation for earlier years written off / (written back)		16.26	(93.63)
NET PROFIT AFTER TAX		5,735.82	694.82
BALANCE OF PROFIT BROUGHT FORWARD		2,174.97	1,981.11
PROFIT AVAILABLE FOR APPROPRIATION		7,910.79	2,675.93
III APPROPRIATIONS			
Proposed Dividend		383.47	257.24
Interim Dividend		447.38	-
Tax on Dividend		141.20	43.72
Transfer to General Reserve		2,257.90	200.00
Balance carried to Balance Sheet		4,680.84	2,174.97
		7,910.79	2,675.93
Basic and Diluted Earnings per Share including exceptional item [Refer Note 24]		44.87	8.10
Basic and Diluted Earnings per Share excluding exceptional item [Refer Note 24]		16.79	8.10
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Pareesh B. Mehta

Financial controller

Priti P. Dave

Company Secretary

Cash Flow Statement

Nilkamal Limited

Cash Flow Statement for the year ended 31st March, 2008

	2007 - 2008		2006 - 2007	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,784.91		739.69
Adjustments for :				
Depreciation and Amortisation	2,329.81		1,538.72	
Bad Debts Written Off	2.00		14.47	
Provision for doubtful debts written off / (written back) [Net]	10.56		(8.93)	
Provision for Wealth Tax	3.75		1.90	
Provision for Gratuity and Leave Salary	67.32		54.73	
(Profit)/Loss on sale of Fixed Assets	20.85		(5.95)	
Financial Expenses (Net)	2,661.28		853.56	
	5,095.57		2,448.50	
Less : Exceptional Income	4,643.22	452.35	-	2,448.50
Operating Profit before Working Capital changes		8,237.26	3,188.19	
Adjustments for :				
Trade and Other Receivables	(4,538.05)		(171.40)	
Inventories	(6,481.05)		(1,858.97)	
Trade Payables and Other Liabilities	2,125.17		370.01	
Direct Taxes Paid (Net of Refund)	(969.88)		(259.43)	
		(9,863.81)		(1,919.79)
Net Cash from Operating Activities A		(1,626.55)		1,268.40
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets (including CWIP)	(10,492.67)		(2,930.55)	
Sale of Fixed Assets	108.63		68.67	
Equity Contribution in a Subsidiary Company	-		(224.54)	
Equity Contribution in a Joint Venture Company	(900.00)		(925.50)	
Loans Repaid/(Given) - Subsidiary company (Net)	2,814.50		(2,814.50)	
Sales proceeds of Investment in Subsidiary (Net of Taxes)	3,590.72		-	
Net Cash from Investing Activities B		(4,878.82)		(6,826.42)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Long Term Borrowings	6,499.75		4,000.00	
Repayments of Long Term Borrowings	(1,146.56)		(1,004.22)	
Proceeds / (Repayments) of Unsecured Loans (Net)	(2,890.76)		4,000.00	
Proceeds from Working Capital Loans (net)	8,070.38		97.37	
Interest Paid (Net)	(2,785.84)		(965.68)	
Dividend paid (including tax on dividend)	(820.83)		(295.83)	
Net Cash from Financing Activities C		6,926.14		5,831.64
Net Increase in Cash and Cash Equivalents (A + B + C)		420.77		273.62
Cash and Cash Equivalents as at 01.04.2007	687.56		413.94	
Add : On Amalgamation	90.23		-	
	777.79		413.94	
Cash and Cash Equivalents as at the year end	1,198.56		687.56	
		420.77		273.62
Schedule G - of Balance Sheet is as follows :-				
Cash and Bank Balances		1,335.65		782.89
Less:				
Balances in Fixed Deposit accounts pledged with various government authorities		87.09		16.77
Balances in Fixed Deposit accounts kept as margin money with the bankers		50.00		78.56
Cash and Cash Equivalents as at the year end		1,198.56		687.56

Previous year's figures have been regrouped / recast wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial controller

Priti P. Dave
Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2008 Rs. in Lacs	As at 31.03.2007 Rs. in Lacs
SCHEDULE : 'A'		
SHARE CAPITAL		
AUTHORISED:		
2,20,00,000 Equity Shares (Previous year 90,00,000 Equity Shares) of Rs.10/-each	2,200.00	900.00
30,00,000 Preference Shares of Rs.10/- each	300.00	300.00
	<u>2,500.00</u>	<u>1,200.00</u>
ISSUED, SUBSCRIBED AND PAID UP:		
1,27,82,344 Equity shares (Previous year 85,74,700 Equity Shares) of Rs.10/- each [Refer Note 6 and 15(b)]	1,278.23	857.47
TOTAL	<u>1,278.23</u>	<u>857.47</u>
SCHEDULE : 'B'		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Account	1,085.16	1,085.16
SECURITIES PREMIUM ACCOUNT		
As per last Account	754.55	754.55
GENERAL RESERVE		
As per last Account	8,200.00	8,000.00
Less: Employee retirement benefits adjusted [Refer Note 21 (a)]	65.72	-
Add: On Amalgamation [Refer note 15 (c)]	2,919.46	-
Less: Adjustment in respect of difference in accounting policies [Refer Note 15 (a)]	311.64	-
Add: Transfer from Profit and Loss Account	2,257.90	200.00
	<u>13,000.00</u>	<u>8,200.00</u>
PROFIT AND LOSS ACCOUNT		
Surplus as per Annexed Account	4,680.84	2,174.97
TOTAL	<u>19,520.55</u>	<u>12,214.68</u>
SCHEDULE : 'C'		
SECURED LOANS		
(A) Working Capital Loans From Banks [Refer Note 7 (a)]		
(i) Rupee Loans	16,774.83	6,013.29
Interest accrued and due on Loans	37.37	3.02
(ii) Foreign Currency Loan	1,216.35	-
(B) Term Loans From Banks [Refer Note 7 (b)]		
(i) Rupee Loans	8,406.25	3,625.00
Interest accrued and due on Loans	22.56	-
(ii) Foreign Currency Loans	1,857.04	579.03
Interest accrued and due on Loans	0.01	-
TOTAL	<u>28,314.41</u>	<u>10,220.34</u>
NOTES : (1) Loans repayable within one year Rs. 1,764 Lacs (Previous year Rs. 1,193 Lacs).		
SCHEDULE : 'D'		
UNSECURED LOANS:		
From Banks :-		
Short Term Rupee Loans	3,809.44	4,500.00
Interest accrued and due on Loans	-	25.98
TOTAL	<u>3,809.44</u>	<u>4,525.98</u>

SCHEDULE 'E'
FIXED ASSETS

(Rs. in Lacs)

ASSETS	GROSSBLOCK				DEPRECIATION/AMORTISATION				NETBLOCK			
	AS ON 01.04. 2007	On Amalga- mation [c]	Additions	Deductions/ Adjust- ments	AS ON 31.03. 2008	AS ON 01.04. 2007	On Amalga- mation	Additions	Deductions/ Adjust- ments	AS ON 31.03. 2008	AS ON 31.03. 2008	AS ON 31.03. 2007
A TANGIBLE ASSETS												
1 FREEHOLD LAND	103.46	37.84	9.95	-	151.25	-	-	-	-	-	151.25	103.46
2 LEASEHOLD LAND [a and b]	195.83	4.85	24.04	-	224.72	11.41	0.47	2.28	14.16	210.56	184.42	
3 BUILDINGS	4,640.94	1,234.89	2,134.11	3.82	8,006.12	1,089.40	173.09	190.08	0.70	1,451.87	6,554.25	3,551.54
4 PLANT & MACHINERY	14,637.62	3,459.95	4,719.46	138.91	22,678.12	10,865.34	1,899.51	1,506.30	59.83	14,211.32	8,466.80	3,772.28
5 FURNITURE FIXTURES & OFFICE EQUIPMENTS	1,779.30	403.12	946.72	4.48	3,124.66	761.67	120.27	232.32	1.47	1,112.79	2,011.87	1,017.63
6 VEHICLES	419.20	270.11	221.52	74.69	836.14	91.61	57.26	71.04	30.42	189.49	646.65	327.59
7 INTERIORS AT SHOWROOM	701.44	-	895.11	-	1,596.55	57.61	-	75.41	-	133.02	1,463.53	643.83
B INTANGIBLE ASSETS												
1 MODELS, DESIGNS AND OTHER COMMERCIAL RIGHTS	-	-	2,012.52	-	2,012.52	-	-	234.79	-	234.79	1,777.73	-
2 SOFTWARE	-	-	153.70	-	153.70	-	-	18.40	-	18.40	135.30	-
GRAND TOTAL	22,477.79	5,410.76	11,117.13	221.90	38,783.78	12,877.04	2,250.60	2,330.62	92.42	17,365.84	21,417.94	9,600.75
PREVIOUS YEAR 2006-07	20,716.86	0.00	1,982.24	221.31	22,477.79	11,500.80	0.00	1,539.06	162.82	12,877.04	9,600.75	

- a) Leasehold Land acquisition value includes Rs. 0.01 Lacs (Previous year Rs. 0.01 Lacs) paid by way of subscription of shares for membership of co-operative housing society.
- b) Amortisation during the year includes Rs. 0.81 Lacs (Previous year Rs. 0.34 Lacs), in respect of new project being set up.
- c) Pending completion of the relevant formalities for transfer of some of the fixed assets which vested in the Company pursuant to the scheme, such assets continue to be in the name of the erstwhile amalgamated companies.

As at	As at
31.03.2008	31.03.2007
Rs. in Lacs	Rs. in Lacs

SCHEDULE : 'F'
INVESTMENTS

(Long Term Unquoted unless otherwise stated)

Investments in Government Securities at costNational Savings Certificates (Pledged with Govt. Authorities) **0.50** 0.04**Investments in Subsidiary Companies :**15,20,000 (15,20,000) Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Pvt. Ltd., Sri Lanka. **93.62** 93.621,31,45,942 (1,31,45,942) Equity Shares of BDT 10/- each of Nilkamal Padma Plastics Pvt. Ltd., Bangladesh. (Refer Note 9 (a)) **958.64** 958.64

Nil (5,001) Equity Shares of Rs. 10/- each of Nilkamal Bhoomi Developers Pvt. Ltd. [Refer Note 9 (b)] - 0.50

1 (Nil) Equity Shares of DHS 1,85,000 of Nilkamal Crates & Bins - FZE, U.A.E. **19.65** -**Investments in Joint Venture :**18,30,000 (9,30,000) Equity Shares of Rs. 10/- each of Nilkamal Bito Storage Systems Pvt. Ltd. **1,825.50** 925.50**TOTAL** **2,897.91** **1,978.30****SCHEDULE : 'G'**
INVENTORIESStores and Spare parts **1,208.77** 454.40**Stock in Trade**Raw Materials **3,024.60** 1,516.59Packing Materials **134.34** 76.17Semi-Finished Goods / Work in Process **1,269.91** 440.93Finished Goods and Traded Goods **10,347.70** 3,865.58**TOTAL** **15,985.32** **6,353.67**

	As at 31.03.2008 Rs. in Lacs	As at 31.03.2007 Rs. in Lacs
SUNDRY DEBTORS [Refer Note 11]		
Unsecured		
i) Outstanding for a period exceeding Six months		
a) Considered Good	1,352.29	593.59
b) Considered Doubtful	225.39	214.83
	1,577.68	808.42
ii) Other Debts (Considered Good)	11,634.73	5,732.84
	13,212.41	6,541.26
Less: Provision for Doubtful Debts	225.39	214.83
TOTAL	12,987.02	6,326.43
CASH AND BANK BALANCES		
Cash on hand (including cheques on hand Rs. Nil (Previous Year Rs. 19.31 Lacs)	65.06	71.03
Balance with Scheduled Banks		
i) Current Accounts (Includes Book - Over Draft)	798.13	616.53
ii) On Fixed Deposit Accounts [Includes Rs. 87.09 Lacs Pledged with various government authorities (Previous year Rs. 16.77 Lacs), Rs. 50 Lacs kept as margin money with the bankers, (Previous - year Rs. 78.56 Lacs)]	472.46	95.33
TOTAL	1,335.65	782.89
LOANS AND ADVANCES (Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for the value to be received [Refer Note 12]	3,675.35	4,890.85
Employee Loans	206.85	130.84
Balance with Excise Department	9.18	0.67
Taxes paid in Advance (Net of Provisions)	337.08	113.53
Deposits [Refer Note 10]	2,121.00	1,088.13
TOTAL	6,349.46	6,224.02
SCHEDULE : 'H'		
CURRENT LIABILITIES		
Sundry Creditors [Refer Note 13]	3,161.96	1,281.14
Unclaimed Dividend	17.06	13.52
Other Liabilities	4,197.15	2,358.93
Interest Accrued but not due on loans	47.57	7.12
TOTAL	7,423.74	3,660.71
SCHEDULE : 'I'		
PROVISIONS		
For Wealth Tax	3.75	1.90
Proposed Dividend	383.47	257.24
Tax on Proposed Dividend	65.17	43.72
For Employee Benefits	366.97	141.99
TOTAL	819.36	444.85

Schedules forming part of the Accounts

Nilkamal Limited

	Year ended on 31.03.2008 Rs. in Lacs	Year ended on 31.03.2007 Rs. in Lacs
SCHEDULE : 'J'		
SALES AND INCOME FROM OPERATIONS		
a) Gross Turnover of Goods		
Local	87,334.54	52,589.28
Exports	1,537.76	714.65
	<u>88,872.30</u>	<u>53,303.93</u>
b) Gross Income from Services		
Service Charges	92.09	-
Export of Services	45.40	-
	<u>137.49</u>	<u>-</u>
TOTAL	<u><u>89,009.79</u></u>	<u><u>53,303.93</u></u>
SCHEDULE : 'K'		
OTHER INCOME		
Technical and Management Fees	112.04	114.84
Miscellaneous Receipts	4.92	3.52
Surplus on Sale of Fixed Assets (Net)	-	5.95
TOTAL	<u><u>116.96</u></u>	<u><u>124.31</u></u>
SCHEDULE : 'L'		
a) Opening Stock of Raw Materials	1,516.59	1,147.88
b) Stock taken over on Amalgamation	362.52	-
c) Purchases	32,823.70	20,870.11
d) Total of [a] + [b] + [c]	<u>34,702.81</u>	<u>22,017.99</u>
LESS:		
e) Closing Stock of Raw Materials	3,024.60	1,516.59
I RAW MATERIALS CONSUMED [d-e]	<u>31,678.21</u>	<u>20,501.40</u>
II TRADING PURCHASES	24,351.16	15,383.30
III VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS		
Opening Stock	4,306.51	2,996.39
Stock taken over on Amalgamation	2,582.09	-
Closing Stock	11,617.61	4,306.51
	<u>(4,729.01)</u>	<u>(1,310.12)</u>
TOTAL (I+II+III)	<u><u>51,300.36</u></u>	<u><u>34,574.58</u></u>
SCHEDULE : 'M'		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salary, Wages and Bonus	3,159.32	1,505.40
Contribution to Provident and Other funds	138.16	59.69
Workmen and Staff Welfare Expenses	350.59	209.27
TOTAL	<u><u>3,648.07</u></u>	<u><u>1,774.36</u></u>

	Year ended on 31.03.2008 Rs. in Lacs	Year ended on 31.03.2007 Rs. in Lacs
SCHEDULE : 'N'		
OPERATING AND OTHER EXPENSES		
Stores and Spare Parts Consumed	785.59	360.31
Power and Fuel	1,978.93	1,004.50
Repairs :		
Building	45.23	9.17
Machinery	60.59	55.68
Others	243.43	109.75
Excise Duty Paid	257.53	24.96
Labour Charges Paid (Net)	1,623.68	545.61
Rent	1,292.27	798.72
Rates and Taxes	79.65	39.67
Insurance	140.73	116.53
Postage and Telephone Expenses	367.62	204.93
Loss on sale of Fixed Assets (Net)	20.85	-
Packing Material Consumed	512.29	394.02
Travelling Expenses	696.34	277.20
Commission	305.86	131.15
Advertisements and Publicity Expenses	1,196.94	406.22
Computer Expenses	102.94	22.20
Carriage Outward	2,918.41	1,236.62
Land Lease Rent	1.61	1.60
Board Meeting Fees	2.71	2.40
Provision for Wealth Tax	3.75	1.90
Bad Debts written off	2.00	14.47
Provision/ Write back for Doubtful Debts	10.56	(8.93)
Discounts and Rebates	755.57	418.90
Payment to Auditors		
- Audit Fees	13.00	9.00
- In Other Capacity	5.40	0.90
Sundry Expenses	1,686.69	957.49
TOTAL	15,110.17	7,134.97

SCHEDULE : 'O'		
FINANCIAL EXPENSES		
Interest -		
On Term Loans	410.89	259.61
Other Interest	2,406.48	758.34
	2,817.37	1,017.95
Less:		
Interest Received (TDS Rs. 20.95 Lacs, Previous year Rs. 42.46 Lacs)	267.69	243.83
Interest Capitalised	108.22	10.66
	2,441.46	763.46
Bank Charges	147.24	78.42
Processing and other charges on Loans	72.58	11.68
TOTAL	2,661.28	853.56

SCHEDULE: 'P'**SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of Financial Statements:**

The financial statements of the Company have been prepared under historical cost convention on an accrual basis, the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known.

c) Fixed Assets:

Fixed assets are recorded at cost of acquisition or construction, net of Cenvat credit wherever eligible. Cost includes all expenses related to acquisition or construction, including attributable borrowing cost on qualifying assets.

Fixed assets, which are not in use or are held for disposal are stated at cost less accumulated depreciation or at net realisable value whichever is lower.

d) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceed its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

e) Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are being depreciated on straight line basis over the total period of lease;
- ii) Cost of Leasehold land is amortised over the period of lease;
- iii) Depreciation on addition to assets or on sale /discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;
- iv) Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;
- v)
 - a) Software (intangible assets) is amortised on a straight-line basis over a period of 36 months from the date of its implementation based on the management's estimate of useful life over which the economic benefits will be derived.
 - b) Models, Designs and other Commercial rights (intangible assets) is amortised on a straight-line basis over a period of 60 months from the date of its put to use based on the management's estimate of useful life over which the economic benefits will be derived.

f) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Process, Semi-finished goods and Finished goods (including Goods for trade) are valued 'at cost or net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is 'Average Cost'.

g) Investments:

Long term investments are stated at cost less provision, if any, for permanent diminution in value.

h) Employee Benefits:

Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service

Post Employment / Retirement Benefits

Contribution to Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity, which is funded with an Insurance Company, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Other Long Term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination Benefits

Termination benefits are recognised as and when incurred.

i) Foreign Currency Translations:

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place;

Monetary items in the form of Current Assets, Current Liabilities and Loans in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;

In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contracts is recognised during the year.

j) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) Recognition of Income and Expenditure:

- i) Sale of Goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Gross sales are inclusive of excise duty, sales tax, but are net of trade discounts and sales returns.
- ii) Income from Services is recognised on completion of service.
- iii) Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.
- iv) Benefit on account of entitlement to import duty-free raw materials under Advance License is estimated and accounted in the year of export as an adjustment to raw material consumption, provided there is a reasonable degree of certainty with regard to its ultimate realisation.
- v) Liability for Excise duty payable on stock in bonded warehouse at the year-end is provided for.
- vi) Dividend income is recognised when the right to receive the same is established.
- vii) Interest income is accrued over the period of loan /deposit/investment.
- viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

l) Premises taken on Lease:

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the Profit and Loss account on accrual basis.

m) Taxation:

Income-tax expense comprises current tax, fringe benefit tax (FBT) and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Provision for FBT is made on the basis of the fringe benefits provided / deemed to have been provided during the year at the rates and values applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassess realisation

n) Expenditure During Construction Period:

In case of new projects and in case of substantial modernisation/expansion at existing units of the Company, all pre-operative expenditure specifically for the project, incurred upto the date of completion, is capitalised and added pro-rata to the cost of fixed assets.

SCHEDULE: Q**NOTES TO THE ACCOUNTS:****1. Contingent Liabilities not provided for in respect of:**

(Rs.in Lacs)

	31st March, 2008	31st March, 2007
i) Disputed Excise matters	150.40	84.47
ii) Sales Tax matters in appeal.	116.27	63.85
iii) Corporate Guarantee given on behalf of Subsidiary Company, Bangladesh Taka (BDT) 966.39 Lacs. (Previous year (BDT) 782.56 Lacs).	551.10	486.05
iv) Un-expired letters of Credits.	1,623.26	304.04

The Excise and Sales Tax demands are being contested by the Company in appeals at various levels. The Company has been legally advised that it has a good case and the demand is not tenable.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 939.80 Lacs (Previous year Rs.209.59 Lacs).
3. Remuneration to Directors comprise of (a) Salary, allowances, etc. Rs. 152.21 Lacs (Previous year Rs. 134.10 Lacs) and (b) Other Perquisites Rs.Nil (Previous year Rs.15.45 Lacs).

4. Net effect of changes in the foreign currency rates :

Gain on revenue items included in profit and loss account for the year Rs. 38.05 Lacs. (Previous year Rs.16.41 Lacs).

5. Disclosure relating to provisions in respect of Product Warranty is as follows :

(Rs.in Lacs)

	2007-08	2006-07
Opening Balance	106.49	113.67
Additions	374.28	272.79
Utilisations	348.81	279.97
Closing Balance	131.96	106.49

6. During the year, the Company issued and allotted 42,07,644 Equity Shares of Rs. 10/- each to the shareholders of Nilkamal Crates & Bins Pvt. Ltd. and Stackwell Marketing Services Pvt. Ltd., pursuant to the Scheme of amalgamation, for a consideration other than cash.

7. Secured Loans :

- a) The Working Capital Facilities from Banks are secured on first pari passu basis by way of hypothecation of current assets of the Company and second pari passu charge by way of equitable mortgage on the Company's immovable property.
- b) Term Loans from Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Kharadpada & Vasona at Silvassa (UT of D & NH), Pondicherry together with all building and structures thereon and all Plant & Machinery and second pari passu charge by way of hypothecation of current assets of the Company.

8. Fixed Assets:

a) Expenditure incurred during construction period and capitalised is as under:

(Rs. in Lacs)

Particulars	Year ended 31st March, 2008	Year ended 31st March, 2007
Opening Balance	57.69	-
Add : Expenditure		
Power and Fuel	1.62	0.69
Salaries, Wages, etc.	39.06	6.62
Contribution to Provident Fund	1.16	0.20
Employee Welfare Expenses	5.57	0.89
Insurance	0.92	0.42
Rent	5.96	2.47
Rates & Taxes	3.00	-
Travel and Conveyance	8.34	9.51
Legal and Professional	3.16	18.40
Amortisation of Leasehold land	0.81	0.34
Others	3.49	18.15
Total	73.09	57.69
Total Expenditure	130.78	-
Less: Expenditure Capitalised during the year	130.78	-
Closing Balance	-	57.69

b) Expenditure incurred during trial run has been capitalised on the estimates made and certified by the management. The amounts so capitalised are as under :

(Rs. in Lacs)

Particulars	Year ended 31st March, 2008	Year ended 31st March, 2007
Raw Material Consumption	237.79	-
Stores and Spares Consumption	13.04	-
Salaries, Wages, etc.	17.58	-
Power and Fuel	55.20	-
Repairs and Maintenance	1.03	-
Labour Charges (Net)	10.88	-
Total	335.52	-
Less: Sales during trial run	35.87	-
Less: Stock of trial run product :		
Finished Goods	205.80	-
Work-in-Process	49.74	-
Net Trial Run Expenditure Capitalised	44.11	-

9. a) The Company has an investment of Rs. 958.64 Lacs in Nilkamal Padma Plastics Pvt. Ltd. (NPPPL), Bangladesh, a Subsidiary Company and has also given guarantees amounting to Rs. 551.10 Lacs on behalf of NPPPL. The networth of NPPPL has substantially eroded due to operational losses. Considering the fact that the investment is of a strategic nature and the steps being taken by the Company to improve NPPPL's performance, no provision is considered necessary by the Management at present for any diminution in the value of investments and in respect of losses that may arise in respect of the guarantees given.

b) During the year, the Company has sold its entire investments in Nilkamal Bhoomi Developers Private Limited (a Subsidiary Company). The resultant net gain of Rs. 4,643.22 Lacs has been disclosed as an exceptional item in the Profit and Loss account.

10. Deposits include Security Deposit for premises, etc., of Rs. 645.25 Lacs (Previous year Rs. 408.58 Lacs), maximum balance during the year Rs. 645.25 Lacs (Previous year Rs. 408.58 Lacs) being amounts paid to a firm in which the Directors of the Company are interested.

11. Sundry Debtors include:

Rs. 43.24 Lacs (since received) (Previous year Rs. Nil), due from Nilkamal Bito Storage Systems Pvt. Ltd., a joint venture company.

12. Advances recoverable in cash or in kind includes:

(a) Due from Nilkamal Bhoomi Developers Pvt. Ltd. (an erstwhile subsidiary company) Rs. Nil (Previous year Rs. 2,814.50 Lacs), on account of Loans advanced; Maximum balance during the year Rs. 2,844.50 Lacs (Previous year Rs. 2,814.50 Lacs).

(b) Rs. 1.14 Lacs (since received) (Previous year Rs. Nil) being expenses recoverable from Nilkamal Bito Storage Systems Pvt. Ltd., a joint venture company.

13. In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has not been able to identify such suppliers and disclose the information required under the said Act relating to them. The Company has not received any intimation from any creditor, identifying their status as Micro, Small and Medium Enterprises under the Act.

14. Additional information pursuant to paragraphs 3,4, and 4D of Schedule VI of the Companies Act, 1956.

a) Details of Capacity, Product manufactured, Turnover, Opening Stock and Closing Stock of finished goods (excluding products manufactured on job work basis);

Particulars	2007-08				2006-07			
	Opening Stock		On Amalgamation	Production	Net Turnover		Closing Stock	
	Quantity (pcs. in lacs)	Amount (Rs. in lacs)	Quantity (pcs. in lacs)	Quantity (pcs. in Lacs)	Quantity* (pcs. in Lacs)	Amount (Rs. in Lacs)	Quantity (pcs in lacs)	Amount (Rs. in lacs)
Installed Capacity **	68,307 TPA				48,730 TPA			
Product Manufactured	Moulded Plastics Articles				Moulded Plastics Articles			
2007 - 08	13.09	1,804.27	5.27	316.29	301.91	52,673.98	32.74	5,068.95
2006 - 07	11.22	1,572.41	-	186.91	185.04	29,050.99	13.09	1,804.27

* Including samples

** As certified by the Management and being a technical matter, accepted by the Auditors as correct.

b) Purchase for Resale:-

	Opening Stock		On Amalgamation	Purchase		Net Turnover		Closing Stock	
	Quantity (in lacs)	Amount (Rs. in lacs)	Quantity (in lacs)	Quantity (in lacs)	Amount (Rs. in lacs)	Quantity* (in lacs)	Amount (Rs. in lacs)	Quantity (in lacs)	Amount (Rs. in lacs)
2007-08									
Moulded Plastic Articles and Others - Pcs	3.16	630.67	2.92	205.30	13,955.35	180.53	13,908.28	30.85	2154.94
Polymers (Kgs.) & Others	0.55	34.10	-	95.76	5,902.84	93.77	5,682.25	2.54	138.74
Readymade Home furniture, Furnishing, Accessories & Others—Pcs	2.28	1,396.54	-	5.79	4,492.97	4.29	5,551.03	3.78	2985.07
2006-07									
Injection Moulded Plastic Articles—Pcs	2.31	473.89	-	49.04	8,421.57	48.19	9,852.10	3.16	630.67
Polymers (Kgs.) & Others	1.56	68.28	-	96.44	4,832.98	97.45	4,948.25	0.55	34.10
Readymade Home furniture, Furnishing, Accessories & Others—Pcs	1.00	534.36	-	4.32	2,128.74	3.04	2,581.38	2.28	1396.54

* Including Samples.

c) Sale of Process Scrap Rs.77.29 Lacs (Previous year Rs.58.85 Lacs).

d) Details of Raw Material Consumed:-

Particulars	2007-08		2006-07	
	Qty. (Tonnes)	Value (Rs. in Lacs)	Qty. (Tonnes)	Value (Rs. in Lacs)
Polyethylene	24,842	15,317.39	11,847	7,300.10
Polypropylene	25,473	15,102.21	20,312	12,469.44
Others		1258.61	-	731.86
TOTAL		31,678.21		20,501.40

e) Details of Imported and Indigenous Raw Material Consumed:-

Particulars	2007-08		2006-07	
	Value (Rs. in Lacs)	%	Value (Rs. in Lacs)	%
Imported	537.39	1.70	437.53	2.13
Indigenous	31,140.82	98.30	20,063.87	97.87
TOTAL	31,678.21	100.00	20,501.40	100.00

f) Earnings in Foreign Currency :-

- i) FOB Value of exports Rs. 1,299.99 Lacs (Previous year Rs. 664.38 lacs).
- ii) Technical and Management Fees Rs. 102.25 Lacs (Previous year Rs. 114.84 Lacs).
- iii) Income Earned from Export of Services Rs. 45.40 Lacs (Previous Year Rs. Nil).

g) CIF Value of Imports:-

Particulars	2007-08 Rs. in Lacs	2006-07 Rs. in Lacs
Capital Goods	2,103.47	549.04
Raw Material	1,198.19	388.93
Traded Goods	4,327.69	961.69
Stores, Spares & Others	8.43	46.76
TOTAL	7,637.78	1,946.42

h) Expenditure in Foreign Currency:-

Particulars	2007-08 Rs. in Lacs	2006-07 Rs. in Lacs
Travelling Expenses	103.32	29.57
Interest	132.21	45.28
Legal & Professional Charges	46.08	-
Others	38.16	26.64
TOTAL	319.77	101.49

i) Investment in a foreign subsidiary Rs. 19.65 Lacs (Previous year Rs. 228.34 Lacs).

15. During the year, Nilkamal Crates & Bins Pvt. Ltd. (NCBPL) and Stackwell Marketing Services Pvt. Ltd. (SMSPL), primarily engaged in manufacturing and trading of plastic moulded articles, have been amalgamated with the Company. This Scheme of amalgamation was sanctioned by the Honorable High Court Judicature at Bombay vide its order dated 28th September, 2007. Accordingly, the Scheme has been given effect in the financial statements with effect from 1st April, 2007, being Appointment Date specified in the Scheme.

Pursuant to the Scheme;

- a) The assets, liabilities, rights & obligations of erstwhile NCBPL & SMSPL have been vested with the Company w.e.f. 01.04.2007 and have been recorded at their respective book values, under the Pooling of Interest method of accounting for amalgamation. The impact of differences in accounting policies of amalgamating Companies and the Company has been adjusted in the General Reserve of the Company, to reflect consistent accounting policies. Accordingly an amount of Rs. 311.64 Lacs has been adjusted against the General Reserve of the Company pursuant to the Scheme.
- b) The Company has issued 42,07,644 Equity shares of Rs. 10/- each to the share holders of erstwhile NCBPL & SMSPL in the ratio of 4 Equity shares of Rs. 10/- each for every 21 Equity shares of Rs. 1/-

each held in erstwhile NCBPL and 5 Equity shares of Rs. 10/- each for every 12 Equity shares of Rs. 1/- each held in erstwhile SMSPL.

- c) Excess of book values of the net assets taken over by the Company over the paid up value of Equity shares issued amounting to Rs. 2,919.46 Lacs has been credited to General Reserve as prescribed in the Scheme. Had the Scheme not prescribed this accounting treatment, the said amount would have been credited to Capital Reserve.

16. Disclosure in respect of derivative instruments:

- a) Derivatives contracts entered by the Company and outstanding as on 31st March, 2008 :-

(In Lacs)

Particulars	Currency	2007-08		2006-07	
		Forward	Swap	Forward	Swap
Loan Taken - Principal	USD	-	-	1.25	-
Loan Taken – Interest Rate	USD	-	8.89	-	13.33

- b) All derivative and financial instruments acquired by the Company are for hedging purpose only.
c) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2008.

(In Lacs)

Particulars	Currency	2007-08	2006-07
Receivables	USD	11.07	5.48
	EURO	1.84	0.24
	AUD	0.28	-
	GBP	0.12	-
Payables	USD	4.66	0.55
	EURO	0.95	-
Loan Taken	USD	76.85	12.08

17. Related Party Disclosures:

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2007-08	2007-08	2007-08	2007-08	2007-08	2006-07	2006-07	2006-07	2006-07	2006-07
Sales of Finished Goods/ Others	299.45	11.16	-	-	310.61	178.56	1.67	-	1709.73	1889.96
Nilkamal Eswaran Plastics Pvt. Ltd.	20.19	-	-	-	-	-	-	-	-	-
Nilkamal Eswaran Marketing Pvt. Ltd.	79.90	-	-	-	-	-	-	-	-	-
Nilkamal Padma Plastics Pvt. Ltd.	41.95	-	-	-	-	-	-	-	-	-
Nilkamal Crates & Bins – FZE	157.41	-	-	-	-	-	-	-	-	-
Nilkamal Bitto Storage Systems Pvt. Ltd.	-	11.16	-	-	-	-	-	-	-	-
Nilkamal Crates & Bins Pvt. Ltd	-	-	-	-	-	-	-	-	210.73	-
Stackwell Marketing Services Pvt Ltd	-	-	-	-	-	-	-	-	1499.00	-
Others	-	-	-	-	-	178.55	1.67	-	-	-
Purchases of raw materials, intermediaries and finished goods	0.25	528.56	-	-	528.81	-	-	-	108.60	108.60

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2007-08	2007-08	2007-08	2007-08	2007-08	2006-07	2006-07	2006-07	2006-07	2006-07
Nilkamal Bito Storage Systems Pvt. Ltd.	-	528.56	-	-	-	-	-	-	-	-
Nilkamal Crates & Bins Pvt Ltd	-	-	-	-	-	-	-	-	66.48	-
Stackwell Marketing Services Pvt Ltd	-	-	-	-	-	-	-	-	42.12	-
Others	0.25	-	-	-	-	-	-	-	-	-
Paid for services & labour charges	-	0.19	-	39.16	39.35	-	-	-	22.72	22.72
Nilkamal Crates & Containers	-	-	-	39.16	-	-	-	-	22.59	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	0.19	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	0.13	-
Received for services & labour charges	-	57.02	-	-	57.02	-	-	-	38.50	38.50
Nilkamal Bito Storage Systems Pvt. Ltd.	-	57.02	-	-	-	-	-	-	-	-
Nilkamal Crates & Bins Pvt Ltd	-	-	-	-	-	-	-	-	38.50	-
Purchase of fixed assets	79.41	52.69	-	-	132.10	-	-	-	355.93	355.93
Nilkamal Eswaran Plastics Pvt. Ltd.	22.44	-	-	-	-	-	-	-	-	-
Nilkamal Crates & Bins – FZE	56.97	-	-	-	-	-	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	52.69	-	-	-	-	-	-	-	-
Nilkamal Industrial Crates	-	-	-	-	-	-	-	-	355.93	-
Sales of fixed assets	27.45	-	-	-	27.45	-	1.91	-	-	1.91
Nilkamal Eswaran Plastics Pvt. Ltd.	27.45	-	-	-	-	-	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	-	-	-	-	-	1.91	-	-	-
Rent paid	-	-	-	38.05	38.05	-	-	-	41.82	41.82
Nilkamal Crates & Containers	-	-	-	37.39	-	-	-	-	32.10	-
Stackwell Marketing Services Pvt Ltd	-	-	-	-	-	-	-	-	9.72	-
Others	-	-	-	0.66	-	-	-	-	-	-
Remuneration to Directors			Refer Note No. 3					Refer Note No. 3		
Lease Charges Received	5.56	-	-	-	5.56	-	-	-	-	-
Nilkamal Eswaran Plastics Pvt. Ltd.	5.56	-	-	-	-	-	-	-	-	-
Deposit paid	-	-	-	-	-	-	-	-	2.49	2.49
Stackwell Marketing Services Pvt Ltd	-	-	-	-	-	-	-	-	2.49	-
Loan Given	30.00	-	-	-	30.00	3931.00	-	-	-	3931.00
Nilkamal Bhoomi Developers Pvt.Ltd.	30.00	-	-	-	-	3931.00	-	-	-	-
Re-payment of Loans Given	2844.50	-	-	-	2844.50	1116.50	-	-	-	1116.50
Nilkamal Bhoomi Developers Pvt.Ltd.	2844.50	-	-	-	-	1116.50	-	-	-	-

Schedules forming part of the Accounts

Nilkamal Limited

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2007-08	2007-08	2007-08	2007-08	2007-08	2006-07	2006-07	2006-07	2006-07	2006-07
Interest received on Loan Given	234.19	-	-	-	234.19	179.25	-	-	-	179.25
Nilkamal Bhoomi Developers Pvt.Ltd.	234.19	-	-	-	-	179.25	-	-	-	-
Receipt of Interest Receivable	373.22	-	-	-	373.22	-	-	-	-	-
Nilkamal Bhoomi Developers Pvt.Ltd.	373.22	-	-	-	-	-	-	-	-	-
Technical and Management Fees received	102.25	9.79	-	-	112.04	114.84	-	-	-	114.84
Nilkamal Eswaran Plastics Pvt. Ltd.	102.25	-	-	-	-	114.84	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	9.79	-	-	-	-	-	-	-	-
Equity contribution	19.65	900.00	-	-	919.65	228.34	925.00	0.50	-	1153.84
Nilkamal Padma Plastics Pvt. Ltd.	-	-	-	-	-	228.34	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	900.00	-	-	-	-	925.00	-	-	-
Others	19.65	-	-	-	-	-	-	0.50	-	-
Reimbursement of Expenses (net of recovery)	4.41	6.84	-	0.08	11.33	12.08	18.37	-	64.00	94.45
Nilkamal Crates & Bins – FZE	4.10	-	-	-	-	-	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	6.84	-	-	-	-	18.37	-	-	-
Nilkamal Crates & Containers	-	-	-	0.08	-	-	-	-	-	-
Nilkamal Eswaran Plastics Pvt. Ltd.	-	-	-	-	-	9.76	-	-	-	-
Nilkamal Crates & Bins Pvt Ltd	-	-	-	-	-	-	-	-	34.27	-
Nilkamal Industrial Crates	-	-	-	-	-	-	-	-	28.60	-
Others	0.31	-	-	-	-	2.32	-	-	1.13	-
Balances Outstanding at the year end:	-	-	-	-	-	-	-	-	-	-
Fixed Deposit (kept as Lien with bank)	50.00	-	-	-	50.00	75.00	-	-	-	75.00
Nilkamal Padma Plastics Pvt. Ltd.	50.00	-	-	-	-	75.00	-	-	-	-
Corporate Guarantee Outstanding	551.10	-	-	-	551.10	486.05	-	-	-	486.05
Nilkamal Padma Plastics Pvt. Ltd.	551.10	-	-	-	-	486.05	-	-	-	-
Loan Receivable	-	-	-	-	-	2814.50	-	-	-	2814.50
Nilkamal Bhoomi Developers Pvt.Ltd.	-	-	-	-	-	2814.50	-	-	-	-
Technical and Management Fees receivable	60.46	-	-	-	60.46	-	-	-	-	-
Nilkamal Eswaran Plastics Pvt. Ltd.	60.46	-	-	-	-	-	-	-	-	-

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2007-08	2007-08	2007-08	2007-08	2007-08	2006-07	2006-07	2006-07	2006-07	2006-07
Interest Receivable	-	-	-	-	-	139.03	-	-	-	139.03
Nilkamal Bhoomi Developers Pvt.Ltd.	-	-	-	-	-	139.03	-	-	-	-
Deposits Receivable	-	-	1.00	645.25	646.25	-	-	-	408.58	408.58
Nilkamal Crates & Containers	-	-	-	645.25	-	-	-	-	395.25	-
Others	-	-	1.00	-	-	-	-	-	13.33	-
Other Receivables / (Payables) (Net)	240.59	42.98	(0.66)	(3.86)	279.05	112.91	3.51	-	129.28	245.70
Nilkamal Eswaran Plastics Pvt. Ltd.	-	-	-	-	-	83.96	-	-	-	-
Nilkamal Crates & Bins – FZE	194.20	-	-	-	-	-	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	42.98	-	-	-	-	-	-	-	-
Others	46.39	-	(0.66)	(3.86)	-	28.95	3.51	-	11.40	-
Stackwell Marketing Services Pvt Ltd	-	-	-	-	-	-	-	-	117.88	-

NOTES:

Names of related parties and description of relationship

i	Subsidiaries	Nilkamal Eswaran Plastics Pvt Ltd. Nilkamal Eswaran Marketing Pvt.Ltd. Nilkamal Padma Plastics Pvt. Ltd. Nilkamal Bhoomi Developers Pvt. Ltd (Ceased w.e.f. 13.12.2007) Nilkamal Crates & Bins, FZE.
ii	Joint Venture	Nilkamal Bito Storage Systems Pvt Ltd.
iii	Key Management Personnel	Shri Vamanrai V. Parekh Shri Sharad V. Parekh Shri Hiten V. Parekh Shri Manish V. Parekh Shri Nayan S. Parekh
iv	Enterprise owned or significantly influenced by key Management personnel or their relatives	1. Nilkamal Crates & Containers 2. Nilkamal Crates & Bins Pvt. Ltd. (*) 3. Stackwell Marketing Services Pvt. Ltd.(*) 4. Nilkamal Industrial Crates

* Amalgamated into Nilkamal Limited (w.e.f. 01.04.2007)

Note:

Following individuals and entities taken together with persons and entities shown above under 'Related Party Transactions' disclosure will constitute to form a 'Group'.

Mrs. Nalini V. Parekh, Mrs. Maya S. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Mrs. Purvi N. Parekh, Mrs. Rajul M Gandhi, Mrs. Dhruvi Nakul Kumar, Miss Priyanka H. Parekh, Master Mihir H. Parekh, Master Eashan M. Parekh, Mr. Manoj K. Gandhi, Vamanrai V. Parekh (HUF), Sharad V. Parekh (HUF), Hiten V. Parekh (HUF), Manish V. Parekh (HUF), Nayan S. Parekh (HUF), A. M. Engineering Pvt. Ltd., Stack Plast Pvt. Ltd, Parekh Plasto Industries Pvt. Ltd., Nilkamal Industries Plastics Pvt. Ltd., Shrimant Holding Pvt. Ltd., Heirloom Finance Pvt. Ltd, and Nilkamal Builders Pvt. Ltd.

Remuneration paid to directors is disclosed elsewhere in the notes to the Accounts.

18. Nilkamal brand used by Nilkamal Limited, is owned by Nilkamal Crates & Containers for which no payment of royalty is made by Nilkamal Limited to Nilkamal Crates and Containers.

19. **Deferred Tax Asset / Liabilities:**

Major components of deferred tax assets and liabilities arising on account of timing differences are:

(Rs. in Lacs)

Particulars	2007-08		2006-07	
	Assets	Liabilities	Assets	Liabilities
Depreciation	-	1,463.59	-	822.16
Employee's Benefits	114.15	-	-	-
Provision for Doubtful Debts	71.92	-	44.27	-
Others	77.28	-	59.72	-
TOTAL	263.35	1,463.59	103.99	822.16

20. **Operating Lease in respect of Property taken on Lease:**

Particulars	2007-08 Rs. in Lacs	2006-07 Rs. in Lacs
a Lease payments recognised in the Profit and Loss Account	967.46	630.47
b Future minimum Lease Payments under non cancelable agreements.		
i) Not later than one year	1,224.61	711.47
ii) Later than one year and not later than 5 years	1,048.64	592.22
iii) Later than 5 years	-	-

The agreements are executed for the period of 36 to 216 months with a non cancelable period from 0 to 36 months and having a renewable clause.

21. **Disclosure pursuant to Accounting Standard – 15 "Employee Benefits":**

- a) The Company adopted Accounting Standard (AS – 15) "Employee Benefits" effective from April 1, 2007. Consequent to the adoption, an amount of Rs. 65.72 Lacs (net of deferred tax Rs. 33.84 Lacs) (refer Schedule B) in accordance with the transitional provision in the Accounting Standard is adjusted against General Reserve.
- b) Amount of Rs. 99.08 Lacs towards defined contribution plans is recognised as expense in the Profit and Loss Account.
- c) Defined Benefit Plan Disclosures: (Rs. in Lacs)

Sr.No.	Particulars	Gratuity
1	Components to employer Expense	
	a) Current Service Cost	19.66
	b) Interest Cost	11.43
	c) Actuarial (Gain)/Loss	(8.65)
	d) Total expense/(gain) recognised in the Profit & Loss Account	22.44
2	Net Asset/(Liability) recognised in Balance Sheet as at 31st March, 2008	
	a) Present Value of Obligation as at 31st March, 2008	145.54
	b) Fair Value of Plan Assets as at 31st March, 2008	51.14
	c) (Asset)/Liability recognised in the Balance Sheet	94.40
3	Change in Defined Benefit Obligation (DBO) during the year ended as on 31st March, 2008	
	a) Present Value of Obligation as at 31st March, 2007	123.10
	b) Current Service cost	19.66
	c) Interest Cost	11.43
	d) Actuarial (Gain)/Loss	(8.65)
	e) Present Value of Obligation as at 31st March, 2008	145.54
4	Changes in the Fair Value of Plan Assets	
	a) Present Value of Plan Assets as at 31st March, 2007	Nil
	b) Actual Company Contribution	51.14
	c) Fair Value Of Plan Assets as at 31st March, 2008	51.14

Sr.No.	Particulars	Gratuity
5	Actuarial Assumptions	
	a) Discount Rate (per annum)	8%
	b) Expected Rate of Return on Assets (per annum)	8%
	c) Salary Escalation Rate	5%
6	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2008	
	Insurer Managed Funds	100%

The estimates of future salary increases considered takes into account the inflation, seniority, promoters and other relevant factors.

22. Information on Joint Ventures:

a) Jointly Controlled Entity :

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest
Nilkamal Bito Storage Systems Pvt. Ltd.	India	50

b) Contingent Liability in respect of the Joint Venture:

(Rs. In Lacs)

Particulars	2007-08	2006-07
Share of the company in Contingent Liability incurred by the jointly controlled entity	2.66	-

c) Capital Commitment in respect of the Joint Venture:

(Rs. In Lacs)

Particulars	2007-08	2006-07
Share of the Company in Capital Commitments of the Jointly Controlled Entity	2.85	107.57

23. Interest in the Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entity :

(Rs. In Lacs)

	2007-08	2006-07
A) Assets :		
a) Fixed Assets (Net Block)	1,419.62	57.59
Capital Work-in-Progress	1.27	1,128.19
b) Current Assets, Loans and Advances		
Inventories	590.56	71.05
Sundry Debtors	393.41	-
Cash and Bank Balances	62.55	43.29
Loans and Advances	209.13	90.55
Other Current Assets	13.83	60.87
B) Liabilities :		
a) Loan Funds :		
Secured Loans	894.54	390.07
b) Current Liabilities and Provisions :		
Current Liabilities	317.58	130.94
Provisions	13.91	3.38
C) Income:		
Net Sales	905.80	-
Other Income	17.15	-
D) Expenditure:		
Material Costs	798.44	-
Manufacturing and Other Costs	184.94	-
(Increase) in Stock	(178.85)	-
Employment Costs	114.16	-
Administrative, Selling and General Expenses	173.16	-

	2007-08	2006-07
Financial Expenses (Net)	111.75	-
Depreciation and Amortisation	88.16	-
Others	1.60	2.18
Trial Run Expenses Capitalised	(40.41)	-
Provision for Taxes	3.25	-
Prior Period Items	0.43	-

24. **Computation of Profit for Earnings per share :**

	2007-08	2006-07
Profit for the year after tax	5,735.82	694.82
Less : Exceptional Items (Net of Tax)	3,590.22	-
Profit Excluding Exceptional Item	2,145.60	694.82
Nominal Value per Share in Rupees	10.00	10.00
Weighted average number of equity shares Outstanding during the year	12,782,344	8,574,700

25. Due to the Amalgamation, previous year's figures may not be strictly comparable to that of the current year.

26. Previous year's figures have been regrouped/rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian
PartnerFor and on behalf of
VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia
Partner**FOR AND ON BEHALF OF THE BOARD****Sharad V. Parekh**
Managing Director**Hiten V. Parekh**
Executive Director**Paresh B. Mehta**
Financial controller**Priti P. Dave**
Company Secretary

Place : Mumbai

Date: June 14, 2008

DETAILS OF BALANCE SHEET AS AT 31ST MARCH 2008 AND INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2008 OF SUBSIDIARY COMPANIES.

(Rs. In Lacs)

Particulars	Nilkamal Eswaran Plastics Private Limited (Sri Lanka)	Nilkamal Eswaran Marketing Private Limited (Sri Lanka)	Nilkamal Padma Plastics Private Limited (Bangladesh)	Nilkamal Crates & Bins-FZE (Ajman - U.A.E.)
1. Share Capital	55.42	-	749.68	19.84
2. Reserves and Surplus	592.51	(4.23)	(727.97)	120.08
3. Total Assets	1,792.67	65.49	677.40	413.67
4. Total Liabilities @	1,144.74	69.72	655.69	273.75
5. Turnover and Other Income	3,980.92	145.60	998.51	681.88
6. Profit Before Taxation	208.64	12.11	(157.59)	85.61
7. Provision for Taxation (incl. Deferred Tax)	94.33	-	(0.71)	-
8. Profit After Taxation	114.31	12.11	(158.30)	85.61

@ Includes Deferred Tax Assets (net)

Note - In respect of Foreign Subsidiaries

- Item Nos. 1 to 4 are translated at exchange rate as on March 31, 2008 as follows;
1 US \$ (United State Dollar) - INR 39.52 (Indian Rupee).
- Item Nos. 5 to 8 are translated at monthly closing rate.

Balance Sheet Abstract and Company's General Business Profile
Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.

1	2	5	2	0	9	D	N	2	0	0	2	P	L	C	1	6	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

5	4
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Balance Sheet Date

3	1	-	0	3	-	2	0	0	8
---	---	---	---	---	---	---	---	---	---

II. Capital raised during the year (Amount Rs. in Lacs)

Public Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Rights Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L							
N	I	L							
Bonus Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L							
N	I	L							

Note: 42,07,644 Equity Shares of Rs.10 each were allotted to shareholders of Nilkamal Crates & Bins Pvt.Ltd. and Stackwell Marketing Services Pvt. Ltd. on Amalgamation with the company effective April 1, 2007.

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Lacs)

Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>4</td><td>1</td><td>2</td><td>3</td></tr></table>			5	4	1	2	3	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>4</td><td>1</td><td>2</td><td>3</td></tr></table>			5	4	1	2	3		
		5	4	1	2	3													
		5	4	1	2	3													
Source of Funds																			
Paid Up-Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>2</td><td>7</td><td>8</td></tr></table>				1	2	7	8	Reserves & Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>9</td><td>5</td><td>2</td><td>1</td></tr></table>				1	9	5	2	1	
			1	2	7	8													
			1	9	5	2	1												
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>8</td><td>3</td><td>1</td><td>4</td></tr></table>				2	8	3	1	4	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>3</td><td>8</td><td>1</td><td>0</td></tr></table>					3	8	1	0
			2	8	3	1	4												
				3	8	1	0												
Deferred Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>1</td><td>2</td><td>0</td><td>0</td></tr></table>					1	2	0	0										
				1	2	0	0												
Application of Funds																			
Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>2</td><td>8</td><td>1</td><td>1</td></tr></table>				2	2	8	1	1	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>2</td><td>8</td><td>9</td><td>8</td></tr></table>					2	8	9	8
			2	2	8	1	1												
				2	8	9	8												
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>8</td><td>4</td><td>1</td><td>4</td></tr></table>				2	8	4	1	4										
			2	8	4	1	4												
Misc. Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>							-	-	Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>							-	-
						-	-												
						-	-												

IV. Performance of Company (Amount Rs. in Lacs)

Turnover (Including other Income)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>7</td><td>8</td><td>1</td><td>4</td><td>7</td></tr></table>				7	8	1	4	7	Total Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>7</td><td>5</td><td>0</td><td>0</td><td>6</td></tr></table>				7	5	0	0	6	
			7	8	1	4	7													
			7	5	0	0	6													
Extra Ordinary Items	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>4</td><td>6</td><td>4</td><td>3</td></tr></table>					4	6	4	3	Profit / (Loss) before Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>7</td><td>7</td><td>8</td><td>5</td></tr></table>					7	7	8	5	
				4	6	4	3													
				7	7	8	5													
Profit / (Loss) after Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>5</td><td>7</td><td>3</td><td>6</td></tr></table>					5	7	3	6	Earning Per Share (Rs.)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>1</td><td>6</td><td>.</td><td>7</td><td>9</td></tr></table>					1	6	.	7	9
				5	7	3	6													
				1	6	.	7	9												
Dividend Rate (%)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>6</td><td>5</td></tr></table>							6	5											
						6	5													

V. Generic Names of three principal products of the Company (As per Monetary Terms)

Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>3</td><td>.</td><td>9</td><td>0</td></tr></table>	3	9	2	3	.	9	0	Product Description	Material Handling Crates
3	9	2	3	.	9	0				
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>1</td><td>.</td><td>0</td><td>0</td></tr></table>	9	4	0	1	.	0	0	Product Description	Plastic Moulded Furniture
9	4	0	1	.	0	0				
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>3</td><td>.</td><td>8</td><td>9</td></tr></table>	9	4	0	3	.	8	9	Product Description	Readymade Furniture other than Plastics
9	4	0	3	.	8	9				

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial controller

Priti P. Dave
Company Secretary

FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Net Sales	24,821	26,973	31,402	32,666	36,236	46,492	78,030
Profit Before Tax	1,094	1,262	1,693	1,263	962	740	3,142
Profit After Tax	975	1,134	1,546	1,289	785	695	5,736
Share Capital	857	857	857	857	857	857	1,278
Reserves and Surplus	8,339	9,251	10,519	11,330	11,821	12,215	19,521
Shareholder's Funds	9,196	10,108	11,376	12,187	12,678	13,072	20,799
Loan Funds	8,924	7,609	7,861	7,864	7,631	14,746	32,124
Total Capital Employed	18,120	17,717	19,238	20,051	20,309	27,818	52,923
Deffered Tax Liability	1,298	1,246	1,093	895	793	718	1,200
Gross Block	16,564	17,288	18,723	19,915	21,195	23,854	40,176
Net Block	10,816	10,097	10,221	9,849	9,695	10,977	22,811
Investments	375	375	812	725	828	1,978	2,898
Net Current Assets	8,227	8,491	9,298	10,372	10,579	15,582	28,415

RATIO

Domestic Turnover/Total Turnover	97.76	98.34	98.42	98.31	97.86	98.43	98.14
Exports/Total Turnover	1.00	1.16	0.96	1.00	1.25	1.34	1.73
Other Income/Total Turnover	1.25	0.51	0.62	0.69	0.90	0.23	0.13
Raw Material/Total Turnover	52.53	59.77	61.67	65.30	67.62	64.71	57.56
Duties & Levies/Total Turnover	11.49	9.88	9.12	9.12	8.54	12.75	12.32
Overheads/Total Turnover	19.49	16.38	15.25	13.39	12.46	13.35	16.95
Adv & Sales Exps/Total Sales	2.90	2.31	1.25	0.69	1.14	0.81	1.34
Interest/Total Turnover	4.52	2.49	1.70	1.53	1.53	1.60	2.99
Profit before Interest & Tax/Total Turnover	8.37	6.68	6.57	5.02	3.93	2.98	6.51
Profit before Tax/Total Turnover	3.85	4.19	4.87	3.49	2.40	1.38	3.53
Depreciation//Total Turnover	5.61	5.25	4.93	4.41	4.18	2.88	2.61
Tax/Total Turnover	0.42	0.43	0.42	(0.07)	0.44	0.08	1.12
Net Profit/Total Turnover	3.43	3.77	4.44	3.56	1.96	1.39	2.41
Cash Profit/Total Turnover	9.04	9.02	9.37	7.97	6.14	4.47	5.02
Return on Capital Employed	12.03	11.22	12.36	9.26	7.80	6.62	14.37
Return on Net Worth	11.68	13.07	15.76	10.72	7.74	5.75	18.55
Balance Sheet Ratios							
Debt-Equity	0.97	0.75	0.69	0.65	0.60	1.13	1.54
Debtors Turnover (days)	61	44	42	59	51	47	54
Inventory Turnover	46	54	51	53	45	50	75
Current Ratio	4.48	3.88	4.65	3.94	3.83	4.80	4.45
Quick Ratio	3.15	2.53	2.92	2.59	2.63	3.25	2.51
Depreciation/Gross Block (%)	9.65	9.19	9.32	8.16	8.07	6.85	6.01
Asset Turnover	2.30	2.69	3.18	3.44	3.93	4.84	3.64
Per Share Data - Rs.							
EPS	11.37	13.22	18.03	15.04	9.15	8.10	16.79
CEPS	29.97	31.65	38.02	33.65	28.64	26.05	35.02
Book Value	107.25	117.89	132.67	142.13	147.86	152.45	162.72
Shareholder Statistics							
DPS	1.80	2.20	3.00	3.00	3.00	3.00	6.50
Dividend (%)	18	22	30	30	30	30	65
Dividend Payout (Rs)	1.54	1.89	2.93	2.93	2.93	3.01	9.72
Dividend Payout (%)	15.83	16.62	18.75	22.75	37.32	43.31	16.95

All above Ratio is calculated after Excluding Exceptional Income

Auditors' Report to the Board of Directors of Nilkamal Limited on the Consolidated Financial Statements of Nilkamal Limited

We have examined the attached consolidated Balance Sheet of Nilkamal Limited, its Subsidiaries and its joint venture as at 31st March, 2008, the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date.

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. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of any of the subsidiaries whose financial statements reflect total assets of Rs.2,949.22 Lacs as at 31st March, 2008 and total revenues of Rs.5,177.22 Lacs for the year then ended. Other auditors, whose reports have been furnished to us, have audited these financial statements, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiary Companies, is based solely on the report of the other auditors.

The consolidated financial statements include unaudited financial statements of Nilkamal Bito Storage Systems Private Limited (NBSS), a Joint Venture Company. These financial statements have been compiled and certified by the management of NBSS and reflect total assets of Rs.2,690.37 Lacs as at 31st March, 2008 and total revenue of Rs.922.95 Lacs for the year then ended.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests of Joint Ventures' and on the basis of separate audited / certified financial statements of Nilkamal Limited, its subsidiaries and its joint venture.

On the basis of the information and explanations given to us, we are of the opinion that, except for the consequential effect, if any, on account of possible adjustments in respect of the unaudited financial statements of NBSS:

- (a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Nilkamal Limited, its subsidiaries and its joint venture as at 31st March, 2008;
- (b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Nilkamal Limited, its subsidiaries and its joint venture for the year then ended, and
- (c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Nilkamal Limited, its subsidiaries and its joint venture for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Venkatesh Subramanian
Partner
Membership No.37942

For and on behalf of
VORA & ASSOCIATES
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No.31756

Place : Mumbai
Date : June 14, 2008

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs
I. SOURCES OF FUNDS						
1. SHAREHOLDERS' FUND						
(a) Share Capital	A	1,278.23	-	1,278.23	857.47	857.47
(b) Reserves and Surplus	B	19,130.20	(361.17)	18,769.03	11,758.34	11,759.99
Joint Venture Control Account		(1,825.50)	1,825.50	-	(925.50)	-
		18,582.93	1,464.33	20,047.26	11,690.31	12,617.46
MINORITY INTEREST		193.92	-	193.92	139.74	139.74
2. LOAN FUNDS						
(a) Secured Loans	C	29,110.29	894.54	30,004.83	11,182.02	11,572.09
(b) Unsecured Loans	D	3,809.44	-	3,809.44	5,316.48	5,316.48
		32,919.73	894.54	33,814.27	16,498.50	16,888.57
3. DEFERRED TAX LIABILITY (NET) (Refer Note 9)		1,247.16	-	1,247.16	806.89	806.89
TOTAL		52,943.74	2,358.87	55,302.61	29,135.44	30,452.66
II. APPLICATION OF FUNDS						
1. FIXED ASSETS						
(a) Gross Block	E	41,661.31	1,510.05	43,171.36	25,360.79	25,420.66
Less: Depreciation and Amortisation		19,205.94	90.43	19,296.37	14,534.67	14,536.95
Net Block		22,455.37	1,419.62	23,874.99	10,826.12	10,883.71
(b) Capital Work In Progress (including advances on capital account)		1,392.72	1.27	1,393.99	1,376.19	2,504.38
		23,848.09	1,420.89	25,268.98	12,202.31	13,388.09
2. INVESTMENTS	F	0.50	-	0.50	0.04	0.04
3. CURRENT ASSETS, LOANS & ADVANCES						
(a) Inventories		16,747.30	590.56	17,337.86	11,106.80	11,177.85
(b) Sundry Debtors		13,445.69	393.41	13,839.10	6,551.23	6,551.23
(c) Cash and Bank Balances		1,545.58	62.55	1,608.13	807.70	850.99
(d) Loans And Advances		6,259.32	217.82	6,477.14	3,478.71	3,628.82
		37,997.89	1,264.34	39,262.23	21,944.44	22,208.89
LESS: CURRENT LIABILITIES AND PROVISIONS						
(a) Current Liabilities	H	8,062.06	317.58	8,379.64	4,554.27	4,686.37
(b) Provisions	I	840.68	8.78	849.46	457.08	457.99
		8,902.74	326.36	9,229.10	5,011.35	5,144.36
NET CURRENT ASSETS		29,095.15	937.98	30,033.13	16,933.09	17,064.53
TOTAL		52,943.74	2,358.87	55,302.61	29,135.44	30,452.66
SIGNIFICANT ACCOUNTING POLICIES	P					
NOTES TO ACCOUNTS	Q					

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian
PartnerFor and on behalf of
VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia
PartnerPlace : Mumbai
Date : June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing DirectorHiten V. Parekh
Executive DirectorParesh B. Mehta
Financial controllerPriti P. Dave
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended on 31.03.2008 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended on 31.03.2007 Rs. in Lacs
I INCOME						
Gross Sales and Income from Services	J	94,496.77	1,067.39	95,564.16	59,137.10	- 59,137.10
Less : Duties and Levies		11,613.83	161.59	11,775.42	7,592.28	- 7,592.28
NET SALES		82,882.94	905.80	83,788.74	51,544.82	- 51,544.82
Other Income	K	15.19	17.15	32.34	43.75	- 43.75
TOTAL		82,898.13	922.95	83,821.08	51,588.57	- 51,588.57
II EXPENDITURE						
Materials consumed / Cost of goods traded / Work in Progress (Land)	L	54,484.81	619.59	55,104.40	37,749.89	- 37,749.89
Purchase of Flat		-	-	-	294.95	-
Employees Remuneration and Benefits	M	3,949.35	114.16	4,063.51	2,051.37	- 2,051.37
Operating and other expenses	N	15,808.57	381.32	16,189.89	7,916.21	2.18 7,918.39
Financial Expenses	O	2,856.43	119.28	2,975.71	1,246.96	- 1,246.96
Depreciation/Amortisation		2,570.68	88.16	2,658.84	1,726.25	- 1,726.25
TOTAL		79,669.84	1,322.51	80,992.35	50,985.63	2.18 50,987.81
CONSOLIDATED PROFIT BEFORE TRIAL RUN EXPENDITURE AND TAXATION		3,228.29	(399.56)	2,828.73	602.94	(2.18) 600.76
Less: Trial Run Expenses Capitalised		(44.11)	(40.41)	(84.52)	-	-
CONSOLIDATED PROFIT BEFORE EXCEPTIONAL INCOME AND TAXATION		3,272.40	(359.15)	2,913.25	602.94	(2.18) 600.76
Add: Exceptional Income						
Profit on sale of Investment in a Subsidiary Company [Refer Note 5]		4,660.91	-	4,660.91	-	-
Profit before Taxation		7,933.31	(359.15)	7,574.16	602.94	(2.18) 600.76
Less: Provision for taxation						
Current Tax		1,770.39	-	1,770.39	241.33	- 241.33
Deferred Tax		232.47	-	232.47	(103.84)	- (103.84)
Fringe Benefit Tax		115.00	3.23	118.23	38.00	- 38.00
Taxation for earlier years written off/ (written back)		16.26	0.60	16.86	(93.63)	- (93.63)
CONSOLIDATED NET PROFIT AFTER TAX		5,799.19	(362.98)	5,436.21	521.08	(2.18) 518.90
Less: Prior Period Adjustments (Net)		1.34	(0.16)	1.18	15.44	- 15.44
Add / (Less) : Minority Interest		(35.55)	-	(35.55)	20.03	- 20.03
NET CONSOLIDATED PROFIT FOR THE YEAR		5,762.30	(362.82)	5,399.48	525.67	(2.18) 523.49
BALANCE OF PROFIT BROUGHT FORWARD		1,718.63	(2.18)	1,716.45	1,766.91	- 1,766.91
PROFIT AVAILABLE FOR APPROPRIATION		7,480.93	(365.00)	7,115.93	2,292.58	(2.18) 2,290.40
III APPROPRIATIONS						
Proposed Dividend		383.47	-	383.47	257.24	- 257.24
Interim Dividend		447.38	-	447.38	-	-
Tax on Dividend		141.20	-	141.20	43.72	- 43.72
Translation Difference adjusted		(3.11)	-	(3.11)	66.49	- 66.49
Transfer to General Reserve		2,257.90	-	2,257.90	200.00	- 200.00
Balance carried to Balance Sheet		4,254.09	(365.00)	3,889.09	1,725.13	(2.18) 1,722.95
TOTAL		7,480.93	(365.00)	7,115.93	2,292.58	(2.18) 2,290.40
Earning per Equity Share of Rs.10/- Each (Refer Note 11)						
Basic and Diluted Earnings per Share including exceptional item				42.22		5.25
Basic and Diluted Earnings per Share excluding exceptional item				13.99		5.25
SIGNIFICANT ACCOUNTING POLICIES	P					
NOTES TO ACCOUNTS	Q					

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian
Partner

For and on behalf of
VORA & ASSOCIATES
Chartered Accountants

Bharat B. Chovatia
Partner

Place : Mumbai
Date : June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial controller

Priti P. Dave
Company Secretary

Consolidated Cash Flow Statement

Nilkamal Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008.

	2007 - 2008		2006 - 2007	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,574.16		600.76
Adjustments for :				
Depreciation and Amortisation	2,658.84		1,726.25	
(Profit)/Loss on sale of Fixed Assets	18.59		(26.52)	
Interest Payments (Net)	2,975.71		1,246.96	
Provision for doubtful debts written off (written back)	8.51		(8.93)	
Bad Debts Written Off	5.15		17.79	
Provision for Gratuity and Leave Salary	79.76		59.79	
Income from Investment	-		(1.94)	
Preliminary Expenses	-		1.37	
Share issue Expenses	1.60		0.94	
Exchange (Gain)/Loss on Translation	(3.11)		(4.85)	
Provision for Wealth Tax	3.75		1.90	
	<u>5,748.80</u>		<u>3,012.76</u>	
Less : Exceptional Item	4,660.91	1,087.89	-	3,012.76
Operating Profit before Working Capital changes		8,662.05		3,613.52
Adjustments for :				
Trade and Other Receivables	(5,046.02)		(284.73)	
Inventories	(2,907.08)		(5,853.09)	
Trade Payable & Other Liabilities	1,858.10		305.50	
Direct Tax Paid (Net of Refund)	(1,012.48)		(407.10)	
		<u>(7,107.48)</u>		<u>(6,239.42)</u>
Net Cash Flow from Operating Activities.....A		1,554.57		(2,625.90)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets (including CWIP)	(10,849.96)		(4,290.14)	
Sale of Fixed Assets	163.88		95.47	
Sales proceeds of Investment in Subsidiary (Net of Taxes)	3,607.91		-	
Interest Received	-		1.94	
Share of exchange gain on receipt of Share Premium	-		3.83	
Net Cash Flow from Investing Activities.....B		(7,078.17)		(4,188.90)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds / (Repayment) of Long Term Borrowings (Net)	4,968.27		3,434.24	
Proceeds / (Repayment) of Unsecured Loans (Net)	(3,681.26)		4,790.50	
Proceeds from Working Capital Loans (net)	8,786.04		291.44	
Interest Paid (Net)	(3,162.98)		(1,097.97)	
Translation Adjustments	-		8.12	
Increase / (Decrease) in Advance against Share Capital	-		(4.16)	
Dividend paid (including tax on dividend)	(820.83)		(295.83)	
Preliminary Expenditure	-		(1.37)	
Share Issue Expenses	(1.60)		(0.94)	
Net Cash Flow from Financing Activities.....C		6,087.64		7,124.03
Net Increase in Cash and Cash Equivalents (A + B + C)		564.04		309.23
Cash and Cash Equivalents as at 01.04.2007	730.29		421.06	
Add : On Amalgamation	176.71		-	
	<u>907.00</u>		<u>421.06</u>	
Cash and Cash Equivalents as at the year end	1,471.04		730.29	
		<u>564.04</u>		<u>309.23</u>
Reconciliation to Cash and Bank Balances given in Schedule G -is as follows :-				
Cash and Bank Balances		1,608.13		850.99
Less:				
Balances in Fixed Deposit accounts pledged with Various -Government Authorities	87.09		16.77	
Balances in Fixed Deposit accounts kept as margin money with the bankers	50.00		103.93	
		<u>137.09</u>		<u>120.70</u>
Cash and Cash Equivalents as at the year end	1,471.04		730.29	

Previous year's figures have been regrouped / recast wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian
Partner

For and on behalf of
VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia
Partner

Place : Mumbai
Date : June 14, 2008

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial controller

Priti P. Dave
Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs
SCHEDULE : 'A'						
SHARE CAPITAL						
AUTHORISED:						
2,20,00,000 Equity Shares (Previous Year 90,00,000 Equity Shares) of Rs. 10/- each	2,200.00	-	2,200.00	900.00	-	900.00
30,00,000 Preference Shares of Rs.10/- each	300.00	-	300.00	300.00	-	300.00
	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>1,200.00</u>	<u>-</u>	<u>1,200.00</u>
ISSUED, SUBSCRIBED AND PAID UP:						
1,27,82,344 Equity Shares (Previous Year 85,74,700 Equity Shares) of Rs. 10/- each [Refer Note 6 (b)]	1,278.23	-	1,278.23	857.47	-	857.47
TOTAL	<u>1,278.23</u>	<u>-</u>	<u>1,278.23</u>	<u>857.47</u>	<u>-</u>	<u>857.47</u>
SCHEDULE : 'B'						
RESERVES AND SURPLUS						
CAPITAL RESERVE						
As per last Account	1,085.16	-	1,085.16	1,085.16	-	1,085.16
SECURITIES PREMIUM ACCOUNT						
As per last Account	754.55	3.83	758.38	754.55	-	754.55
Add: During the year	-	-	-	-	3.83	3.83
GENERAL RESERVE						
As per last Account	8,200.00	-	8,200.00	8,000.00	-	8,000.00
Less: Employee Benefits adjusted (Refer Note 12)	65.72	-	65.72	-	-	-
Add: On Amalgamation (Refer Note 6)	2,955.86	-	2,955.86	-	-	-
Less: Adjustment in respect of difference in accounting policies (Refer Note 6)	311.64	-	311.64	-	-	-
Add: Transfer from Profit and Loss Account	2,257.90	-	2,257.90	200.00	-	200.00
	<u>13,036.40</u>	<u>-</u>	<u>13,036.40</u>	<u>8,200.00</u>	<u>-</u>	<u>8,200.00</u>
PROFIT AND LOSS ACCOUNT						
Surplus / (Deficit) as per Annexed Account	4,254.09	(365.00)	3,889.09	1,725.13	(2.18)	1,722.95
Less: Loss on Capital Restructure	-	-	-	6.50	-	6.50
	<u>4,254.09</u>	<u>(365.00)</u>	<u>3,889.09</u>	<u>1,718.63</u>	<u>(2.18)</u>	<u>1,716.45</u>
TOTAL	<u>19,130.20</u>	<u>(361.17)</u>	<u>18,769.03</u>	<u>11,758.34</u>	<u>1.65</u>	<u>11,759.99</u>
SCHEDULE : 'C'						
SECURED LOANS						
(A) Working Capital Loans From Banks	18,773.98	894.54	19,668.52	6,974.97	-	6,974.97
Interest Accrued and due on Loans	37.37	-	37.37	3.02	-	3.02
(B) Term Loans From Banks	10,263.29	-	10,263.29	4,204.03	387.50	4,591.53
Interest Accrued and due on Loans	22.58	-	22.58	-	2.57	2.57
[C] Other Loan (Hypothecation against Vehicles)	13.07	-	13.07	-	-	-
TOTAL	<u>29,110.29</u>	<u>894.54</u>	<u>30,004.83</u>	<u>11,182.02</u>	<u>390.07</u>	<u>11,572.09</u>
SCHEDULE : 'D'						
UNSECURED LOANS						
(A) From Banks	3,809.44	-	3,809.44	4,500.00	-	4,500.00
Interest accrued and due on Loans	-	-	-	25.98	-	25.98
(B) From Others	-	-	-	790.50	-	790.50
TOTAL	<u>3,809.44</u>	<u>-</u>	<u>3,809.44</u>	<u>5,316.48</u>	<u>-</u>	<u>5,316.48</u>

SCHEDULE 'E'
FIXED ASSETS

(Rs. in Lacs)

NAME OF ASSETS	GROSSBLOCK	ACCUMULATED	NET BLOCK	GROSSBLOCK	ACCUMULATED	NET BLOCK
	As on 31.03.2008	DEPRECIATION / AMORTISATION As on 31.03.2008	As on 31.03.2008	As on 31.03.2007	DEPRECIATION / AMORTISATION As on 31.03.2007	As on 31.03.2007
Consolidated with Subsidiaries:						
A. TANGIBLE ASSETS:						
1. Freehold Land	247.40	-	247.40	206.24	-	206.24
2. Leasehold Land	224.71	14.15	210.56	195.83	11.41	184.42
3. Buildings	8,474.59	1,561.47	6,913.12	5,142.13	1,189.93	3,952.20
4. Plant and Machinery	24,859.52	15,891.93	8,967.59	16,815.14	12,382.89	4,432.25
5. Furniture, Fixtures and Office Equipments	3,191.72	1,145.52	2,046.20	1,836.53	788.17	1,048.36
6. Vehicles	900.60	206.65	693.95	463.48	104.66	358.82
7. Interiors at Showroom	1,596.55	133.03	1,463.52	701.44	57.61	643.83
B. INTANGIBLE ASSETS:						
1. Models, Designs and other Commercial Rights	2,012.52	234.79	1,777.73	-	-	-
2. Software	153.70	18.40	135.30	-	-	-
	41,661.31	19,205.94	22,455.37	25,360.79	14,534.67	10,826.12
Add : Share in Joint Venture	1,510.05	90.43	1,419.62	59.87	2.28	57.59
TOTAL	43,171.36	19,296.37	23,874.99	25,420.66	14,536.95	10,883.71

- a) Leasehold Land acquisition value includes Rs. 0.01 Lacs (Previous year Rs. 0.01 Lacs) paid by way of subscription of shares for membership of co-operative housing society.
- b) Pending completion of the relevant formalities for transfer of some of the fixed assets vested in the Company pursuant to the scheme in the name of the Company, such assets continue to be in the name of the erstwhile amalgamated companies.

Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2008	Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2007
Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs

SCHEDULE : 'F'
INVESTMENTS

(Long Term, Unquoted)

Investments in Government Securities at cost

National Savings Certificates (Pledged with Government Authorities)

	0.50	-	0.50	0.04	-	0.04
TOTAL	0.50	-	0.50	0.04	-	0.04

SCHEDULE : 'G'
INVENTORIES

Stores and Spare parts	1,208.77	15.24	1,224.01	454.40	3.25	457.65
Stock in Trade						
Raw Materials	3,308.77	396.47	3,705.24	2,133.79	67.80	2,201.59
Packing Materials	145.88	-	145.88	87.68	-	87.68
Semi-Finished Goods / Work in Process	1,269.91	-	1,269.91	440.92	-	440.92
Finished Goods and Traded Goods	10,787.65	178.85	10,966.50	4,133.50	-	4,133.50
Work in Progress (Land)	-	-	-	3,856.51	-	3,856.51
Goods in Transit (at Cost)	26.32	-	26.32	-	-	-
TOTAL	16,747.30	590.56	17,337.86	11,106.80	71.05	11,177.85

SUNDRY DEBTORS

Unsecured

i) Outstanding for a period exceeding Six months

a) Considered Good	1,352.29	4.42	1,356.71	593.59	-	593.59
b) Considered Doubtful	238.08	-	238.08	215.56	-	215.56
	1,590.37	4.42	1,594.79	809.15	-	809.15

ii) Other Debts (Considered Good)

	12,093.40	388.99	12,482.39	5,957.64	-	5,957.64
	13,683.77	393.41	14,077.18	6,766.79	-	6,766.79

Less: Provision for Doubtful Debts

	238.08	-	238.08	215.56	-	215.56
TOTAL	13,445.69	393.41	13,839.10	6,551.23	-	6,551.23

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs
CASH AND BANK BALANCES						
Cash on hand (including cheques on hand Rs. Nil [Previous year Rs. 19.31 Lacs])	68.86	3.31	72.17	72.41	0.76	73.17
Balance with Banks						
i) On Current Accounts (Includes Book - Over Draft)	1,004.26	59.24	1,063.50	639.96	17.16	657.12
ii) On Fixed Deposit Accounts [includes Rs. 87.09 Lacs pledged with various Government Authorities, (Previous Year Rs. 16.77 Lacs), Rs. 50 Lacs kept as margin money with the bankers (Previous Year Rs. 78.56 Lacs)]	472.46	-	472.46	95.33	25.37	120.70
TOTAL	1,545.58	62.55	1,608.13	807.70	43.29	850.99
LOANS AND ADVANCES (Unsecured, considered good)						
Advances Recoverable in Cash or in kind or for the value to be received	3,602.26	13.87	3,616.13	1,696.67	26.31	1,722.98
Employee Loans	211.14	-	211.14	135.26	-	135.26
Balance with Excise Department	9.18	203.92	213.10	391.74	124.11	515.85
Taxes paid in Advance (Net of Provisions)	308.48	0.03	308.51	166.91	(0.31)	166.60
Deposits	2,128.26	-	2,128.26	1,088.13	-	1,088.13
TOTAL	6,259.32	217.82	6,477.14	3,478.71	150.11	3,628.82
SCHEDULE : 'H'						
CURRENT LIABILITIES						
Sundry Creditors	3,691.88	247.34	3,939.22	1,935.55	128.54	2,064.09
Unclaimed Dividend	17.06	-	17.06	13.52	-	13.52
Overdrawn Bank Balance	-	5.00	5.00	-	-	-
Other Liabilities	4,293.56	59.21	4,352.77	2,542.32	3.56	2,545.88
Interest Accrued but not due on loans	47.57	6.03	53.60	62.88	-	62.88
Advance from Customers	11.99	-	11.99	-	-	-
TOTAL	8,062.06	317.58	8,379.64	4,554.27	132.10	4,686.37
SCHEDULE : 'I'						
PROVISIONS						
Provision for Wealth Tax	3.75	0.02	3.77	1.90	-	1.90
Proposed Dividend	383.47	-	383.47	257.24	-	257.24
Tax on Proposed Dividend	65.17	-	65.17	43.72	-	43.72
For Employee Benefits	387.61	4.94	392.55	154.22	0.91	155.13
Others	0.68	3.82	4.50	-	-	-
TOTAL	840.68	8.78	849.46	457.08	0.91	457.99
SCHEDULE : 'J'						
SALES AND INCOME FROM OPERATIONS						
Gross Turnover of Goods:						
Sales of Manufactured / Traded Goods	94,359.28	1,067.39	95,426.67	58,842.10	-	58,842.10
Sale of Flat	-	-	-	295.00	-	295.00
	94,359.28	1,067.39	95,426.67	59,137.10	-	59,137.10
Gross Income from Services:						
Services Charges	92.09	-	92.09	-	-	-
Export of Services	45.40	-	45.40	-	-	-
	137.49	-	137.49	-	-	-
TOTAL	94,496.77	1,067.39	95,564.16	59,137.10	-	59,137.10
SCHEDULE : 'K'						
OTHER INCOME						
Miscellaneous Receipts	5.40	17.15	22.55	17.23	-	17.23
Claims Received	9.79	-	9.79	-	-	-
Surplus on Sale of Fixed Assets (Net)	-	-	-	26.52	-	26.52
TOTAL	15.19	17.15	32.34	43.75	-	43.75

Schedules forming part of the Consolidated Accounts
Nilkamal Limited

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs
SCHEDULE : 'L'						
a) Opening Stock of Raw Materials	2,133.79	67.80	2,201.59	1,604.55	-	1,604.55
b) Stock Taken over on Amalgamation	362.52	-	362.52	-	-	-
c) Purchases	35,358.18	1,127.11	36,485.29	24,181.60	67.80	24,249.40
d) Total of [a] + [b] + [C]	37,854.49	1,194.91	39,049.40	25,786.14	67.80	25,853.95
Less:						
e) Closing Stock	3,308.77	396.47	3,705.24	2,133.79	67.80	2,201.59
I. RAW MATERIALS CONSUMED [d - e]	34,545.72	798.44	35,344.16	23,652.36	-	23,652.36
II. TRADING PURCHASES	24,746.42	-	24,746.42	15,480.14	-	15,480.14
III. PURCHASE OF LAND	-	-	-	3,619.49	-	3,619.49
IV. VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS						
Opening Stock	4,574.42	-	4,574.42	3,428.83	-	3,428.83
Stock taken over on Amalgamation	2,675.81	-	2,675.81	-	-	-
Closing Stock	12,057.56	178.85	12,236.41	4,574.42	-	4,574.42
	(4,807.33)	(178.85)	(4,986.18)	(1,145.59)	-	(1,145.59)
V. VARIATION IN THE WORK-IN- PROGRESS (LAND)						
Opening Work-in-Progress	3,856.51	-	3,856.51	-	-	-
Closing Work-in-Progress	-	-	-	3,856.51	-	3,856.51
Less: Stock transferred on divestment of business	(3,856.51)	-	(3,856.51)	-	-	-
	-	-	-	(3,856.51)	-	(3,856.51)
TOTAL (I+II+III+IV+V)	54,484.81	619.59	55,104.40	37,749.89	-	37,749.89
SCHEDULE : 'M'						
EMPLOYEES' REMUNERATION AND BENEFITS						
Salary, Wages and Bonus	3,426.53	105.89	3,532.42	1,759.96	-	1,759.96
Cont. to Provident and Other funds	154.15	1.88	156.03	76.44	-	76.44
Workmen and Staff Welfare Expenses	368.67	6.39	375.06	214.97	-	214.97
TOTAL	3,949.35	114.16	4,063.51	2,051.37	-	2,051.37
SCHEDULE : 'N'						
OPERATING AND OTHER EXPENSES						
Stores and Spare Parts Consumed	758.70	67.38	826.08	362.77	-	362.77
Power and Fuel	2,126.40	89.05	2,215.45	1,175.67	-	1,175.67
Repairs :						
Building	56.85	-	56.85	10.80	-	10.80
Machinery	74.29	-	74.29	86.03	-	86.03
Others	253.15	-	253.15	109.71	-	109.71
Erection charges at customer's site	-	28.51	28.51	-	-	-
Excise Duty Paid	257.53	30.30	287.83	24.96	-	24.96
Labour Charges Paid [Net]	1,623.68	-	1,623.68	545.61	-	545.61
Rent	1,347.19	7.56	1,354.75	813.98	-	813.98
Rates and Taxes	84.21	0.26	84.47	40.98	-	40.98
Insurance	152.61	3.82	156.43	127.29	-	127.29
Postage and Telephone Expenses	370.20	-	370.20	211.47	-	211.47
Loss on sale of Fixed Assets (Net)	18.59	-	18.59	-	-	-
Packing Materials Consumed	568.96	-	568.96	450.57	-	450.57
Travelling Expenses	718.98	37.73	756.71	296.94	-	296.94
Commission, Discounts and Rebates	1,175.59	-	1,175.59	685.31	-	685.31
Advertisements and Publicity Expenses	1,232.30	17.28	1,249.58	365.89	-	365.89

	Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2008	Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2007
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
SCHEDULE : 'N' (Contd..)						
Selling Expenses	7.13	-	7.13	89.91	-	89.91
Computer Expenses	103.48	-	103.48	22.31	-	22.31
Carriage Outward	3,033.44	29.04	3,062.48	1,354.52	-	1,354.52
Sales Tax Paid	1.49	-	1.49	61.84	-	61.84
Land Lease Rent	1.61	-	1.61	19.03	-	19.03
Directors' Fees	2.71	-	2.71	2.40	-	2.40
Provision for Wealth Tax	3.75	-	3.75	1.90	-	1.90
Bad Debts written off	5.15	-	5.15	17.79	-	17.79
Provision/(Write back) for Doubtful Debts	8.51	-	8.51	(8.93)	-	(8.93)
Share Issue Expenses	-	1.60	1.60	-	-	-
Preliminary Expenses Written Off	-	-	-	0.13	1.24	1.37
Sundry Expenses	1,822.07	68.79	1,890.86	1,047.33	0.94	1,048.27
TOTAL	15,808.57	381.32	16,189.89	7,916.21	2.18	7,918.39

SCHEDULE : 'O'
FINANCIAL EXPENSES

INTEREST						
On Term Loans	463.39	71.34	534.73	267.82	-	267.82
Other Interest	2,774.81	51.78	2,826.59	955.43	-	955.43
	3,238.20	123.12	3,361.32	1,223.25	-	1,223.25
Less :-						
Interest Received	501.88	0.32	502.20	65.57	-	65.57
Interest Capitalised	108.22	12.99	121.21	10.66	-	10.66
	2,628.10	109.81	2,737.91	1,147.02	-	1,147.02
Bank Charges	155.08	7.54	162.62	88.26	-	88.26
Processing and other charges on Loans	73.25	1.93	75.18	11.68	-	11.68
TOTAL	2,856.43	119.28	2,975.71	1,246.96	-	1,246.96

SCHEDULE - 'P'

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements:

The financial statements of the Subsidiary Companies and Joint Venture Company used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended 31st March, 2008.

The financial statements of the Company, and the Joint Venture Company have been prepared under historical cost convention on an accrual basis and comply with Accounting Standards. The financial statements of the foreign Subsidiary Companies have been prepared in accordance with the local laws and the applicable accounting standards / generally accepted accounting principles.

b) Principles of Consolidation:

The consolidated financial statements relate to Nilkamal Limited ("the Company") and its majority owned Subsidiary Companies and a Joint Venture Company. The consolidated financial statements have been prepared on the following basis.

- The financial statements of the Company and Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions and the unrealised profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The Subsidiary Companies considered in the consolidated financial statements are :

Name of the Company	Country of Incorporation	% Ownership held as at 31st March, 2008
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%
Nilkamal Padma Plastics Private Limited	Bangladesh	97.23%
Nilkamal Crates and Bins FZE	Ajman, UAE	100%

The Joint Venture Company considered in the consolidated financial statement is:

Name of the Company	Country of Incorporation	% Ownership held as at 31 st March, 2008
Nilkamal Bito Storage Systems Private Limited	India	50.00%

c) Exchange Translation:

The summarised revenue and expense transactions of the Subsidiary Companies at the year-end reflected in the Profit and Loss Account have been translated into Indian Rupees at average monthly exchange rate.

The assets and liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end.

The resultant translation exchange gain/loss has been disclosed as Translation Adjustments and directly adjusted to the Reserve and Surplus.

d) Use of Estimate:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

e) Fixed Assets:

Fixed assets are recorded at cost of acquisition or construction net of Cenvat credit wherever eligible. Cost includes all expenses related to acquisition or construction, including attributable borrowing cost on qualifying assets.

Fixed assets, which are not in use or are held for disposal, are stated at cost less accumulated depreciation or at net realisable value, whichever is lower.

f) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

g) Depreciation and Amortization:

(i) Depreciation on fixed assets is provided on Straight Line Method at the rates permissible under the local laws of each company.

(ii) Improvements to the leasehold assets are depreciated on straight line basis over the total period of lease.

(iii) Cost of Leasehold land is amortised over the period of lease.

(iv) Depreciation on additions / deletions is calculated on a pro-rata basis.

h) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in-Progress, Semi-finished goods and Finished goods (including Goods for trade) are valued at 'cost' or 'net realisable value', whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used are 'Average Cost' or 'Specific Identification', as applicable. Properties held for real estate development are valued at lower of cost or net realisable value.

i) Investments:

Long term investments are stated at cost less provision, if any, for permanent diminution in value.

j) Employee Benefits:

Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service

Post Employment / Retirement Benefits

Contribution to Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity, which is funded with an Insurance Company, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Other Long Term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination Benefits

Termination benefits are recognised as and when incurred.

k) Foreign Currency Translations:

- (i) Transactions in foreign currency are normally recorded at the exchange rates prevailing on the date of the transactions.
- (ii) Foreign currency monetary assets and liabilities are translated at the appropriate exchange rates prevailing at the close of the year. Gains/losses on conversion/ translation are recognised in the Profit and Loss Account.

l) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Recognition of Income and Expenditure:

- i) Sale of goods is recognised on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods. Gross sales are inclusive of Excise Duty, Sales Tax, but are net of trade discounts and sales returns.
- ii) Income from Services is recognised on completion of service.
- iii) Revenue / income and Cost / Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.
- iv) Benefit on account of entitlement to import duty-free raw materials under Advance License is estimated and accounted in the year of export as an adjustment to raw material consumption provided there is a reasonable degree of certainty with regard to its ultimate realisation.
- v) Liability for Excise duty on goods lying in warehouse at the year end is provided for.
- vi) Dividend income is recognised when the right to receive the same is established.
- vii) Interest income is accrued over the period of loan / deposit / investment.
- viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

n) Premises taken on Lease:

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the Profit and Loss account on accrual basis.

o) Taxation:

Income-Tax expense comprises of Current Tax, Fringe Benefit Tax (FBT) and Deferred Tax charge or credit. Provision for Current Tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Provision for FBT is made on the basis of the fringe benefits provided / deemed to have been provided during the year at the rates and values applicable to the relevant assessment year. The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred taxes is reviewed to reassure realisation.

p) Expenditure During Construction and Expenditure on New Projects:

In case of new projects and in case of substantial modernisation / Expansion at existing units of the Company, all pre-operating expenditure specifically for the project, incurred upto the date of installation, is capitalised and added pro-rata to the cost of fixed assets.

SCHEDULE: 'Q'

NOTES TO THE ACCOUNTS:

Notes to consolidated financial statements are intended to serve a means of informative disclosure and a guide to better understanding the consolidated financial statements. Recognising this purpose the Company has disclosed only such notes from individual financial statements, which fairly present the needed disclosure.

1. Contingent Liabilities not provided for in respect of:

(Rs. in Lacs)

	31st March, 2008	31 st March, 2007
i) Disputed Excise matters	150.40	84.47
ii) Sales Tax matters in appeal.	116.27	63.85
iii) Un-expired letters of Credits. [including share of joint venture Rs. 2.66 Lacs (Previous Year Rs. Nil)]	1,625.92	304.04

The Excise and Sales Tax demands are being contested by the Company in appeals at various levels. The Company has been legally advised that it has a good case and the demand is not tenable.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 942.65 Lacs (Previous year Rs. 317.16 Lacs). [including share of joint venture Rs. 2.85 Lacs (Previous Year Rs. 107.57 Lacs)]
3. Remuneration to Directors: (A) Remuneration Rs. 152.21 Lacs (Previous year Rs. 134.10 Lacs) and (B) Other Perquisites Rs. Nil. (Previous year Rs. 15.45 Lacs).

4. **Disclosure relating to provisions in respect of Product Warranty as follows:**

(Rs. in Lacs)

	2007-08	2006-07
Opening Balance	106.49	113.67
Additions	374.28	272.79
Utilisations	348.81	279.97
Closing Balance	131.96	106.49

5. During the year, the Company has sold its entire investments in a Subsidiary - Nilkamal Bhoomi Developers Private Limited (NBDPL). The resultant net gain of Rs. 4,660.91 Lacs has been disclosed as an exceptional item in the Profit and Loss account. NBDPL had net assets of Rs. 3,569.00 Lacs as at 31st March, 2007 and net loss of Rs. 36.50 Lacs for the year ended 31st March, 2007.

6. During the year, Nilkamal Crates & Bins Pvt. Ltd. (NCBPL) and Stackwell Marketing Services Pvt. Ltd. (SMSPL), primarily engaged in manufacturing and trading of plastic moulded articles, have been amalgamated with the Company. This Scheme of amalgamation was sanctioned by the Honorable High Court Judicature at Bombay vide its order dated 28th September, 2007. Accordingly, the Scheme has been given effect in the financial statements with effect from 1st April, 2007, being Appointment Date specified in the Scheme.

Pursuant to the Scheme;

- a) The assets, liabilities, rights & obligations of erstwhile NCBPL & SMSPL have been vested with the Company w.e.f. 01.04.2007 and have been recorded at their respective book values, under the Pooling of Interest method of accounting for amalgamation. The impact of differences in accounting policies of amalgamating Companies and the Company has been adjusted in the General Reserve of the Company, to reflect consistent accounting policies. Accordingly an amount of Rs.311.64 Lacs has been adjusted against the General Reserve of the Company pursuant to the Scheme.
- b) The Company has issued 42,07,644 Equity Shares of Rs.10/- each to the share holders of erstwhile NCBPL & SMSPL in the ratio of 4 Equity Shares of Rs. 10/- each for every 21 Equity Shares of Rs.1/- each held in erstwhile NCBPL and 5 Equity Shares of Rs. 10/- each for every 12 Equity Shares of Rs. 1/- each held in erstwhile SMSPL.
- c) Excess of book values of the net assets taken over by the Company over the paid up value of Equity Shares issued amounting to Rs. 2,955.86 Lacs has been credited to General Reserve as prescribed in the Scheme. Had the Scheme not prescribed this accounting treatment, the said amount would have been credited to Capital Reserve.

7. **Aggregated Related Party Disclosures:**

(Rs. in Lacs)

	Enterprises owned or significantly influenced by key management personnel or their relatives 2007 - 2008	Enterprises owned or significantly influenced by key management personnel or their relatives 2006 - 2007
Sales	-	1,709.73
Purchase of raw materials intermediaries and finished goods	-	108.60
Paid for Services and Labour Charges	39.16	22.72
Received for Services and Labour Charges	-	38.50
Purchase of Fixed Assets	-	355.93
Rent Paid	38.05	41.82
Rent Recovered	-	0.65
Deposit Paid	-	2.49
Balance outstanding at the year end:		
1. Other Receivable / (Payables) (Net)	(4.52)	129.28
2. Reimbursement of Expenses (Net of recovery)	0.08	63.34
3. Deposits Receivable	646.25	408.58

NOTES:

- (1) Names of related parties and description of relationship

- i) Key Management Personnel : Shri Vamanrai V. Parekh, Shri Sharad V. Parekh, Shri Hiten V. Parekh, Shri. Manish V. Parekh, Shri Nayan S. Parekh

- ii) Enterprise owned or significantly influenced by key Management personnel or their relatives :
 1. Nilkamal Crates & Containers, 2. Nilkamal Crates & Bins Pvt. Ltd. (*), 3. Stackwell Marketing Services Pvt. Ltd. (*), 4. Nilkamal Industrial Crates. * Amalgamated with Nilkamal Limited (w.e.f. 01.04.2007)

Note:

Following individuals and entities taken together with persons and entities shown above under 'Related Party Transactions' disclosure will constitute to form a 'Group'.

Mrs. Nalini V. Parekh, Mrs. Maya S. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Mrs. Purvi N. Parekh, Mrs. Rajul M. Gandhi, Mrs. Dhruvi Nakul Kumar, Miss Priyanka H. Parekh, Master Mihir H. Parekh, Master Eashan M. Parekh, Mr. Manoj K. Gandhi, Vamanrai V. Parekh (HUF), Sharad V. Parekh (HUF), Hiten V. Parekh (HUF), Manish V. Parekh (HUF), Nayan S. Parekh (HUF), A. M. Engineering Pvt. Ltd., Stack Plast Pvt. Ltd, Parekh Plasto Industries Pvt. Ltd., Nilkamal Industries Plastics Pvt. Ltd., Shrimant Holding Pvt. Ltd., Heirloom Finance Pvt. Ltd and Nilkamal Builders Pvt. Ltd.

Remuneration paid to directors is disclosed elsewhere in the notes to the Accounts.

8. Nilkamal brand used by Nilkamal Limited is owned by Nilkamal Crates & Containers for which no payment of royalty is made by Nilkamal Limited to Nilkamal Crates & Containers.

9. Deferred Tax Asset / Liabilities:

Major components of deferred tax assets and liabilities arising on account of timing differences are;

(Rs. in Lacs)

	2007 – 2008		2006 – 2007	
	Assets	Liabilities	Assets	Liabilities
Depreciation	-	1,517.64	-	920.83
Employee's Benefits	121.06	-	-	-
Provision for Doubtful Debts	71.92	-	44.27	-
Others	77.50	-	69.67	-
Total	270.48	1,517.64	113.94	920.83

Deferred Tax Assets is recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax asset can be adjusted.

10. Segment Information:

SEGMENT WISE REVENUE, RESULTS AND OTHER INFORMATION:-

A. BUSINESS SEGMENT :

Particulars	Year Ended 31st March, 2008				Year Ended 31st March, 2007			
	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others - Storage Systems, etc	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others - Storage Systems etc	Total
1 Segment Revenue (Net Sales)	77,372.54	5,697.27	905.80	83,975.61	48,667.61	2,582.21	295.00	51,544.82
Less: Inter Segment Revenue	-	186.87	-	186.87	-	-	-	-
Net Income from Operations	77,372.54	5,510.40	905.80	83,788.74	48,667.61	2,582.21	295.00	51,544.82
2 Segment Result before Tax & Interest	7,474.45	(790.38)	(239.87)	6,444.20	2,869.42	(700.16)	32.93	2,202.19
Add/(Less): Minority Interest	(35.55)	-	-	(35.55)	20.03	-	-	20.03
	7,438.90	(790.38)	(239.87)	6,408.65	2,889.45	(700.16)	32.93	2,222.22
Less: Unallocated expense (Net of Unallocated Income)				555.24				334.44
Operating Profit				5,853.41				1,867.75
Less: Interest (Net)				2,975.71				1,246.96
Add: Exceptional Income				4,660.91				-
Less: Prior Period Adjustments (Net)				1.18				15.44
Net Profit Before Tax				7,537.43				605.35
Less: Provision for Taxes (Net)				2,137.95				81.86
Net Profit After Tax				5,399.48				523.49
3 Other Information								
Segment Assets	52,004.12	7,900.02	2,622.69	62,526.83	26,006.36	3,295.47	5,277.55	34,579.38
Add: Unallocated Assets				2,004.88				1,018.95
Total Assets				64,531.71				35,598.33
Segment Liabilities	6,850.51	1,582.77	326.35	8,759.63	3,912.96	540.08	312.06	4,765.10

Sr. No.	Particulars	Year Ended 31st March, 2008				Year Ended 31st March, 2007			
		Plastics	Lifestyle Furniture, Furnishings & Accessories	Others - Storage Systems, etc	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others - Storage Systems etc	Total
	Add: Unallocated Liabilities								
	Loan Liabilities				33,814.27				16,888.57
	Others	-	-	-	1,716.63	-	-	-	1,187.46
	Add: Minority Interest	-	-	-	193.92	-	-	-	139.74
	Total liabilities				44,484.45				22,980.87
	Capital Expenditure	9,317.11	1,863.54	323.26	11,503.91	2,670.41	491.52	1,185.78	4,347.71
	Depreciation	2,438.73	131.95	88.16	2,658.84	1,650.87	75.38		1,726.25
	Significant Non Cash Expenses other than Depreciation	-	-	-	-	-	-	-	-

B. GEOGRAPHICAL SEGMENT

Sr. No.	Particulars	Year Ended 31st March, 2008			Year Ended 31st March, 2007		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue	77,343.43	6,445.31	83,788.74	46,165.16	5,379.66	51,544.82
2	Carrying cost of Segment Assets	59,844.04	2,682.79	62,526.83	31,863.09	2,716.29	34,579.38
3	Addition to Fixed Assets and -Intangible Assets	11,456.84	47.07	11,503.91	4,077.34	270.37	4,347.71

Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the Company's organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business Segment as the primary segment.
- Types of products and services in each business segment:

Sr.No.	Business Segment	Types of Products and Services
i.	Plastics	Injection moulded plastic articles, Polymers and others
ii.	Lifestyle Furniture, Furnishings & Accessories	Home Furniture, Home Furnishing and Accessories
iii.	Others	Storage Systems of Metal, etc

- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

11. Earning per share has been computed as under:

(Rs. In Lacs)

	2007 - 08	2006 - 07
Net Profit as per Profit and Loss Account	5,399.48	523.49
Less: Loss on Capital Restructure	-	6.50
Add / (Less) : Translation Difference	3.11	(66.49)
Net Profit considered for EPS including exceptional income	5,402.59	450.50
Less: Profit on sale of investment in subsidiary (net of Tax)	3,607.91	-
Net Profit considered for EPS excluding exceptional income	1,794.68	450.50
Weighted average number of Equity shares	1,27,82,344	85,74,700

- The Company adopted Accounting Standard (AS - 15) "Employee Benefits" effective from April 1, 2007. Consequent to the adoption, an amount of Rs. 65.72 Lacs (net of deferred tax Rs. 33.84 Lacs) (refer Schedule B) in accordance with the transitional provision in the Accounting Standard is adjusted against the General Reserve.
- Due to the Amalgamation, previous year's figure may not be strictly comparable to that of the current year.
- The Previous year figures have been regrouped/rearranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Venkatesh Subramanian

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

FOR AND ON BEHALF OF THE BOARD**Sharad V. Parekh**
Managing Director**Hiten V. Parekh**
Executive Director**Paresh B. Mehta**
Financial Controller**Priti P. Dave**
Company SecretaryPlace : Mumbai
Date : June 14, 2008



Nilkamal Limited

Entrance Pass

(To be presented at the entrance)
22nd Annual General Meeting on 9th August, 2008, at 11.00 am at Survey No. 354/2 & 354/3,
Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona,
Union Territory of Dadra & Nagar Haveli.

Folio No. DPID No. Client ID No.
Name of the Shareholder :

Signature
Only shareholders / proxies / representatives are allowed to attend the Meeting



Nilkamal Limited

Proxy Form

I / We of
in the district of being a member(s) of the above named Company, hereby appoint
Mr./Mrs..... of in the district
of as my / our proxy to attend and vote for me / us and on my / our behalf at the Twenty second Annual General
Meeting of Nilkamal Limited to be held on Saturday, 9th day of August, 2008 at 11.00 am and at any adjournment thereof.

Folio No. DPID No. Client ID No.

No of shares held

Signed this day of, 2008 Signature

affix Re 1
Revenue
Stamp

Bank Account Particulars / ECS Mandate Form

I/We are holding shares against Folio No.

(Physical mode) and shares (Demat mode) against Client ID No. DPID No.

And do hereby authorise Nilkamal Limited.

- To print following details on my / our dividend warrant
- To credit my dividend amount directly to my Bank Account in accordance with RBI's scheme (Strike out whichever is not applicable)

Particulars of Bank Account	Please write in block letters		
Name of the Bank			
Bank branch Name (as mentioned on the Cheque)			
Account type *	10 Saving <input type="checkbox"/>	11 Current <input type="checkbox"/>	12 Cash credit <input type="checkbox"/>
Account No. (as appearing on the cheque book)	Ledger folio No. (if any, as appearing on the cheque book)		
Code number of the bank and branch **		STD code & Telephone No.	

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code number.

* Tick whichever is applicable (for 10/11/12 see on MICR strip on cheque book, it appears immediately after the 9 digit code on the cheque)

** 9 digit number appearing on the MICR cheques issued to you by bank, the 9 digit code is located adjacent to the specific cheque number.

I / We shall not hold the Company/Bank responsible if the ECS could not be implemented or the Bank discontinue the ECS, for any reason.

Mail to : Corporate Correspondence Office, Nilkamal Limited, Nilkamal House - 77 / 78, Road No. 13 / 14, MIDC, Andheri (E), Mumbai 400 093.

Signature of the Shareholder