

**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.  
HSBC  
DBS Bank

**Auditors**

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

**Barjora Factory**

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

**Jammu Factory**

Plot No. 1107, IGC, Phase – II, Samba – 184 121,  
Jammu & Kashmir.

**Kharadpada Factory**

Survey No. 389, 391, 393, 396, 401,  
Naroli – Kharadpada Road,  
Village : Kharadpada, Silvassa - 396 230.

**Noida Factory**

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

**Puducherry Factory**

19/3-5, 18/1 & 21/6, Pit -Olaivaikkal Village,  
Koodapakam Villianoor Road,  
Villianoor Taluk, Puducherry – 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 **23<sup>rd</sup> 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 **Thursday the 13<sup>th</sup> day of August, 2009 at 11.30 a.m.** 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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Mr. Rajendra P. Goyal, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. K. R. Ramamoorthy, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Nayan S. Parekh, 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 2009-10.

**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 6<sup>th</sup> August, 2009 to 13<sup>th</sup> August, 2009 (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 13<sup>th</sup> August, 2009.
4. 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.
5. Members, who have not yet encashed their dividend warrant(s) for the financial years 2002-2003 onwards, are requested to write to the Company's Registrars and Transfer Agents, Link Intime India Private Limited (Formerly known as 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.**

6. 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.
7. 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, Link Intime India Private Limited.
8. Members/ Proxies should bring the attendance slips filled in for attending the meeting.

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

Place : Mumbai  
Date : June 13, 2009

**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. Rajendra P. Goyal	Mr. K. R. Ramamoorthy	Mr. Nayan S. Parekh
Date of birth	01-12-1923	08-07-1940	08-03-1972
Date of appointment	07-01-1991	21-10-2003	01-04-2000
Expertise in specific area	Banking and Finance	Banking and Finance	Industrialist with enriched and diverse experience in Corporate Management
Qualifications	M.Com, C.A.I.I.B.	B.A.,B.L., F.C.S	B.S. Plastics Engineering, U.S.A
Directorship in other Public Limited Companies	1. Kajaria Ceramics Ltd. 2. Mark Exhaust Ltd.	1. ING Vysya Bank Ltd. 2. Clearing Corporation of India Ltd. 3. Subros Ltd. 4. Amrit Corp. Ltd. 5. GMR Infrastructure Ltd. 6. ABC Paper Ltd. 7. IFCI Factors Ltd.	-
Membership of Committees in other Public Limited Companies	<b>Audit Committee</b> 1. Kajaria Ceramics Ltd. 2. Mark Exhaust Ltd.  <b>Remuneration Committee</b> 1. Mark Exhaust Ltd.	<b>Audit Committee</b> 1. ING Vysya Bank Ltd. 2. Clearing Corporation of India Ltd 3. Subros Ltd. 4. GMR Infrastructure Ltd. 5. IFCI Factors Ltd. 6. ABC Paper Ltd. <b>Remuneration Committee</b> 1. ING Vysya Bank Ltd. 2. GMR Infrastructure Ltd.	-
Number of Shares Held	100	Nil	10,17,440

**DIRECTORS REPORT**

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.**

Dear Members,

Your Directors have pleasure to present this 23<sup>rd</sup> ANNUAL REPORT of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2009.

**FINANCIAL HIGHLIGHTS:**

(Rs.in Lacs)

	<b>2008-2009</b>	2007-2008
Gross Turnover and Other Income	<b>103203.30</b>	89150.71
Net Turnover and Other Income	<b>89086.33</b>	75847.93
Profit before Depreciation and Tax	<b>4299.67</b>	10114.73
Less: Depreciation on Fixed Assets	<b>3117.10</b>	2329.81
Profit before Tax	<b>1182.57</b>	7784.92
Less: Provision for Taxes	<b>572.44</b>	2049.10
Profit after Tax	<b>610.13</b>	5735.82
Profit after Tax (excluding effect of exceptional item)	<b>1130.77</b>	2145.60
Amount Available for Appropriations	<b>5290.97</b>	7910.78
Less: Appropriations:		
i) Proposed Final Dividend	<b>255.65</b>	383.47
ii) Interim Dividend	-	447.38
iii) Total Tax on Dividend	<b>43.45</b>	141.20
iv) Transfer to General Reserves	<b>100.00</b>	2257.90
Leaving a Balance to be carried forward	<b>5290.97</b>	4680.84
Earnings Per Share (including effect of exceptional item)	Rs. <b>4.77</b>	44.87
Earnings Per Share (excluding effect of exceptional item)	Rs. <b>8.85</b>	16.79
Cash Earnings Per Share (including effect of exceptional item)	Rs. <b>29.16</b>	63.10
Cash Earnings Per Share (excluding effect of exceptional item)	Rs. <b>33.23</b>	35.01
Book Value per Share	Rs. <b>165.38</b>	162.72

**DIVIDEND**

The Board of Directors are pleased to recommend a Dividend of Rs. 2/- per equity share (20%), which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company. The requisite amount of Rs. 299 Lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

**RESERVES**

Your Directors have proposed to carry a sum of Rs. 100 Lacs to the General Reserve Account out of the profits available.

**YEAR IN RETROSPECT**

The year under review has witnessed a major downturn in most of the economies of the world due to the global economic slowdown. The overall industrial growth was moderate. Continuous volatility in the prices of raw materials like crude oil, depreciation of Indian rupee and credit crunch were the major challenges before the Indian economy during the financial year.

Even after various ups and downs in the Indian economy during the last financial year the Company was in a position to maintain its leadership position in injection moulded plastic business and maintained the path of sustainable growth. The gross turnover of the Company has increased to Rs. 103,025 Lacs as compared to Rs. 89,033 Lacs in the previous year. During the financial year 2008-2009, the operating profit of the Company has increased to Rs. 8,783 Lacs as compared to Rs. 8,163 Lacs in the previous year.

The retail business of the Company i.e. @home division has achieved a gross turnover of Rs. 12,530 Lacs resulting into a growth of 96% as compared to the previous year. During the year under review the Company had fifteen @home stores in eleven cities.

**AWARDS AND RECOGNITIONS**

The @home division of the Company had received an award for the best 'Retail Design & Visual Merchandising' VM&RD 'In Store Asia' in the previous year and this year also it has added another feather in its cap by bagging 'Retailer of the Year - 2009' award given by Asia Retail Congress.

**PATENT AND DESIGN REGISTRATION**

During the year under review the Company had received a Patent for an invention entitled 'An Injection Moulding Machine and A Method of Manufacturing and Using the same.' This invention provides a method of manufacturing the moulded articles having surface finishing of natural materials like wood, marble, granite or stone, by using multi/two colours blends feeding for injection moulding machine.

The Company has more than 207 registered designs of the Company's products out of which 24 designs are registered during the year.

**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**

The wholly owned subsidiary of the Company at Ajman, Dubai viz. Nilkamal Crates and Bins-FZE, has performed well during the year under review. The Company has a good growth potential in future.

During the financial year 2008-2009, the Sri Lankan Subsidiary of the Company had a turnover of SLR 7,496 Lacs and net profit of SLR 640 Lacs as compared to turnover of SLR 11,488 Lacs and net profit of SLR 719 Lacs of previous year.

Company's subsidiary situated at Bangladesh has achieved turnover of BDT 1,722 Lacs and has incurred net loss of BDT 264 Lacs as compared to previous year's turnover of BDT 1,734 Lacs and net loss of BDT 230 Lacs.

The Indo German Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited in its second year of operation has achieved turnover of Rs. 3,230 Lacs as compared to Rs. 2,168 Lacs for the previous year and has incurred net loss of Rs. 290 Lacs against Rs. 718 Lacs of the previous year.

During the year under review the Company has acquired 50.01% of the paid up capital of Starshine Land Developers Private Limited, a real estate Joint Venture Company between Nilkamal Limited and Bhoomi Realty India Private Limited.

**EXPORTS**

Company's Exports during the year were Rs. 1,503 Lacs as compared to Rs. 1,300 Lacs in the previous year.

**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 re-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. Rajendra P. Goyal, Mr. K. R. Ramamoorthy and Mr. Nayan S. 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. Brief resume of the Directors proposed to be reappointed, nature of the expertise in specific functional areas, name of the Companies in which they hold directorships and memberships/ chairmanships of the Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreements with stock exchanges in India 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 the annual accounts have been prepared 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 Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of 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 31<sup>st</sup> March, 2009 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 Bankers, Government Authorities and its Employees during the year.

**For and on behalf of the Board**

Place : Mumbai  
Date : June 13, 2009

**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 cost is one of the major part of the total operational cost. Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. The Company has taken adequate measures to optimize utilization of energy at all its plants and energy saving devices are used to reduce the consumption. Necessary investments are planned to cut down consumption of energy.

**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.
  - a) Reduction in cost of production by developing and applying alternate raw material mix, pigments usage of fillers etc.
  - b) Development on innovative design and products through its in-house design department.
2. Benefits derived as a result of the above R & D.
  - a) Improved productivity.
  - b) Reduction in cost.
  - c) Improvement in quality of the product.
  - d) Conservation of raw material.
3. Future Plan of Action.
  - a) To modify process parameters to improve the quality.
  - b) To launch new and novel products in the market as a result of on-going development carried out by the company.
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 adopts latest technology at all its plants for continuous manufacturing operations. The machines and various moulds are regularly innovated for manufacturing of novel products in line with the market trend and demand.
2. Benefits derived as a result of the above efforts.
 

The Company is able to launch new and innovative designed products in the market 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.**

Total foreign Exchange used and earned

	(Rs. in Lacs)	
	<b>2008-2009</b>	2007-2008
Foreign Exchange Earned	<b>1,626.88</b>	1,447.64
Foreign Exchange Used	<b>8,719.10</b>	7,957.55

**For and on behalf of the Board**

Place : Mumbai  
Date : June 13, 2009

**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	Starshine Land Developers Private Limited
2.	Financial Year of the subsidiary company ended on	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009
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.	5,001 Equity Shares of Rs. 10 each fully paid up.
4.	Holding Company's Interest	76%	76%	97.23%	100.00%	50.01%
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 <sup>st</sup> March, 2009  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 <sup>st</sup> March, 2009  2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary.	  <b>SLR 2,11,21,163</b>  SLR 2,81,85,502  <b>SLR 30,40,000</b>  NIL	  <b>SLR 15,50,098</b>  SLR 26,99,730  <b>NIL</b>  NIL	  <b>BDT 2,57,45,657 (Loss)</b>  BDT 2,24,61,403 (Loss)  <b>NIL</b>  NIL	  <b>AED 17,86,350</b>  AED 7,81,932  <b>NIL</b>  NIL	  <b>Rs. 11,84,357 (Loss)</b>  NIL  <b>NIL</b>  NIL

**For and on behalf of the Board**

**Vamanrai V. Parekh**  
Chairman

**Sharad V. Parekh**  
Managing Director

Place : Mumbai  
Date : June 13, 2009

**Paresh B. Mehta**  
Finance Controller

**Priti P. Dave**  
Company Secretary

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

Corporate governance is aimed at maximizing the shareholder's value in an organization while securing fairness to all stakeholders, customers, employees, investors, vendors, the government and the society-at-large. It is a systematic process by which Companies are directed and controlled to ensure that they are managed in the manner that meets stakeholders' aspirations and societal expectation.

Your Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. Your Company has developed its Corporate Governance framework upholding the five core values viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosure.

**I. BOARD OF DIRECTORS****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 2009, the Board consisted of Ten Directors; Six amongst them being Non-Executive Directors which includes a Non-executive Chairman. Five out of the Six Non-executive Directors are Independent Directors. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises.

**ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIPS AND CHAIRMANSHIPS / MEMBERSHIPS OF COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES**

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 31<sup>st</sup> March, 2009 is as follows:

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2008-2009	Attendance at the Last AGM	AS ON 31-3-2009		
				No. of Directorship in other Public Companies*	Committee membership in other Companies#	Chairmanship in committees in which they are members#
D. B. Engineer	Independent, Non-Executive Director	5	No	9	7	2
K. R. Ramamoorthy	Independent, Non-Executive Director	4	Yes	7	6	1
Mahendra V. Doshi	Independent, Non-Executive Director	5	No	4	3	1
R. P. Goyal	Independent, Non-Executive Director	5	No	2	2	2
Rajesh Kapadia	Independent, Non-Executive Director	2	No	12	7	5
Hiten V. Parekh	Promoter, Executive Director	5	Yes	--	--	--
Manish V. Parekh	Promoter, Executive Director	4	No	--	--	--
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 2008-2009, on the following dates: 27<sup>th</sup> May, 2008, 14<sup>th</sup> June, 2008, 28<sup>th</sup> July, 2008, 23<sup>rd</sup> October, 2008 and 28<sup>th</sup> January, 2009.

Mr. Vamanrai V. Parekh and Mr. Sharad V. Parekh are brothers. Further Mr. Hiten V. Parekh & Mr. Manish V. Parekh are sons of Mr. Vamanrai V. Parekh and Mr. Nayan S. Parekh is son of Mr. Sharad V. Parekh.

Except the above there are no inter-se relationships among the Directors.

**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	4
Mahendra V. Doshi	Independent, Non-Executive	5	5
D. B. Engineer	Independent, Non-Executive	5	5
R. P. Goyal	Independent, Non-Executive	5	5
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 2008-2009. 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:

- a) to oversee the Company's financial reporting process and disclosure of financial information to reflect a true and fair position of the Company;
- b) to review the adequacy of internal audit function and discussion with Internal Auditors of any significant findings and follow-up thereon;
- c) to review with the Management, performance of Statutory Auditors and Internal Auditors and the adequacy of internal control systems;
- d) to recommend to the Board, appointment, and replacement or removal of External Auditors, fixation of audit fees and approval for payment of other services;
- e) to review with the Management and External Auditors, the quarterly and annual financial statements before submission to the Board;
- f) 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 2008-2009.****(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 31-3-2009
D.B. Engineer	Nil	1,13,000	1,13,000	Nil
K.R. Ramamoorthy	Nil	1,00,000	1,00,000	Nil
Mahendra V. Doshi	Nil	1,13,000	1,13,000	29,800
R.P. Goyal	Nil	1,13,000	1,13,000	100
Rajesh G.Kapadia	Nil	30,000	30,000	Nil
Vamanrai V. Parekh	Nil	1,13,000	1,13,000	17,30,006
Hiten V. Parekh	47,30,000	Nil	47,30,000	11,39,455
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
Sharad V. Parekh	48,11,538	Nil	48,11,538	12,92,908

Note:- No amount by way commission was paid to any directors during the financial year ended 31<sup>st</sup> March, 2009.

**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 29<sup>th</sup> 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	Managing Director	Executive
Hiten V. Parekh	Executive Director	Executive

The Company Secretary is the Compliance Officer to this Committee.

**Report on complaints received from the Investors during the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009.**

Opening Balance	No. of complaints/letters received during the Year	No. of complaints/letters attended	Closing Balance
Nil	10	10	Nil

The Company has assigned its share transfer and dematerialisation work to Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), Registrar and Transfer Agents. As on 31<sup>st</sup> March, 2009 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
22 <sup>nd</sup> AGM	9-8-2008	11.00 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli.
21 <sup>st</sup> 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.
20 <sup>th</sup> 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.

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

<b>Date of AGM</b>	<b>Details of Special Resolution</b>
9-8-2008	a) To raise funds by offer and issue of further securities. b) To issue equity shares through Qualified Institutions Placement.
18-8-2007	No special resolutions passed.
25-9-2006	Change in the name of the Company.

**POSTAL BALLOTS**

No resolutions were passed through postal ballot during the last Financial Year.

**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), Daman Ganga Times. The financial results are also displayed on Company's web-site [www.nilkamal.com](http://www.nilkamal.com).

**GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

<b>Date &amp; Time</b>	: 13 <sup>th</sup> August, 2009 at 11.30 a.m.
<b>Venue</b>	: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Village Vasona, Union Territory of Dadra & Nagar Haveli.
<b>Financial Calendar</b>	: Financial Year : 1 <sup>st</sup> April, 2009 to 31 <sup>st</sup> March, 2010 Results for Quarter ending June 30, 2009 - Before end of July, 2009 Results for Quarter ending September 30, 2009 - Before end of October, 2009 Results for Quarter ending December 31, 2009 - Before end of January, 2010 Results for Year ending March 31, 2010- Before end of June, 2010
<b>Date of Book Closure</b>	: From 6 <sup>th</sup> August, 2009 to 13 <sup>th</sup> August, 2009 (both days inclusive)
<b>Dividend Payment Date</b>	: A Final dividend of Rs.2/- 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 13 <sup>th</sup> August, 2009.
<b>Listing on Stock Exchanges</b>	: The Company's equity shares are listed on the following two Stock Exchanges in India.
<b>Name of the Stock Exchange</b>	<b>Stock Code</b>
1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	523385
2. National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.	NILKAMAL

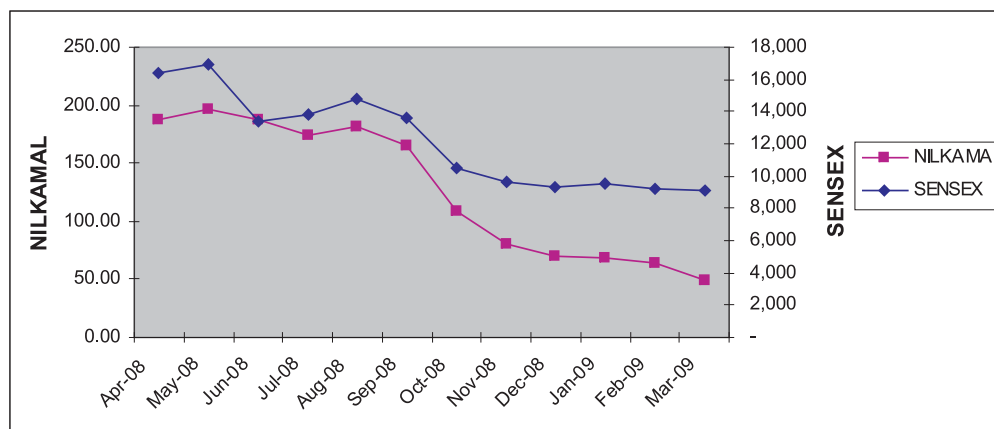
**Demat ISIN in NSDL and CDSL for Equity Shares: INE310A01015**

The Company has paid the Annual Listing fees to each of the above Stock Exchanges for the financial year 2009-2010.

**Market Price Data**

The Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
Month	High	Low	Month	High	Low
April, 2008	215.05	158.95	April, 2008	219.00	172.50
May, 2008	219.90	173.00	May, 2008	231.00	171.00
June, 2008	208.90	167.25	June, 2008	239.30	163.20
July, 2008	195.00	153.00	July, 2008	199.00	155.00
August, 2008	199.00	165.00	August, 2008	194.95	156.60
September, 2008	199.00	132.00	September, 2008	179.00	130.00
October, 2008	148.00	70.00	October, 2008	139.45	68.00
November, 2008	99.80	62.00	November, 2008	90.00	60.00
December, 2008	85.00	55.05	December, 2008	71.50	52.00
January, 2009	76.90	61.00	January, 2009	74.00	60.00
February, 2009	72.90	55.05	February, 2009	72.00	56.00
March, 2009	57.10	42.55	March, 2009	59.50	42.00

**Performance in comparison to broad-based indices such as BSE SENSEX Share Price Movement during each month of the Financial Year 2008-2009. \***



\* Sources www.bseindia.com.

**Registrar and Transfer Agent**

**M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited)**, C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078.Tel: 022-25963838, Fax: 022-25946969, Email: isrl@linkintime.co.in are the Registrar and Share Transfer Agent for physical shares of the Company. Link 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 31<sup>ST</sup> MARCH, 2009**

Slab of Shareholding (Rs.)	No of Shareholders	% of Shareholders	Amount in Rs.	% of Shareholding
0-5000	6,194	92.02	75,70,220	5.92
5001 to 10000	265	3.94	20,93,850	1.63
10001 to 20000	132	1.96	19,37,990	1.51
20001 to 30000	37	0.55	9,31,050	0.72
30001 to 40000	16	0.23	5,48,160	0.42
40001 to 50000	20	0.30	9,54,410	0.75
50001 to 100000	28	0.42	19,62,510	1.53
100001 and above	39	0.58	11,18,25,250	87.48
<b>Total</b>	<b>6,731</b>	<b>100</b>	<b>12,78,23,440</b>	<b>100</b>

**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	1	0.00	300
Banks, Financial Institutions, Insurance Companies	1	0.00	300
FII	5	11.15	14,25,455
Bodies Corporate	245	1.87	2,39,587
Individuals	6,403	15.43	19,70,977
NRIs & OCB	49	0.30	38,340
<b>Total</b>	<b>6,731</b>	<b>100</b>	<b>1,27,82,344</b>

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, Mr. Hiten V. Parekh Natural guardian of Ms. Priyanka H. Parekh, Mr. Hiten V. Parekh Natural guardian of Ma. Mihir H. Parekh, Mr. Manish V. Parekh Natural guardian of Ma. Easshan M. Parekh, Mrs. Rajul M. Gandhi, Mr. Manoj Gandhi, Shrimant Holdings Private Limited, Nilkamal Builders Private Limited and Heirloom Finance Private Limited.

**Dematerialisation of shares and liquidity:**

97.52 % of the Company's Share Capital is dematerialised as on March 31, 2009. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

**Plant Locations:**

Barjora Unit	Plot No. 1498/2613, WBIDC, Barjora Mejia Road, P.S. Barjora, District: Bankura, West Bengal.
Jammu Unit	Plot No. 1107, IGC, Phase – II, Samba – 184 121, Jammu & Kashmir.
Kharadapada Unit	Survey No. 389, 391, 393, 396, 401, Naroli – Kharadpada Road, Village : Kharadpada, Silvassa - 396 230.
Noida Unit	Plot No.26, B/C Sector No.31, Surajpur – Kasna Road, Greater Noida – 203 207 (U.P.)
Puducherry Unit	19/3-5, 18/1 & 21/6, Pit -Olaivaikkal Village, Koodapakam Villianoor Road, Villianoor Taluk, Puducherry – 605 110.
Sinnar Unit	STICE, Plot No.971/1A, Sinnar Shirdi Road, Sinnar-422 103, Dist, Nashik, Maharashtra.
Vasona Unit	Survey No.354/2, and 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Village Vasona, U.T. of D & NH, Silvassa.
Registered Office	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.

**Address for Correspondence:**

Investors can communicate at the following addresses:

- Ms. Priti 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:- 022-42358888 Fax:- 022-28361923
- Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W),  
Mumbai 400 078.  
Tel: 022-25963838  
Fax: 022-25946969  
Email: isrl@linkintime.co.in

**AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE**

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 Agreement entered into, by the Company, with Stock Exchanges of India, for the financial year ended 31<sup>st</sup> March, 2009.

The Compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

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

**Venkatesh Subramanian**  
**Partner**  
Membership No.37942

Place : Mumbai  
Date : June 13, 2009

**For and on behalf of**

**VORA & ASSOCIATES**  
Chartered Accountants

**Bharat B. Chovatia**  
**Partner**  
Membership No.31756



**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENT**

The financial year 2008-09 will go down in the chronicles of history as one of the most tumultuous years and a period of acute volatility. All the major economies of the world went under severe stress because of the collapse of their economic growth.

The global financial turmoil resulted into extreme volatility in exchange rates as well as commodity prices. The crude oil prices witnessed a meteoric rise reaching a level of USD 147 per barrel in July 2008 and thereafter crashed with the same ferocity. The Indian rupee that hovered around Rs. 40 against USD in 2007-08 fell sharply to Rs. 51 during 2008-09.

The Indian economy has also been adversely impacted by the global recessionary trends. There has been a demand slowdown impacting both, exports as well as domestic consumption. The domestic credit market has also seen a relative freeze, raising the funding cost for the corporates. The Government of India's stimulus packages, to spur the economic activity, has led to widening of fiscal and revenue deficits.

In spite of all this, the Indian economy is bound to perform relatively better since it is driven more by domestic consumption, sound banking & other regulatory institutions & a young aspirant population.

**Plastic Division**

During the year under review the **Moulded Furniture Business** of the Company enjoyed a market share of around 37% of the domestic market. The industry comprises of 2 national players and around 40 regional players spread across the country.

The Furniture Business witnessed a de-growth of 12% in volume terms primarily because of the high volatility in raw material prices due to the abnormal price fluctuation of crude oil. The severity of the impact can be judged from the fact that the raw material prices moved up steeply by 35% during the period April, 2008 - July, 2008, followed by a decline of 44% between July, 2008 - November, 2008 and a further increase of 17% during November, 2008 to March, 2009. The "yo-yo" effect of prices resulted in correction of inventory by the trade and also reduced consumer demand. In spite of these odds the Furniture Division had been able to achieve the same turnover that of the last financial year which is almost twice the turnover of its closest competitor in this segment.

The **Material Handling Business** has witnessed a volume Growth of 15%.

The Company further Consolidated its Market Position as **A One Stop Material Handling Shop** offering crates, bins, pallets, material handling equipments, vertical storage systems in metal and even automatic storage & retrieval systems under **One Roof** leveraging on its nation wide reach of marketing and distribution network.

The new products introduced by Roto Molding, Vacuum Foaming, Blow Molding, PU Filling and endeavors in waste management, pp corrugated returnable boxes, conteyer multibag systems have been well received in the market.

The Company started marketing a wide range of Hospitality Products of Cambro Manufacturing, USA & Tiger, Korea and has plans to further enhance the product range.

The Joint-venture with BITO Lagertechnik, Germany for manufacture of metallic storage systems has matured to receive large projects.

**Lifestyle Furniture, Furnishings and Accessories Division:**

@home - the Mega Home Store is the Company's Retail business division. It is a chain of complete home décor stores across the country that retails a wide range of imported furniture (readymade furniture), soft furnishings & home accessories.

'@home' with its international style retail format has been one of the first organized movers in the industry which created its own identity as a specialty store for home décor. The home furniture segment has very few organized players of the scale of @home.

@home, in year 2008-09 was spread across the country with 15 stores in 11 cities. Its turnover for FY 2008-09 is at **Rs. 12,530 Lacs**, witnessing a growth of **96%** over FY 2007-08.

Presently @home operates with 13 stores in 10 cities, and has recently closed operations of 2 stores to consolidate its business. @home presently holds retail space of around 2,34,000 sq. feet.

'@home' is positioned as a Home Maker store and target its brand to socio economic class A & B customers in the age group of 25-45 years, with lifestyle aspirations. Its brands promise to the customer is "**We help you make your home, home**", emphasizing on quality offerings of creative and practical solutions for a home.

@home offers its customers a unique convenience to select and buy co-ordinated furniture, furnishings and accessories, under one roof. @home provides Free Interior Planning Service through 3D Imaging Software helping customers to decorate their homes.

Professional guidance in buying the right products, interest free loans and convenient home delivery and assembly perfectly delivers the brand promise.

@home has a significant high street presence to differentiate from other retailers and is a destination for serious buyers of home décor. It has a proven track record of footfalls, conversions, store ramp-up and same-store growth.

@home has been awarded the Retailer of The Year - '09 by Asia Retail Congress.

It was also awarded the best Retail Design & Visual Merchandising by VM&RD "In Store Asia".

@home has invested significantly in back-end systems. The IT process enables smooth operational functions. It has merchandising teams that conceptualize, design and out source all furniture and accessories to be retailed through its outlets. Visual merchandising set up ensures the display of furniture and accessories in realistic room settings and sample flats.

It has a dedicated staff strength of 453 people and growing.

The total Indian Furniture market is estimated to be more than Rs. 60, 000 Crores. The industry is dominated by the unorganized sector which constitutes 90% of the market. The organized furniture market is at 10% and growing at about 35% CAGR. Furniture segment comprises 65% of the home market & 35% of Institutions.

According to the Marketing White Book 2009-10, in the entire Home decor category spends, furniture accounts to 68% of the share while remaining 32% comprises of furnishings and home improvement.

Imported furniture constitutes to 85% of the total organized furniture industry in the country (KSA Techno pack). India imports furniture from: Italy, Germany, Spain, China, Korea, Malaysia, Indonesia and Philippines.

#### **Opportunities, Threats, Risks, Concern and Outlook.**

##### **Plastic Division**

The challenge for Plastic Moulded Furniture business is to increase the size of the cake by developing new range of products to garner additional share of the wallet from the existing 3.2 Crores satisfied households. The Focus would also to tap the new aspirant households emerging as a result of the growth stimulus to be provided by a stable government at the center.

The Company's emphasis would be to develop value added products on one hand and focusing on fortifying the service to its customers on the other hand by increasing the number of depots to take the product closer to the customers and increase its sales force for augmenting the service quotient.

The Company would be investing in designs and products over the period of next two years with a clear objective to increase the size of moulded furniture market and thereby improving the margins.

The increased focus on efficient manufacturing and material management practices in times of recession and establishment of world scale manufacturing, retailing and warehousing facilities and also the opening up of the agricultural sector to participation of private sector bringing in adaptation of international practices, offer tremendous scope for Material Handling Business.

The global meltdown and its cascading effects all over can delay implementation of the project and also limiting the spending combined with presence of cheap, spurious quality products in market are some of the major threats.

The wide fluctuation in prices and uncertainty in availability of raw material alongwith currency and financial market condition remains a major concern for the Business.

Anticipated revival in economy & thrust on infrastructural development backed by political stability will provide strong opportunities for growth in Material Handling Business and our Company with its large network of sales offices, warehouses and sales personnel across the Country, with their footfalls in all kind of Business establishment is ideally poised to capitalize on this momentum.

##### **Lifestyle Furniture, Furnishings and Accessories Division**

@home business segment is gaining from a shift in consumers' shopping habits and patterns - with more inclination to convenience, quality, ambience, branding and service. The sophisticated young discerning consumer is rapidly shifting from a thrift and save mindset to a value and consume one.

Urban housing demand, higher disposable incomes, nuclear family and paucity of time are the major opportunities in this category. In addition, psychographic shifts to an aspirational lifestyle is driving the demand for the imported readymade furniture in India.

Economic slow down coupled with adverse currency fluctuation are threat to the business; as home furniture is not purchased frequently; the decision involves a lot of deliberation and needs a larger outlay of funds.

Despite the above industry environment, organized retail growth is likely to pick up in the latter half of 2009 on the back of lower rentals and gradual revival in demand.

With the anticipated revival of the economy in 2009-2010 - @home is set for a growth on the back of a store roll-out. By 2013 @home will be prominent national player with 50 flagship stores.

**Financial Review****Operating Profit**

The Company registered operating Profit of Rs. 8,783 Lacs against Rs. 8,163 Lacs in the previous year, an increase of 7.59% over the previous year.

The operating margin, however has been declined to 9.88% as compared to 10.78% in the previous year. This is on account of forced sale of high cost stock at lower selling price, provision of loss due to foreign exchange fluctuation, high brand establishment cost incurred for '@home' retail business etc.

**Interest**

Interest and Financial cost has increased from Rs. 2,692 Lacs to Rs. 3,963 Lacs. This increase is primarily due to additional borrowing of Rs. 5,000 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**

The Company has made net profit of Rs. 1,703 Lacs. (excluding exceptional expenses of provision for diminution in value of investment at Bangladesh of Rs. 521 Lacs) as against Rs. 3,142 Lacs (excluding exceptional income of Rs. 4,643 Lacs) in the previous year. The drop in net profit is primarily due to increase in financial expenses by Rs. 1,271 Lacs due to additional borrowings in order to meet capital expenditures and increase in cost of funds. The increase in depreciation charge by Rs. 787 Lacs, alongwith decline in operating margin has also contributed to lower profitability.

**Dividend**

The Company has proposed final dividend of Rs. 2/- per equity share (20%) for the current year. The total outflow amounts to Rs. 299 Lacs including dividend distribution tax.

**Capital Employed**

The total capital employed stood at Rs. 49,935 Lacs against Rs. 47,007 Lacs of previous year. Return on Capital employed is 11.02% against 14.46% of previous year. While Return on Equity is 8.06% against 18.55% of previous year.

The total debt to equity stands at 1.33 time against 1.54 time of the previous financial year.

**Subsidiary and Joint Venture Performance**

The Sri Lankan subsidiary has achieved turnover of SLR 7,496 Lacs and net profit of SLR 640 Lacs in compare to previous year turnover of SLR 11,488 Lacs and net profit of SLR 719 Lacs.

During the year under review, the Company has received Technical and Management fees of Rs. 89 Lacs (previous year Rs. 102 Lacs) and dividend of Rs. 12.71 Lacs (previous year Rs. Nil) from the said subsidiary. The subsidiary will be able to achieve higher growth in future with the end of long drawn internal conflicts in the country.

Increase in input cost coupled with intense competition has adversely affected operations and performance of Company's foreign subsidiary situated at Bangladesh. It has achieved turnover of BDT 1,722 Lacs and net loss of BDT 264 Lacs in compare to previous year turnover of BDT 1,734 Lacs and Net Loss of BDT 230 Lacs. The Company had invested Rs. 958 Lacs and due to continuous operational loss, has provided Rs. 520 Lacs for diminution in the value of its investment.

The subsidiary at Ajman is under establishment phase. The Company foresee growth potential in the years to come.

The Joint Venture Company - Nilkamal BITO Storage Systems Pvt. Ltd. is in manufacturing of storage systems of metal for providing intra-logistics solutions to the national and international market. In second year of operation, it has achieved turnover of Rs. 3,230 Lacs and has incurred loss of Rs. 290 Lacs as compared to previous year turnover of Rs. 2168 Lacs and loss of Rs. 718 Lacs. The continuous growth of Indian economy will provide growth opportunity for this business in years to come. The Company has received Rs. 83 Lacs (previous year Rs. 10 Lacs) towards Technical and Management Fees from the said Joint Venture Company.

**Internal Control System and it's Adequacy**

The Company has reasonably adequate internal control systems and checks to ensure that all assets are safeguarded and protected against all losses. The Company is regularly reviewing the adequacy of the Internal Control System and take initiatives in order to strengthen the said system.

During the year the Company has suffered loss due to fraud carried out at two places. The total loss on account of this two fraud is approx. Rs. 65 Lacs. The Company has initiated legal action against the concerned employees.

There is always a scope of strengthening and improvement of internal control & checks. The Company has taken necessary steps to prevent this kind of incidence in future.

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.

**Human Resources Management and Industrial Relations**

The Company firmly believes that quality people in the organization are the prime movers of the business. In this pursuit company attracts talents and retains the best talents in the industry through various HR processes. 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 stands at 1924.

**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 31<sup>st</sup> March, 2009, the annexed Profit and Loss Account for the year ended on that date and also 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. Those 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 to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) Based on the representations made by the Directors as on 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009, 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;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and 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 31<sup>st</sup> March, 2009;
    - (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

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

**Venkaatesh Subramanian**  
**Partner**  
Membership No.37942

**Bharat B. Chovatia**  
**Partner**  
Membership No.31756

Place : Mumbai  
Date : June 13, 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 OF NILKAMAL LIMITED**

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 particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the Management at reasonable intervals, according to a phased verification programme, which, in our opinion, is reasonable, looking at the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of assets physically verified during the year;
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern;
- ii (a) As explained to us, inventories have been physically verified during the year by the Management. Inventories lying with outside parties have been confirmed by them at the close of the year;
- (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 account;
- iii (a) According to the information and explanations given to us, the Company has during the year granted unsecured loans aggregating Rs. 5,705.46 Lacs to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, against which Rs. 3,815.00 Lacs has been repaid before the close of the year. The Company has not granted any loan, secured or unsecured, to firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (b) In our opinion, the rate of interest and other terms of the loan granted are, prima facie, not prejudicial to the interest of the Company;
- (c) According to the information and explanations given to us, payment of principal is regular. No amount of interest was due during the year;
- (d) According to the information and explanations given to us, the Company has taken unsecured loan from a Company covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating Rs. 800 Lacs, which has been repaid before the close of the year. We have to further state that, the Company has not taken any loan, secured or unsecured, from firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (e) In our opinion, the rate of interest and other terms of this loan are, prima facie, not prejudicial to the interest of the Company;
- (f) According to the information and explanations given to us, payment of principal and interest is regular on this loan;
- 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 continuing failure to correct major weaknesses in internal control;
- v (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, the particulars of all transactions 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 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) According to the records of the Company, it has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities;
- (b) On the basis of our examination of the documents and records, and explanations and information given to us, there were no disputed dues in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty and Cess. However, the following disputed dues have not been deposited with the appropriate authorities:

<b>Nature of Dues</b>	<b>Rs. in Lacs</b>	<b>Forum where dispute is pending</b>
Sales Tax	49.17	High Court
	81.94	Departmental Authorities
Excise Duty	27.42	Central Excise and Service Tax Appellate Tribunal
	68.92	Departmental Authorities

- x. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year;
- xi. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks and Debenture holders. There were no dues to any Financial Institution during the year;
- 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, and the representations made by the Management, the Company has given guarantees for loans taken by a subsidiary from Banks. The terms and conditions of such guarantees are, prima-facie, not prejudicial to the interests of the Company;
- xiv. On the basis of the records examined by us, we have to state that, the Company has, prima facie, applied the term loans for the purposes 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 are of the opinion that, prima facie, short term funds have not been used for long term investment;
- xvi. The Company has, during the year, not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956;
- xvii. The Company has, during the year, issued short term privately placed debentures which have been repaid before the due date of creation of any security in favour of the debenture holders;
- 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, there were two employee related frauds noticed and reported by the Company during the year (Refer Note No. 11(b)(ii) in Schedule G) involving embezzlement of funds estimated at Rs. 64.52 Lacs. To the best of our information, knowledge and belief, no other frauds have been noticed or reported 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 (Auditors' Report) Order, 2003, and the Companies (Auditor's Report) (Amendment) Order, 2004, Clauses (iii)(d), (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

**Venkaresh Subramanian**  
**Partner**  
 Membership No.37942

**Bharat B. Chovatia**  
**Partner**  
 Membership No.31756

Place : Mumbai  
 Date : June 13, 2009

**Balance Sheet**

*Nilkamal Limited*

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

	SCHEDULE	AS AT 31.03.2009 Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs
<b>I SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUND</b>			
(a) Share Capital	<b>A</b>	<b>1,278.23</b>	1,278.23
(b) Reserves and Surplus	<b>B</b>	<b>19,861.58</b>	19,520.55
		<b>21,139.81</b>	20,798.78
<b>2. LOAN FUNDS</b>			
(a) Secured Loans	<b>C</b>	<b>25,496.16</b>	28,254.47
(b) Unsecured Loans	<b>D</b>	<b>3,000.00</b>	3,809.44
		<b>28,496.16</b>	32,063.91
<b>3. DEFERRRED TAX LIABILITY (NET) [Refer Note 19]</b>			
		<b>1,378.03</b>	1,200.24
<b>TOTAL</b>		<b>51,014.00</b>	54,062.93
<b>II APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
(a) Gross Block	<b>E</b>	<b>43,101.76</b>	38,783.78
Less: Depreciation		<b>20,407.93</b>	17,365.84
Net Block		<b>22,693.83</b>	21,417.94
(b) Capital Work In Progress [Refer Note 8 (c)]		<b>594.03</b>	1,392.67
		<b>23,287.86</b>	22,810.61
<b>2. INVESTMENTS</b>			
	<b>F</b>	<b>2,377.59</b>	2,897.91
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	<b>G</b>	<b>13,624.64</b>	15,985.32
(b) Sundry Debtors		<b>10,520.45</b>	12,987.02
(c) Cash and Bank Balances		<b>1,331.15</b>	1,335.65
(d) Loans and Advances		<b>8,091.16</b>	6,349.46
		<b>33,567.40</b>	36,657.45
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
(a) Current Liabilities	<b>H</b>	<b>7,165.31</b>	6,692.50
(b) Provisions	<b>I</b>	<b>1,053.54</b>	1,610.54
		<b>8,218.85</b>	8,303.04
<b>NET CURRENT ASSETS</b>		<b>25,348.55</b>	28,354.41
<b>TOTAL</b>		<b>51,014.00</b>	54,062.93
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES TO ACCOUNTS</b>			
<b>P</b>			
<b>Q</b>			

**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 13, 2009

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



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009**

	SCHEDULE	Year Ended on 31.03.2009 Rs. in Lacs	Year Ended on 31.03.2008 Rs. in Lacs
<b>I INCOME</b>			
Gross Sales and Income from Services	J	103,025.61	89,033.75
Less : Duties and Levies		14,116.97	13,302.78
NET SALES		88,908.64	75,730.97
Other Income	K	177.69	116.96
<b>TOTAL</b>		<b>89,086.33</b>	<b>75,847.93</b>
<b>II EXPENDITURE</b>			
Materials consumed / Cost of goods traded / Variation in stocks	L	56,190.16	49,234.57
Employees' Remuneration and Benefits	M	5,090.18	3,647.99
Operating and other expenses	N	19,022.92	14,845.83
Financial Expenses	O	3,962.76	2,692.14
Depreciation/Amortisation		3,117.10	2,329.81
<b>TOTAL</b>		<b>87,383.12</b>	<b>72,750.34</b>
Less : Trial Run Expenses Capitalised [Refer note 8(b)]		-	44.11
		<b>87,383.12</b>	<b>72,706.23</b>
<b>Profit for the year before Exceptional Items</b>		<b>1,703.21</b>	<b>3,141.70</b>
Add / (Less) : Exceptional Items [Refer Note 9 (a)]		(520.64)	4,643.22
Profit before Taxation		1,182.57	7,784.92
<b>Provision for taxation</b>			
Current Tax		290.00	1,650.00
Deferred Tax [Refer Note 19]		177.79	267.84
Fringe Benefit Tax		105.00	115.00
Taxation for earlier years written off / (written back)		(0.35)	16.26
<b>NET PROFIT AFTER TAX</b>		<b>610.13</b>	<b>5,735.82</b>
BALANCE OF PROFIT BROUGHT FORWARD		4,680.84	2,174.97
PROFIT AVAILABLE FOR APPROPRIATION		5,290.97	7,910.79
<b>III APPROPRIATIONS</b>			
Proposed Dividend		255.65	383.47
Interim Dividend		-	447.38
Tax on Dividend		43.45	141.20
Transfer to General Reserve		100.00	2,257.90
Balance carried to Balance Sheet		4,891.87	4,680.84
		5,290.97	7,910.79
<b>Earnings per Equity Share of Rs. 10/- Each [Refer Note 24]</b>			
<b>Basic and Diluted Earnings per Share including exceptional items</b>		<b>4.77</b>	<b>44.87</b>
<b>Basic and Diluted Earnings per Share excluding exceptional items</b>		<b>8.85</b>	<b>16.78</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	P		
<b>NOTES TO ACCOUNTS</b>	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 13, 2009

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

**Cash Flow Statement**

*Nilkamal Limited*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	2008 - 2009		2007 - 2008	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		1,182.57		7,784.92
Adjustments for :				
Depreciation and Amortisation	3,117.10		2,329.81	
Loss on Fixed Assets sold / discarded (Net)	63.48		20.85	
Financial Expenses (Net)	3,962.76		2,692.14	
Provision/(Write back) for doubtful debts and advances	88.70		10.56	
Bad Debts Written off	-		2.00	
Exchange (Gain) / Loss on Foreign Currency Loans	452.36		(47.48)	
Dividend Received	(12.71)		-	
Provision for Wealth Tax	4.60		3.75	
	<u>7,676.29</u>		<u>5,011.63</u>	
Less : Exceptional Item	<u>(520.64)</u>	<u>8,196.93</u>	<u>4,643.22</u>	<u>368.41</u>
<b>Operating Profit before Working Capital changes</b>		<b>9,379.50</b>		<b>8,153.33</b>
Adjustments for :				
Trade and Other Receivables	2,829.17		(4,538.05)	
Inventories	1,913.54		(6,058.59)	
Trade Payable & Other Liabilities	209.09		1,770.02	
Direct Taxes Paid (Net of Refund)	<u>(549.86)</u>		<u>(969.88)</u>	
		<u>4,401.94</u>		<u>(9,796.50)</u>
<b>Net Cash Flow from Operating Activities.....A</b>		<b>13,781.44</b>		<b>(1,643.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Addition to Fixed Assets	(3,477.82)		(10,492.67)	
Sale of Fixed Assets	67.50		108.63	
Redemption of Government Securities	0.18		-	
Purchase of Shares in a Subsidiary	(0.50)		-	
Equity Contribution in a Joint Venture Company	-		(900.00)	
Loan Given to Subsidiary companies (Net)	(1,890.46)		2,814.50	
Interest Received on loans given to Subsidiary	94.13		373.22	
Dividend received from Subsidiary	12.71		-	
Sales proceeds of Investment in Subsidiary (Net of Taxes)	-		3,590.72	
<b>Net Cash Flow from Investing Activities.....B</b>		<b>(5,194.26)</b>		<b>(4,505.60)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	5,676.66		6,525.22	
Repayment of Long Term Borrowings	(2,375.34)		(1,146.56)	
Repayment of Unsecured Loans (Net)	(809.44)		(2,890.76)	
Repayment of Working Capital Loans (net)	(6,511.98)		8,092.39	
Capital Subsidy Received	30.00		-	
Interest Paid (Net)	(4,251.01)		(3,189.92)	
Dividend paid (including tax on dividend)	<u>(448.32)</u>		<u>(820.83)</u>	
<b>Net Cash Flow from Financing Activities.....C</b>		<b>(8,689.43)</b>		<b>6,569.54</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>		<b>(102.25)</b>		<b>420.77</b>
Cash and Cash Equivalents as at the beginning of the year	1,198.56		687.56	
Add : On Amalgamation	-		90.23	
	<u>1,198.56</u>		<u>777.79</u>	
<b>Cash and Cash Equivalents as at the year end</b>	<b>1,096.31</b>		<b>1,198.56</b>	
		<u>(102.25)</u>		<u>420.77</u>
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balance as at the year end		1,331.15		1,335.65
Less:				
Balances in Fixed Deposit accounts pledged with various - government authorities	93.13		87.09	
Balances in Fixed Deposit accounts kept as margin money with - the bankers	<u>141.71</u>		<u>50.00</u>	
		<u>234.84</u>		<u>137.09</u>
<b>Cash and Cash Equivalent as at the year end</b>		<b>1,096.31</b>		<b>1,198.56</b>
<b>Previous year's figures have been regrouped / recast wherever necessary.</b>				

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board

**Venkatesh Subramanian**  
Partner

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

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

**Bharat B. Chovatia**  
Partner

**Pareesh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place : Mumbai  
Date : June 13, 2009

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at <b>31.03.2009</b> Rs. in Lacs	As at 31.03.2008 Rs. in Lacs
<b>SCHEDULE : 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
2,20,00,000 Equity Shares (Previous year	<b>2,200.00</b>	2,200.00
2,20,00,000 Equity Shares) of Rs.10/- each		
30,00,000 Preference Shares of Rs.10/- each	<b>300.00</b>	300.00
	<b>2,500.00</b>	2,500.00
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
1,27,82,344 Equity shares (Previous year	<b>1,278.23</b>	1,278.23
1,27,82,344 Equity Shares) of Rs.10/- each		
(Of the above 42,07,644 Equity Shares of		
Rs. 10/- each have been issued pursuant to		
the Scheme of amalgamation for consideration		
other than cash)		
<b>TOTAL</b>	<b>1,278.23</b>	1,278.23
<b>SCHEDULE : 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
As per last Account	<b>1,085.16</b>	1,085.16
Add: Received during the Year [Refer Note (6)]	<b>30.00</b>	-
	<b>1,115.16</b>	1,085.16
<b>SECURITIES PREMIUM ACCOUNT</b>		
As per last Account	<b>754.55</b>	754.55
<b>GENERAL RESERVE</b>		
As per last Account	<b>13,000.00</b>	8,200.00
Add: Transfer from Profit and Loss Account	<b>100.00</b>	2,257.90
Less: Employee retirement benefits adjusted	-	65.72
Add: On Amalgamation	-	2,919.46
Less: Adjustment in respect of difference in accounting policies	-	311.64
	<b>13,100.00</b>	13,000.00
<b>PROFIT AND LOSS ACCOUNT</b>		
Surplus as per Annexed Account	<b>4,891.87</b>	4,680.84
<b>TOTAL</b>	<b>19,861.58</b>	19,520.55
<b>SCHEDULE : 'C'</b>		
<b>SECURED LOANS</b>		
(A) Working Capital Loans From Banks [Refer Note 7 (A) (a)]		
(i) Rupee Loans	<b>11,419.31</b>	16,774.83
(ii) Foreign Currency Loan	<b>158.14</b>	1,216.35
(B) Term Loans From Banks [Refer Note 7 (A)]		
(i) Rupee Loans	<b>12,411.74</b>	8,406.25
(ii) Foreign Currency Loans	<b>1,506.97</b>	1,857.04
<b>TOTAL</b>	<b>25,496.16</b>	28,254.47
<b>SCHEDULE : 'D'</b>		
<b>UNSECURED LOANS:</b>		
From Banks :-		
Short Term Rupee Loans	<b>1,000.00</b>	3,809.44
Commercial Paper [Refer Note 7 (B)]	<b>2,000.00</b>	-
<b>TOTAL</b>	<b>3,000.00</b>	3,809.44

**SCHEDULE 'E'**  
**FIXED ASSETS**

(Rs. in Lacs)

ASSETS	GROSSBLOCK					DEPRECIATION/AMORTISATION					NETBLOCK	
	AS ON 01.04. 2008	On Amalga- mation [c]	Additions during the year	Deductions/ Adjust- ments	AS ON 31.03. 2009	AS ON 01.04. 2008	On Amalga- mation	For the year	Deductions/ Adjust- ments	AS ON 31.03. 2009	AS ON 31.03. 2009	AS ON 31.03. 2008
<b>A - TANGIBLE ASSETS</b>												
1 FREEHOLD LAND	151.25	-	3.57	-	<b>154.82</b>	-	-	-	-	-	<b>154.82</b>	151.25
2 LEASEHOLD LAND [a and b]	224.72	-	-	-	<b>224.72</b>	14.16	-	2.50	-	<b>16.66</b>	<b>208.06</b>	210.56
3 BUILDING	8,006.12	-	693.69	17.84	<b>8,681.97</b>	1,451.87	-	250.78	2.75	<b>1,699.90</b>	<b>6,982.07</b>	6,554.25
4 PLANT & MACHINERY	22,678.12	-	1,795.94	10.02	<b>24,464.04</b>	14,211.32	-	1,866.26	4.76	<b>16,072.82</b>	<b>8,391.22</b>	8,466.80
5 FURNITURE FIXTURES & OFFICE EQUIPMENTS	3,124.66	-	1,042.19	32.00	<b>4,134.85</b>	1,112.79	-	308.39	15.80	<b>1,405.38</b>	<b>2,729.47</b>	2,011.87
6 VEHICLES	836.14	-	184.94	113.46	<b>907.62</b>	189.49	-	84.45	44.73	<b>229.22</b>	<b>678.40</b>	646.65
7 VEHICLES UNDER HIRE PURCHASE ARRANGEMENT	-	-	164.88	-	<b>164.88</b>	-	-	12.01	-	<b>12.01</b>	<b>152.87</b>	-
8 INTERIORS AT SHOWROOM	1,596.55	-	625.85	32.89	<b>2,189.51</b>	133.02	-	136.16	6.97	<b>262.20</b>	<b>1,927.31</b>	1,463.53
<b>B - INTANGIBLE ASSETS</b>												
1 MODELS, DESIGNS AND OTHER COMMERCIAL RIGHTS	2,012.52	-	-	-	<b>2,012.52</b>	234.79	-	402.50	-	<b>637.29</b>	<b>1,375.23</b>	1,777.73
2 SOFTWARE	153.70	-	13.13	-	<b>166.83</b>	18.40	-	54.05	-	<b>72.45</b>	<b>94.38</b>	135.30
<b>GRAND TOTAL</b>	<b>38,783.78</b>	-	<b>4,524.19</b>	<b>206.21</b>	<b>43,101.76</b>	<b>17,365.84</b>	-	<b>3,117.10</b>	<b>75.01</b>	<b>20,407.93</b>	<b>22,693.83</b>	<b>21,417.94</b>
PREVIOUS YEAR 2007-08	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	

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

As at  
31.03.2009  
Rs. in Lacs

As at  
31.03.2008  
Rs. in Lacs

**SCHEDULE : 'F'**  
**INVESTMENTS**
**(Long Term, Unquoted, unless otherwise stated)**  
**Investments in Government Securities at cost**

National Savings Certificates **0.32** 0.50  
(Pledged with Government Authorities)

**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** 93.62

1,31,45,942 (1,31,45,942) Equity Shares of  
BDT 10/- each of Nilkamal Padma Plastics Pvt. Ltd.,  
Bangladesh. **958.64** 958.64

Less :- Provision for diminution ([Refer Note 9 (b)]) **520.64** -

**438.00** 958.64

5,001 ( Nil ) Equity Shares of Rs. 10/- each  
of Starshine Land Developers Pvt. Ltd. **0.50** -

1 ( 1 ) Equity Shares of DHS 1,85,000  
of Nilkamal Crates & Bins, FZE **19.65** 19.65

**Investments in Joint Venture :**

18,30,000 (18,30,000 ) Equity Shares of Rs. 10/- each  
of Nilkamal Bito Storage Systems Private Limited **1,825.50** 1,825.50

**TOTAL** **2,377.59** **2,897.91**

	<b>As at 31.03.2009 Rs. in Lacs</b>	<b>As at 31.03.2008 Rs. in Lacs</b>
<b>SCHEDULE : 'G'</b>		
<b>INVENTORIES</b>		
Stores and Spare parts	<b>1,396.45</b>	1,208.77
Packing Materials	<b>150.68</b>	134.34
<b>Stock in Trade</b>		
Raw Materials	<b>1,783.90</b>	3,024.60
Semi-Finished Goods / Work in Process	<b>857.04</b>	1,269.91
Finished Goods and Traded Goods	<b>9,436.57</b>	10,347.70
<b>TOTAL</b>	<b>13,624.64</b>	15,985.32
<b>SUNDRY DEBTORS [Refer Note 10]</b>		
i) Outstanding for a period exceeding Six months		
a) Considered Good	<b>671.92</b>	1,352.29
b) Considered Doubtful	<b>126.42</b>	225.39
	<b>798.34</b>	1,577.68
ii) Other Debts (Considered Good)	<b>9,848.53</b>	11,634.73
	<b>10,646.87</b>	13,212.41
Less: Provision for Doubtful Debts	<b>126.42</b>	225.39
<b>TOTAL</b>	<b>10,520.45</b>	12,987.02
<b>CASH AND BANK BALANCES</b>		
Cash on hand	<b>97.77</b>	52.54
Balance with Scheduled Banks		
i) Current Accounts (Includes Book - Over Draft)	<b>998.54</b>	810.65
ii) On Fixed Deposit Accounts [Includes Rs. 93.13 Lacs Pledged with various government authorities (Previous year Rs. 87.09 Lacs), Rs. 141.71 Lacs kept as margin money with the bankers, (Previous - year Rs. 50.00 Lacs)]	<b>234.84</b>	472.46
<b>TOTAL</b>	<b>1,331.15</b>	1,335.65
<b>LOANS AND ADVANCES (Unsecured Considered Good, Unless otherwise Specified)</b>		
Loan to Subsidiary Company [Refer Note 11 (a)]	<b>1,890.46</b>	-
Advances Recoverable in Cash or in kind or for the value to be received [Refer Note 11 (b)]		
Considered Good	<b>3,472.17</b>	3,675.35
Considered Doubtful	<b>56.66</b>	-
	<b>3,528.83</b>	3,675.35
Less: Provision for Doubtful advance	<b>(56.66)</b>	-
	<b>3,472.17</b>	3,675.35
Employee Loans	<b>174.09</b>	206.85
Balance with Excise Department	<b>2.88</b>	9.18
Taxes paid in Advance (Net of Provisions)	<b>488.54</b>	337.08
Deposits [Refer Note 12]	<b>2,063.02</b>	2,121.00
<b>TOTAL</b>	<b>8,091.16</b>	6,349.46
<b>SCHEDULE : 'H'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors (Refer Note 13)	<b>3,764.88</b>	3,161.96
Unclaimed Dividend (Refer Note below)	<b>17.38</b>	17.06
Other Liabilities	<b>3,220.47</b>	3,405.97
Interest Accrued but not due on loans	<b>162.58</b>	107.51
<b>TOTAL</b>	<b>7,165.31</b>	6,692.50

## Schedules forming part of the Accounts

## Nilkamal Limited

	As at 31.03.2009 Rs. in Lacs	As at 31.03.2008 Rs. in Lacs
<b>SCHEDULE : 'I'</b>		
<b>PROVISIONS</b>		
Provision for Wealth Tax	4.60	3.75
Proposed Dividend	255.65	383.47
Tax on Proposed Dividend	43.45	65.17
For Employee Benefits	419.68	366.97
Provision for Product Warranties [Refer Note 5]	118.08	131.96
Provision for Excise Duty on Closing Stock	212.08	659.22
<b>TOTAL</b>	<b>1,053.54</b>	<b>1,610.54</b>
Note :- There are no amounts due for transfer to Investor Education and Protection Fund.		
	Year ended on 31.03.2009 Rs. in Lacs	Year ended on 31.03.2008 Rs. in Lacs
<b>SCHEDULE : 'J'</b>		
<b>GROSS SALES AND INCOME FROM SERVICES</b>		
<b>a) Gross Turnover of Goods</b>		
Local	101,113.37	87,334.54
Exports	1,644.43	1,561.72
	<b>102,757.80</b>	<b>88,896.26</b>
<b>b) Gross Income from Services</b>		
Service Charges	232.86	92.09
Export of Services	34.95	45.40
	<b>267.81</b>	<b>137.49</b>
<b>TOTAL</b>	<b>103,025.61</b>	<b>89,033.75</b>
<b>SCHEDULE : 'K'</b>		
<b>OTHER INCOME</b>		
Technical and Management Fees	159.04	112.04
Dividend from a Subsidiary Company	12.71	-
Miscellaneous Receipts	5.94	4.92
<b>TOTAL</b>	<b>177.69</b>	<b>116.96</b>
<b>SCHEDULE : 'L'</b>		
<b>MATERIALS CONSUMED / COST OF GOODS TRADED / VARIATION IN STOCKS :</b>		
a) Opening Stock of Raw Materials	3,024.60	1,516.59
b) Stock taken over on Amalgamation	-	362.52
c) Purchases	30,006.70	32,818.43
d) Total of [a] + [b] + [c]	<b>33,031.30</b>	<b>34,697.54</b>
<b>LESS:</b>		
e) Closing Stock of Raw Materials	1,783.90	3,024.60
<b>I RAW MATERIALS CONSUMED [d-e]</b>	<b>31,247.40</b>	<b>31,672.94</b>
<b>II TRADING PURCHASES</b>	<b>23,983.03</b>	<b>22,178.77</b>
<b>III VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS</b>		
<b>Opening Stock</b>		
Work in Process	447.86	183.09
Semi Finished Goods	822.06	257.84
Finished and Traded Goods	10,347.70	3,865.58
	<b>11,617.62</b>	<b>4,306.51</b>
Stock taken over on Amalgamation	-	2,582.09
<b>Closing Stock</b>		
Work in Process	242.45	447.86
Semi Finished Goods	614.59	822.05
Finished and Traded Goods	9,436.57	10,347.70
	<b>10,293.61</b>	<b>11,617.61</b>
Add / (Less): Variation in excise duty on Opening and Closing stock of Finished Goods	<b>(364.28)</b>	<b>111.87</b>
<b>TOTAL (I+II+III)</b>	<b>56,190.16</b>	<b>49,234.57</b>

	<b>Year ended on 31.03.2009 Rs. in Lacs</b>	Year ended on 31.03.2008 Rs. in Lacs
<b>SCHEDULE : 'M'</b>		
<b>EMPLOYEES' REMUNERATION AND BENEFITS</b>		
Salary, Wages and Bonus	4,507.25	3,200.17
Contribution to Provident and Other funds	148.24	109.04
Workmen and Staff Welfare Expenses	434.69	338.78
<b>TOTAL</b>	<b>5,090.18</b>	<b>3,647.99</b>

<b>SCHEDULE : 'N'</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	1,294.47	785.59
Power and Fuel	2,624.75	1,978.93
<b>Repairs :</b>		
Building	21.94	45.23
Machinery	49.34	60.59
Others	319.99	243.43
Labour Charges Paid	1,673.80	1,623.68
Rent	2,119.60	1,292.27
Rates and Taxes	145.88	79.65
Insurance	121.67	140.73
Postage and Telephone Expenses	397.23	367.62
Loss on Fixed Assets Sold / Discarded (Net)	63.48	20.85
Packing Material Consumed	558.74	512.29
Travelling Expenses	829.43	696.34
Commission	276.62	305.86
Advertisements and Publicity Expenses	1,508.70	1,258.17
Computer Expenses	94.16	102.94
Carriage Outward	3,738.01	2,985.98
Land Lease Rent	3.10	1.61
Board Meeting Fees	5.82	2.71
Provision for Wealth Tax	4.60	3.75
Bad Debts written off	-	2.00
Provision / (Write back) for Doubtful Debts and Advances	88.70	10.56
Discounts & Schemes	949.46	755.57
<b>Payment to Auditors</b>		
- Audit Fees	13.00	13.00
- In Other Capacity	3.17	5.75
Sundry Expenses	2,117.26	1,550.73
<b>TOTAL</b>	<b>19,022.92</b>	<b>14,845.83</b>

<b>SCHEDULE : 'O'</b>		
<b>FINANCIAL EXPENSES</b>		
(Refer Note 18)		
Interest Expenses	4,185.50	2,956.45
Less: Interest Received (TDS Rs. 97.64 Lacs, Previous year Rs. 74.87 Lacs)	453.94	375.90
Interest Capitalised	-	108.22
	<b>3,731.56</b>	<b>2,472.33</b>
Bank Charges	172.20	147.23
Processing and other charges on Loans	59.00	72.58
<b>TOTAL</b>	<b>3,962.76</b>	<b>2,692.14</b>

**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 other 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 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 or 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 or 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, 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 lease. 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 reassure 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.

**o) Government Grants:**

Grants received from Government agencies / departments which are in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve.

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

(Rs.in Lacs)

	<b>31<sup>st</sup> March, 2009</b>	31 <sup>st</sup> March, 2008
i) Excise matters	<b>101.32</b>	150.40
ii) Sales Tax matters	<b>132.58</b>	116.27
iii) Corporate Guarantees given on behalf of Subsidiary Company, Bangladesh Taka (BDT) 888.99 Lacs. (Previous year (BDT) 966.39 Lacs). (amount outstanding at the close of the year)	<b>646.80</b>	551.10
iv) Un-expired letters of Credits.	<b>1,575.33</b>	1,623.26

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.

- (b) Pursuant to the Order of the Delhi High Court dated 18<sup>th</sup> April, 2009, which set aside the levy of service tax on rentals of immovable property, the Company has not provided for service tax expense amounting to Rs. 117.87 Lacs. The ruling is however, subject to any proceedings/appeal that may be filed by the Government and orders thereupon.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 487.91 Lacs (Previous Year Rs. 939.80 Lacs).
3. Remuneration to Directors comprise of (a) Salary, allowances, etc. Rs. 155.82 Lacs (Previous Year Rs. 152.21 Lacs) and (b) Other Perquisites Rs. Nil (Previous year Rs. Nil).
4. Sundry Expenses include net effect of changes in the foreign currency rates :  
Loss/(Gain) on revenue items included in profit and loss account for the year Rs. 342.29 Lacs. (Previous Year Rs. (9.99) Lacs).
5. **Disclosure relating to provisions in respect of Product Warranty is as follows :**

(Rs. In Lacs)

	<b>2008-09</b>	2007-08
Opening Balance	<b>131.96</b>	106.49
Additions	<b>414.91</b>	369.69
Utilisations	<b>428.79</b>	344.22
Closing Balance	<b>118.08</b>	131.96

6. Addition to Capital Reserve of Rs. 30.00 Lacs (Previous Year Rs. Nil) represents capital subsidy received under Capital Investment Subsidy Scheme from the Government of Jammu & Kashmir for investment in the Company's facility at Samba district in the State of Jammu & Kashmir.
7. (A) **Secured Loans :**
- a) The Working Capital Facilities amounting to Rs. 11,577.45 Lacs. (Previous Year Rs. 17,991.18 Lacs.) and a Term Loan amounting to Rs. 1,500 Lacs (Previous Year Rs. Nil) from Banks are secured on first pari passu basis by way of hypothecation of current assets of the Company, second pari passu charge by way of equitable mortgage on the Company's immoveable property and personal guarantees of Director/s.
- b) Other Term Loans from Banks amounting to Rs. 12,321.80 Lacs (Previous Year Rs. 10,263.29 Lacs) are secured on first pari passu basis by way of Equitable mortgage created on Company's immoveable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry, Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir) together with all building and structures thereon and all Plant & Machinery, second pari passu charge by way of hypothecation of current assets of the Company and personal guarantees of Director/s.
- c) Vehicle Loans amounting to Rs. 96.91 Lacs (Previous Year Rs. Nil) are secured against respective assets.
- (B) **Unsecured Loans :**
- Maximum balance outstanding during the year by way of issue of Commercial Papers Rs. 2,000 Lacs (Previous Year Rs. Nil).

**8. Fixed Assets:**

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

(Rs. in Lacs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2009</b>	Year ended 31 <sup>st</sup> March, 2008
<b>Opening Balance</b>	-	57.69
<b>Add : Expenditure</b>		
Power and Fuel	-	1.62
Salaries, Wages, etc.	-	39.06
Contribution to Provident Fund	-	1.16
Employee Welfare Expenses	-	5.57
Insurance	-	0.92
Rent	-	5.96
Rates & Taxes	-	3.00
Travel and Conveyance	-	8.34
Legal and Professional	-	3.16
Amortisation of Leasehold Land	-	0.81
Others	-	3.49
<b>Total</b>	-	73.09
<b>Total Expenditure</b>	-	130.78
<b>Less: Expenditure Capitalised during the year</b>	-	130.78
<b>Closing Balance</b>	-	-

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)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2009</b>	Year ended 31 <sup>st</sup> March, 2008
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
<b>Total</b>	-	<b>335.52</b>
Less: Sales during trial run	-	35.87
Less: Stock of trial run product :		
Finished Goods	-	205.80
Work-in-Process	-	49.74
<b>Net Trial Run Expenditure Capitalised</b>	-	<b>44.11</b>

c) Capital Work in Progress includes advances for Capital Expenditure Rs. 223.33 Lacs (Previous Year Rs. 815.32 Lacs).

9. (a) Exceptional items represents :

(i) Profit on sale of investment in a subsidiary Nilkamal Bhoomi Developers Private Limited, Rs. Nil (Previous Year Rs. 4,643.22 Lacs).

(ii) Provision for diminition in Long Term Investment (Refer (b) below).

(b) The Company has an investment of Rs. 958.64 Lacs in the equity shares of Nilkamal Padma Plastics Private Limited (Bangladesh) [NPPPL], a subsidiary Company. The Company has also given guarantee for loans taken by NPPPL (amount outstanding as at 31<sup>st</sup> March, 2009 Rs. 646.80 Lacs, as at 31<sup>st</sup> March, 2008 Rs. 551.10 Lacs). The networth of NPPPL has completely eroded due to operational losses. The Company continues to be strategically committed in the business of NPPPL. In view of the losses incurred to date, a valuation was carried out by an expert to assess the permanent diminution in the value of Company's investment and accordingly, the Company has provided for Rs. 520.64 Lacs for diminution in the value of its investments in NPPPL.

10. **Sundry Debtors :**

(a) Outstanding for more than six months includes Secured debts Rs. 29.34 Lacs (Previous Year Rs. 44.41 Lacs).

(b) Other Debts includes Secured debts Rs. 1,298.24 Lacs (Previous Year Rs. 1,056.36 Lacs).

(c) Includes Rs. 51.24 Lacs (Previous Year Rs. 43.24 Lacs), outstanding from Nilkamal Bito Storage Systems Pvt. Ltd., a joint venture company.

## 11. Loans to Subsidiaries represents :

- (a) (i) Due from Starshine Land Developers Pvt. Ltd. Rs. 1,890.46 Lacs (Previous Year Rs. Nil); Maximum balance Rs. 5,705.46 Lacs (Previous Year Rs. Nil).  
(ii) Due from Nilkamal Bhoomi Developers Pvt. Ltd. (an erstwhile Subsidiary Company) Rs. Nil (Previous Year Rs. Nil); Maximum balance Rs. Nil (Previous Year Rs. 2,844.50 Lacs).
- (b) Advance recoverable in Cash or in Kind includes :  
(i) Rs. 336.91 Lacs (Previous Year Rs. 87.73 Lacs) being Interest Receivable on Loans and other Deposits.  
(ii) The Company has provided Rs. 56.66 Lacs (being the amount outstanding as at 31<sup>st</sup> March, 2009) on account of two employees related frauds by way of embezzlement of funds during the year, estimated at Rs. 64.52 Lacs. Appropriate steps and Legal proceeding against the concerned employees have been taken.

12. Deposits include Security Deposit for premises, etc., of Rs. 645.25 Lacs (Previous Year Rs. 645.25 Lacs), Maximum balance during the year Rs. 645.25 Lacs (Previous Year Rs. 645.25 Lacs) being amounts paid to a firm in which the Directors of the Company are interested and Rs. 10 Lacs (Previous Year Rs. 1 Lac) to the Directors of the Company, Maximum balance during the year Rs. 10 Lacs (Previous Year Rs. 1 Lac).

13. (a) Sundry Creditors in Schedule 'H' to the Accounts include (i) Rs. Nil (Previous Year Rs. Nil) due to Micro and Small Enterprises and (ii) Rs. 3,764.88 Lacs (Previous Year Rs. 3,161.96 Lacs) due to other creditors. The disclosure is based on the information from the suppliers regarding their status under 'Micro, Small and Medium Enterprises Development Act, 2006'.  
(b) There is no interest paid/payable during the year to Micro and Small Enterprises.

## 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			2008-09			2007-08		
Installed Capacity **			70,740 TPA			68,307 TPA		
Product Manufactured			Moulded Plastics Articles			Moulded Plastics Articles		
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)
2008 - 09	32.74	5,068.95	-	288.56	304.54	57,161.63	16.76	2,581.50
2007 - 08	13.09	1,804.27	5.27	316.29	301.91	50,374.63	32.74	5,068.95

\* 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)
<b>2008-09</b>									
Moulded Plastic Articles and Others - Pcs	30.85	2,154.94	-	248.98	12,878.91	266.24	15,629.31	13.59	3,322.06
Polymers (Kgs.) & Others	2.54	138.74	-	67.73	4,376.49	69.26	4,561.64	1.01	54.24
Readymade Home furniture, Furnishing, Accessories & Others-Pcs	3.78	2,985.07	-	11.84	6,727.63	11.02	11,158.20	4.60	3,478.77
<b>2007-08</b>									
Moulded Plastic Articles and Others - Pcs	3.16	630.67	2.92	205.30	11,850.30	180.53	13,908.28	30.85	2,154.94
Polymers (Kgs.) & Others	0.55	34.10	-	95.76	5,691.90	93.77	5,682.25	2.54	138.74
Readymade Home furniture, Furnishing, Accessories & Others-Pcs	2.28	1,396.54	-	5.79	4,636.57	4.29	5,551.03	3.78	2,985.07

\* Including Samples.

c) Sale of Process Scrap Rs. 130.04 Lacs (Previous Year Rs. 77.29 Lacs).

d) Details of Raw Material Consumed:-

(Rs. in Lacs)

Particulars	2008-09		2007-08	
	Qty. (Tonnes)	Value	Qty. (Tonnes)	Value
Polyethylene	24,639	16,489.53	24,842	15,317.39
Polypropylene	21,510	13,707.08	25,473	15,102.21
Others		1,050.79		1,253.34
<b>TOTAL</b>		<b>31,247.40</b>		<b>31,672.94</b>

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

(Rs. in Lacs)

Particulars	2008-09		2007-08	
	Value	%	Value	%
Imported	655.08	2.10	537.39	1.70
Indigenous	30,592.32	97.90	31,135.55	98.30
<b>TOTAL</b>	<b>31,247.40</b>	<b>100.00</b>	<b>31,672.94</b>	<b>100.00</b>

f) Details of Imported and Indigenous Stores and Spares Consumed:-

(Rs. in Lacs)

Particulars	2008-09		2007-08	
	Value	%	Value	%
Imported	19.26	1.49	5.23	0.67
Indigenous	1,275.21	98.51	780.36	99.33
<b>TOTAL</b>	<b>1,294.47</b>	<b>100.00</b>	<b>785.59</b>	<b>100.00</b>

g) Earnings in Foreign Currency :-

i) FOB Value of exports Rs. 1,502.92 Lacs (Previous year Rs. 1,299.99 Lacs).

ii) Technical and Management Fees Rs. 76.30 Lacs (Previous year Rs. 102.25 Lacs).

iii) Income Earned from Export of Services Rs. 34.95 Lacs (Previous Year Rs. 45.40 Lacs).

iv) Dividend Received from a Subsidiary Company Rs. 12.71 Lacs (Previous Year Rs. Nil).

h) CIF Value of Imports:-

(Rs. in Lacs)

Particulars	2008-09	2007-08
Capital Goods	1,253.29	2,103.47
Raw Material	1,277.06	1,198.19
Traded Goods	5,693.02	4,327.69
Stores, Spares & Others	31.06	8.43
<b>TOTAL</b>	<b>8,254.43</b>	<b>7,637.78</b>

i) Expenditure in Foreign Currency:-

(Rs. in Lacs)

Particulars	2008-09	2007-08
Travelling Expenses	143.55	103.32
Interest	124.05	132.21
Legal & Professional Charges	131.87	46.08
Others	65.20	38.16
<b>TOTAL</b>	<b>464.67</b>	<b>319.77</b>

j) Investment during the year in a foreign subsidiary Rs. Nil (Previous Year Rs. 19.65 Lacs).

15. Disclosure in respect of derivative instruments:-

a) Derivatives contracts entered by the Company and outstanding as on 31<sup>st</sup> March, 2009 :-

(In Lacs)

Particulars	Currency	2008-09		2007-08	
		Forward	Swap	Forward	Swap
Loan Taken - Principal	USD	3.09	-	-	-
Loan Taken - Interest Rate	USD	-	29.44	-	33.89
Others	USD	0.06	-	-	-

**Schedules forming part of the Accounts**
***Nilkamal Limited***

- 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 31<sup>st</sup> March, 2009.

(In Lacs)

Particulars	Currency	2008-09	2007-08
Receivables	USD	5.17	11.07
	EURO	0.80	1.84
	AUD	0.00	0.28
	GBP	0.05	0.12
Payables	USD	15.33	4.66
	EURO	0.27	0.95
	GBP	0.04	0.00
Loan Taken	USD	29.44	76.85
Cash & Bank Balances	USD	4.71	0.39
	EURO	0.36	0.06

**16. 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
	2008-09	2008-09	2008-09	2008-09	2008-09	2007-08	2007-08	2007-08	2007-08	2007-08
<b>Sales of Finished Goods / Others</b>	284.37	12.93	-	-	297.30	299.45	11.16	-	-	310.61
<b>Purchases of raw materials, intermediaries and finished goods</b>	-	110.52	-	-	110.52	0.25	528.56	-	-	528.81
<b>Paid for services &amp; labour charges</b>	-	-	-	40.16	40.16	-	0.19	-	39.16	39.35
<b>Received for services &amp; labour charges</b>	-	94.93	-	-	94.93	-	57.02	-	-	57.02
<b>Technical and Management Fees received</b>	76.30	92.88	-	-	169.18	102.25	9.79	-	-	112.04
<b>Dividend received</b>	12.71	-	-	-	12.71	-	-	-	-	-
<b>Purchase of fixed assets</b>	14.68	128.60	-	-	143.28	79.41	52.69	-	-	132.10
<b>Sales of fixed assets</b>	-	-	-	-	-	27.45	-	-	-	27.45
<b>Rent paid</b>	-	-	60.00	54.34	114.34	-	-	-	38.05	38.05
<b>Interest paid</b>	-	1.48	-	-	1.48	-	-	-	-	-
<b>Remuneration to Directors</b>	-	-	-	Refer Note No. 3	-	-	-	Refer Note No. 3	-	-
<b>Lease Charges Received</b>	-	-	-	-	-	5.56	-	-	-	5.56
<b>Loan received</b>	-	800.00	-	-	800.00	-	-	-	-	-
<b>Re-payment of Loan received</b>	-	800.00	-	-	800.00	-	-	-	-	-
<b>Loan Given</b>	5705.46	-	-	-	5705.46	30.00	-	-	-	30.00
Starshine Land Developers Pvt. Ltd.	5705.46	-	-	-	-	-	-	-	-	-
Nilkamal Bhoomi Developers Pvt. Ltd.	-	-	-	-	-	30.00	-	-	-	-
<b>Re-payment of Loans Given</b>	3815.00	-	-	-	3815.00	2844.50	-	-	-	2844.50
Starshine Land Developers Pvt. Ltd.	3815.00	-	-	-	-	-	-	-	-	-
Nilkamal Bhoomi Developers Pvt. Ltd.	-	-	-	-	-	2844.50	-	-	-	-
<b>Interest on Loan Given</b>	415.42	-	-	-	415.42	234.19	-	-	-	234.19
Starshine Land Developers Pvt. Ltd.	415.42	-	-	-	-	-	-	-	-	-
Nilkamal Bhoomi Developers Pvt. Ltd.	-	-	-	-	-	234.19	-	-	-	-
<b>Equity contribution</b>	-	-	-	-	-	19.65	900.00	-	-	919.65
Nilkamal Bito Storage Systems Pvt. Ltd.	-	-	-	-	-	-	900.00	-	-	-
Others	-	-	-	-	-	19.65	-	-	-	-
<b>Purchase of Shares</b>	-	-	0.50	-	0.50	-	-	-	-	-
<b>Receipt of Interest receivable</b>	-	-	-	-	-	373.22	-	-	-	373.22

	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
	2008-09	2008-09	2008-09	2008-09	2008-09	2007-08	2007-08	2007-08	2007-08	2007-08
Nilkamal Bhoomi Developers Pvt. Ltd.	-	-	-	-	-	373.22	-	-	-	-
<b>Reimbursement of Expenses (net of recovery)</b>	<b>2.20</b>	<b>4.74</b>	-	-	<b>6.94</b>	4.41	6.84	-	0.08	11.33
<b>Balances Outstanding at the year end:</b>	-	-	-	-	-	-	-	-	-	-
<b>Fixed Deposit (kept as Lien with bank)</b>	<b>140.00</b>	-	-	-	<b>140.00</b>	50.00	-	-	-	50.00
Nilkamal Padma Plastics Pvt. Ltd.	140.00	-	-	-	-	50.00	-	-	-	-
<b>Corporate Guarantee Outstanding</b>	<b>646.80</b>	-	-	-	<b>646.80</b>	551.10	-	-	-	551.10
Nilkamal Padma Plastics Pvt. Ltd.	646.80	-	-	-	-	551.10	-	-	-	-
<b>Interest Payable</b>	-	<b>1.14</b>	-	-	<b>1.14</b>	-	-	-	-	-
<b>Loan Receivable</b>	<b>1890.46</b>	-	-	-	<b>1890.46</b>	-	-	-	-	-
Starshine Land Developers Pvt. Ltd.	1890.46	-	-	-	-	-	-	-	-	-
<b>Technical &amp; Management Fees receivable</b>	<b>28.60</b>	<b>12.23</b>	-	-	<b>40.83</b>	60.46	-	-	-	60.46
<b>Interest Receivable</b>	<b>321.29</b>	-	-	-	<b>321.29</b>	-	-	-	-	-
Starshine Land Developers Pvt. Ltd.	321.29	-	-	-	-	-	-	-	-	-
<b>Deposits Receivable</b>	-	-	<b>10.00</b>	<b>645.25</b>	<b>655.25</b>	-	-	1.00	645.25	646.25
Nilkamal Crates & Containers	-	-	-	<b>645.25</b>	-	-	-	1.00	-	-
Others	-	-	<b>10.00</b>	-	-	-	-	-	-	-
<b>Other Receivables / (Payables) (Net)</b>	<b>98.90</b>	<b>35.34</b>	-	<b>(1.69)</b>	<b>132.55</b>	240.59	42.98	(0.66)	(3.86)	279.06
Others	98.90	35.34	-	(1.69)	-	240.59	42.98	(0.66)	(3.86)	-

Certain Key Management Personnel have extended personal guarantees as security towards the borrowings of the company.

**NOTES:**

Names of related parties and description of relationship

i Subsidiaries	
a) Foreign	Nilkamal Eswaran Plastics Pvt Ltd. Nilkamal Eswaran Marketing Pvt.Ltd. Nilkamal Padma Plastics Pvt. Ltd. Nilkamal Crates & Bins, FZE.
b) Indian	Starshine Land Developers Pvt. Ltd. (w.e.f. 02.05.2008)
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, where transactions have taken place	Nilkamal Crates & Containers

**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 Easshan M. Parekh, Master Dhanay N. Parekh, Miss Dhaniti N. 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), Parekh Plasto Industries Pvt. Ltd., Shrimant Holdings Pvt. Ltd., Heirloom Finance Pvt. Ltd, Nilkamal Builders Pvt. Ltd. & A. M. Engineering Private Limited, Stack Plast Pvt. Ltd. and Nilkamal Industries Plastics Private Limited (upto 30-09-2008).

Related Parties is as identified by the Management and relied upon by the auditors.

17. Nilkamal brand used by Nilkamal Limited, is owned by Nilkamal Crates & Containers for which no consideration is paid by Nilkamal Limited to Nilkamal Crates and Containers.
18. (a) Interest Expense in Schedule 'O' represents Interest on Fixed Loans and Debentures Rs. 1,347.41 Lacs (Previous Year Rs. 410.89 Lacs); Discount on issue of Commercial Papers Rs. 54.97 Lacs (Previous Year Rs. Nil) and Other Interest Rs. 2,783.12 Lacs (Previous Year Rs. 2,545.56 Lacs) (b) Interest Income in Schedule 'O' represents Interest on Loans Rs. 415.42 Lacs (Previous Year Rs. 234.19 Lacs) and Other Interest Rs. 38.52 Lacs (Previous Year Rs. 141.72 Lacs).
19. Deferred Tax Asset / Liabilities:

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

(Rs. in Lacs)

Particulars	2008-09		2007-08		2006-07	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Depreciation	-	1,580.60	-	1,463.59	-	822.16
Employee's Benefits	134.48	-	114.15	-	-	-
Provision for Doubtful Debts	33.91	-	71.92	-	44.27	-
Others	34.18	-	77.28	-	59.72	-
<b>TOTAL</b>	<b>202.57</b>	<b>1,580.60</b>	263.35	1,463.59	103.99	822.16

20. (a) Operating Lease in respect of Property taken on Lease:

(Rs. in Lacs)

Particulars	2008-09	2007-08
a Lease payments recognised in the Profit and Loss Account	2,119.60	1,292.27
b Future minimum Lease Payments under non cancelable agreements.		
i) Not later than one year	909.54	1,224.61
ii) Later than one year and not later than 5 years	558.82	1,048.64
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 option.

- (b) Assets acquired under finance lease arrangement :

(Rs. in Lacs)

Particulars	2008-09	2007-08
Future minimum Lease Payments under agreements.		
i) Not later than one year	49.16	-
ii) Later than one year and not later than 5 years	55.36	-
iii) Later than 5 years	-	-
Present Value of the finance lease	96.91	-

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

- a) Amount of Rs. 148.24 Lacs (Previous Year Rs.109.04 Lacs) towards defined contribution plans is recognised as expense in the Profit and Loss Account.

- b) Defined Benefit Plan Disclosures:

(Rs. in Lacs)

Sr. No.	Particulars	2008-09 Gratuity	2007-08 Gratuity
1	<b>Components to employer Expense</b>		
	a) Current Service Cost	49.25	19.66
	b) Interest Cost	10.92	11.43
	c) Expected return of plan assets	(4.09)	-
	d) Actuarial (Gain)/Loss	44.63	(8.65)
	e) Total expense/(gain) recognised in the Profit & Loss Account	100.71	22.44
2	<b>Net (Asset)/Liability recognised in Balance Sheet</b>		
	a) Present Value of Obligation	234.81	145.54
	b) Fair Value of Plan Assets	(47.00)	(51.14)
	c) (Asset)/Liability recognised in the Balance Sheet	187.81	94.40



(Rs. in Lacs)

Sr. No.	Particulars	2008-09 Gratuity	2007-08 Gratuity
3	<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
	a) Present Value of Obligation as at beginning of the year	145.54	123.10
	b) Current Service cost	49.25	19.66
	c) Interest Cost	10.92	11.43
	d) Acturial (Gain)/Loss	36.40	(8.65)
	e) Benefits paid	(7.30)	-
	f) Present Value of Obligation as at the close of the year	234.81	145.54
4	<b>Changes in the Fair Value of Plan Assets</b>		
	a) Present Value of Plan Assets as at beginning of the year	51.14	Nil
	b) Contribution to the fund	-	51.14
	c) Expected return of plan assets	4.09	-
	d) Acturial Gain/(Loss)	(8.23)	-
	e) Fair Value of Plan Assets as at the close of the year	47.00	51.14
5	<b>Actuarial Assumptions</b>		
	a) Discount Rate (per annum)	7.50%	8.00%
	b) Expected Rate of Return on Assets (per annum)	7.50%	8.00%
	c) Salary Escalation Rate	5.00%	5.00%
6	<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets</b>		
	Insurer Managed Funds	100%	100%

The estimates of future salary increases considered takes into account the inflation, seniority, promotion 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	2008-09	2007-08
Share of the Company in Contingent Liability incurred by the jointly controlled entity	10.53	-

c) Capital Commitment in respect of the Joint Venture:

(Rs. In Lacs)

Particulars	2008-09	2007-08
Share of the Company in Capital Commitments of the Jointly Controlled Entity	-	2.85

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

(Rs. In Lacs)

	2008-09	2007-08
A) <b>Assets :</b>		
a) Fixed Assets (Net Block)	1,313.61	1,419.62
Capital Work-in-Progress	-	1.27
b) Current Assets, Loans and Advances		
Inventories	388.68	590.56
Sundry Debtors	260.16	393.41
Cash and Bank Balances	5.03	62.55
Loans and Advances	150.23	209.13
Other Current Assets	16.17	13.83

(Rs. In Lacs)

	2008-09	2007-08
<b>B) Liabilities :</b>		
a) Loan Funds :		
Secured Loans	<b>621.71</b>	894.54
b) Current Liabilities and Provisions :		
Current Liabilities	<b>153.74</b>	291.35
Provisions	<b>25.10</b>	40.14
c) Deferred Tax Liability (Net)	<b>39.75</b>	-
<b>C) Income:</b>		
Net Sales	<b>1,388.18</b>	922.44
Other Income	<b>16.68</b>	0.83
<b>D) Expenditure:</b>		
Material Costs	<b>780.70</b>	798.44
Manufacturing and Other Costs	<b>168.14</b>	184.94
(Increase) in Stock	<b>33.28</b>	(149.70)
Employment Costs	<b>177.21</b>	117.60
Administrative, Selling and General Expenses	<b>186.22</b>	169.71
Financial Expenses (Net)	<b>84.86</b>	112.07
Depreciation and Amortisation	<b>119.54</b>	88.16
Others	-	1.60
Trial Run Expenses Capitalised	-	(40.41)
Provision for Taxes	<b>17.08</b>	3.25
Prior Period Items	<b>23.57</b>	0.43

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

	2008-09	2007-08
Profit for the year after tax	<b>610.13</b>	5,735.81
Add / (Less): Exceptional Items (Net of Tax)	<b>520.64</b>	(3,590.22)
Profit Excluding Exceptional Item	<b>1,130.77</b>	2,145.59
Nominal Value per Share in Rupees	<b>10.00</b>	10.00
Weighted average number of equity shares Outstanding during the year	<b>12,782,344</b>	12,782,344

25. 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**

Partner

For and on behalf of

**VORA & ASSOCIATES**

Chartered Accountants

**Bharat B. Chovatia**

Partner

Place : Mumbai

Date : June 13, 2009

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

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
---	---

Balance Sheet Date 

3	1	-	0	3	-	2	0	0	9
---	---	---	---	---	---	---	---	---	---

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

Public Issue 

N	I	L
---	---	---

 Rights Issue 

N	I	L
---	---	---

Bonus Issue 

N	I	L
---	---	---

 Private Placement 

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 from 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>1</td><td>0</td><td>1</td><td>4</td></tr></table>			5	1	0	1	4	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>1</td><td>0</td><td>1</td><td>4</td></tr></table>			5	1	0	1	4
		5	1	0	1	4											
		5	1	0	1	4											
<b>Source of Funds</b>																	
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>1</td><td>9</td><td>8</td><td>6</td><td>2</td></tr></table>			1	9	8	6	2
			1	2	7	8											
		1	9	8	6	2											
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>5</td><td>4</td><td>9</td><td>6</td></tr></table>			2	5	4	9	6	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>3</td><td>0</td><td>0</td><td>0</td></tr></table>				3	0	0	0
		2	5	4	9	6											
			3	0	0	0											
Deferred Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>3</td><td>7</td><td>8</td></tr></table>				1	3	7	8									
			1	3	7	8											

**Application of Funds**

Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>3</td><td>2</td><td>8</td><td>8</td></tr></table>			2	3	2	8	8	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>3</td><td>7</td><td>8</td></tr></table>				2	3	7	8
		2	3	2	8	8											
			2	3	7	8											
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>5</td><td>3</td><td>4</td><td>8</td></tr></table>			2	5	3	4	8									
		2	5	3	4	8											
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></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></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>8</td><td>9</td><td>0</td><td>8</td><td>6</td></tr></table>			8	9	0	8	6	Total Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>8</td><td>7</td><td>3</td><td>8</td><td>3</td></tr></table>			8	7	3	8	3
		8	9	0	8	6											
		8	7	3	8	3											
Extra Ordinary Items	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>5</td><td>2</td><td>1</td><td></td></tr></table>				5	2	1		Profit / (Loss) before Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>1</td><td>8</td><td>2</td></tr></table>				1	1	8	2
			5	2	1												
			1	1	8	2											
Profit / (Loss) after Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>6</td><td>1</td><td>0</td><td></td></tr></table>				6	1	0		Earning Per Share (Rs.)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>4</td><td>.</td><td>7</td><td>7</td></tr></table>				4	.	7	7
			6	1	0												
			4	.	7	7											
Dividend Rate (%)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>2</td><td>0</td></tr></table>						2	0									
					2	0											

**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	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Material Handling Crates</td></tr></table>	Material Handling Crates
3	9	2	3	.	9	0					
Material Handling Crates											
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	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Plastic Moulded Furniture</td></tr></table>	Plastic Moulded Furniture
9	4	0	1	.	0	0					
Plastic Moulded Furniture											
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	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Readymade Furniture other than Plastics</td></tr></table>	Readymade Furniture other than Plastics
9	4	0	3	.	8	9					
Readymade Furniture other than Plastics											

**For and on behalf of the Board**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

Place : Mumbai  
Date: June 13, 2009

**Paresh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

## FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Net Sales	24,510	24,821	26,973	31,402	32,666	36,236	46,492	75,731	<b>88,909</b>
Profit Before Tax	647	1,094	1,262	1,693	1,263	962	740	7,785	<b>1,183</b>
Profit After Tax	647	975	1,134	1,546	1,289	785	695	5,736	<b>610</b>
Share Capital	857	857	857	857	857	857	857	1,278	<b>1,278</b>
Reserves and Surplus	8,680	8,339	9,251	10,519	11,330	11,821	12,215	19,521	<b>19,862</b>
Shareholder's Funds	9,537	9,196	10,108	11,376	12,187	12,678	13,072	20,799	<b>21,140</b>
Loan Funds	11,904	8,924	7,609	7,861	7,864	7,631	14,746	32,064	<b>28,496</b>
Total Capital Employed	21,441	18,120	17,717	19,238	20,051	20,309	27,818	52,863	<b>49,636</b>
Deffered Tax Liability	-	1,298	1,246	1,093	895	793	718	1,200	<b>1,378</b>
Gross Block	17,498	16,564	17,288	18,723	19,915	21,195	23,854	40,176	<b>43,696</b>
Net Block	12,505	10,816	10,097	10,221	9,849	9,695	10,977	22,811	<b>23,288</b>
Investments	375	375	375	812	725	828	1,978	2,898	<b>2,378</b>
Net Current Assets	8,561	8,227	8,491	9,298	10,372	10,579	15,582	28,354	<b>25,349</b>

## RATIO

Domestic Turnover/Total Turnover	96.80	97.76	98.34	98.42	98.31	97.86	98.43	98.12	<b>98.23</b>
Exports/Total Turnover	2.09	1.00	1.16	0.96	1.00	1.25	1.34	1.75	<b>1.59</b>
Other Income/Total Turnover	1.12	1.25	0.51	0.62	0.69	0.90	0.23	0.13	<b>0.17</b>
Raw Material/Total Turnover	55.61	52.53	59.77	61.67	65.30	67.62	64.71	55.23	<b>54.45</b>
Duties & Levies/Total Turnover	11.87	11.49	9.88	9.12	9.12	8.54	12.75	14.92	<b>13.68</b>
Overheads/Total Turnover	17.94	19.49	16.38	15.25	13.39	12.46	13.35	16.65	<b>18.43</b>
Adv & Sales Exps/Total Turnover	2.39	2.90	2.31	1.25	0.69	1.14	0.81	1.41	<b>1.46</b>
Interest/Total Turnover	5.08	4.52	2.49	1.70	1.53	1.53	1.60	3.02	<b>3.84</b>
Profit Before Interest & Tax/Total Turnover	7.38	8.37	6.68	6.57	5.02	3.93	2.98	6.54	<b>5.49</b>
Profit Before Tax/Total Turnover	2.30	3.85	4.19	4.87	3.49	2.40	1.38	3.52	<b>1.65</b>
Depreciation//Total Turnover	5.21	5.61	5.25	4.93	4.41	4.18	2.88	2.61	<b>3.02</b>
Tax/Total Turnover	-	0.42	0.43	0.42	(0.07)	0.44	0.08	1.12	<b>0.55</b>
Net Profit After Tax /Total Turnover	2.30	3.43	3.77	4.44	3.56	1.96	1.39	2.41	<b>1.10</b>
Cash Profit /Total Turnover	7.50	9.04	9.02	9.37	7.97	6.14	4.47	5.02	<b>4.12</b>
Return on Capital Employed	9.69	12.03	11.22	12.36	9.26	7.80	6.62	14.46	<b>11.06</b>
Return on Net Worth	7.40	11.68	13.07	15.76	10.72	7.74	5.75	18.55	<b>8.12</b>
<b>Balance Sheet Ratios</b>									
Debt-Equity	1.25	0.97	0.75	0.69	0.65	0.60	1.13	1.54	<b>1.35</b>
Debtors Turnover (days)	60	61	44	42	59	51	44	54	<b>38</b>
Inventory Turnover	42	46	54	51	53	45	50	77	<b>56</b>
Current Ratio	4.12	4.48	3.88	4.65	3.94	3.83	4.80	4.42	<b>4.08</b>
Quick Ratio	3.10	3.15	2.53	2.92	2.59	2.63	3.25	2.49	<b>2.43</b>
Depreciation/Gross Block (%)	8.45	9.65	9.19	9.32	8.16	8.07	6.85	6.01	<b>7.23</b>
Asset Turnover	1.98	2.30	2.69	3.18	3.44	3.93	4.84	3.54	<b>3.92</b>
<b>Per Share Data - Rs.</b>									
EPS	7.55	11.37	13.22	18.03	15.04	9.15	8.10	16.79	<b>8.85</b>
CEPS	24.65	29.97	31.65	38.02	33.65	28.64	26.05	35.01	<b>33.23</b>
Book Value	111.23	107.25	117.89	132.67	142.13	147.86	152.45	162.72	<b>165.38</b>
<b>Shareholder Statitics</b>									
DPS	-	1.80	2.20	3.00	3.00	3.00	3.00	6.50	<b>2.00</b>
Dividend (%)	-	18	22	30	30	30	30	65	<b>20</b>
Dividend Payout (Rs)	-	1.54	1.89	2.93	2.93	2.93	3.01	9.72	<b>2.99</b>
Dividend Payout (%)	-	15.83	16.62	18.75	22.75	37.32	43.31	16.95	<b>49.01</b>

All Above Ratio is calculated after excluding Exceptional Income/Expenses.

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF NILKAMAL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NILKAMAL LIMITED**

1. We have examined the attached Consolidated Balance Sheet of Nilkamal Limited, its subsidiaries and its joint ventures as at 31<sup>st</sup> March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.
2. These consolidated financial statements are the responsibility of the management of Nilkamal Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. One of the joint auditors of these consolidated financial statements has audited the financial statements of the Indian subsidiary company, Starshine Land Developers Private Limited and the Joint Venture, Nilkamal Bito Storage Systems Private Limited, whose total assets as at 31<sup>st</sup> March, 2009 and total revenues for the year then ended are Rs. 13,533.63 Lacs and Rs. 1,388.18 Lacs respectively.
4. We did not audit the financial statements of foreign subsidiaries. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. The total assets as at 31<sup>st</sup> March, 2009 and total revenue for the year then ended, in respect of these subsidiaries is Rs. 2,908.68 Lacs and Rs. 5,120.48 Lacs respectively.
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 - 'Financial Reporting of Interests in Joint Ventures', and on the basis of the separate audited financial statements of Nilkamal Limited, its subsidiaries and its joint ventures.
6. On the basis of the information and explanations given to us, we are of the opinion that:
  - (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 31<sup>st</sup> March, 2009;
  - (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

Mumbai: June 13, 2009

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

Chartered Accountants

**Bharat B. Chovatia**

Partner

Membership No.31756

**Consolidated Balance Sheet**

*Nilkamal Limited*

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

	SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2009 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2008 Rs. in Lacs.
<b>I SOURCES OF FUNDS</b>							
<b>1. SHAREHOLDERS' FUND</b>							
(a) Share Capital	A	1,278.23	-	1,278.23	1,278.23	-	1,278.23
(b) Reserves and Surplus	B	20,304.16	(531.91)	19,772.25	19,130.20	(361.17)	18,769.03
Joint Venture Control Account		(1,825.50)	1,825.50	-	(1,825.50)	1,825.50	-
		<u>19,756.89</u>	<u>1,293.59</u>	<u>21,050.48</u>	<u>18,582.93</u>	<u>1,464.33</u>	<u>20,047.26</u>
<b>2. MINORITY INTEREST</b>		267.56	-	267.56	193.92	-	193.92
<b>3. LOAN FUNDS</b>							
(a) Secured Loans	C	26,424.23	621.71	27,045.94	29,050.34	894.54	29,944.88
(b) Unsecured Loans	D	11,516.66	-	11,516.66	3,809.44	-	3,809.44
		<u>37,940.89</u>	<u>621.71</u>	<u>38,562.60</u>	<u>32,859.78</u>	<u>894.54</u>	<u>33,754.32</u>
<b>4. DEFERRED TAX LIABILITY (NET)</b> (Refer Note 7)		1,434.83	39.75	1,474.58	1,247.16	-	1,247.16
<b>TOTAL</b>		<u>59,400.17</u>	<u>1,955.05</u>	<u>61,355.22</u>	<u>52,883.79</u>	<u>2,358.87</u>	<u>55,242.66</u>
<b>II APPLICATION OF FUNDS</b>							
<b>1. FIXED ASSETS</b>							
(a) Gross Block	E	46,543.18	1,521.27	48,064.45	41,661.31	1,510.05	43,171.36
Less: Depreciation and Amortisation		22,756.20	207.67	22,963.87	19,205.94	90.43	19,296.37
Net Block		<u>23,786.98</u>	<u>1,313.60</u>	<u>25,100.58</u>	<u>22,455.37</u>	<u>1,419.62</u>	<u>23,874.99</u>
(b) Capital Work In Progress (including advances on capital account)		594.03	-	594.03	1,392.72	1.27	1,393.99
		<u>24,381.01</u>	<u>1,313.60</u>	<u>25,694.61</u>	<u>23,848.09</u>	<u>1,420.89</u>	<u>25,268.98</u>
<b>2. INVESTMENTS</b>	F	0.32	-	0.32	0.50	-	0.50
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>							
(a) Inventories		25,772.73	388.69	26,161.42	16,747.30	590.56	17,337.86
(b) Sundry Debtors		10,998.84	260.16	11,259.00	13,445.69	393.41	13,839.10
(c) Cash and Bank Balances		1,497.16	5.04	1,502.20	1,553.98	57.55	1,611.53
(d) Loans And Advances		5,959.83	166.41	6,126.24	6,250.92	222.27	6,473.19
		<u>44,228.56</u>	<u>820.30</u>	<u>45,048.86</u>	<u>37,997.89</u>	<u>1,263.79</u>	<u>39,261.68</u>
<b>LESS:CURRENT LIABILITIES AND PROVISIONS</b>							
(a) Current Liabilities	H	8,124.15	153.74	8,277.89	7,331.50	286.57	7,618.07
(b) Provisions	I	1,085.57	25.11	1,110.68	1,631.19	39.24	1,670.43
		<u>9,209.72</u>	<u>178.85</u>	<u>9,388.57</u>	<u>8,962.69</u>	<u>325.81</u>	<u>9,288.50</u>
<b>NET CURRENT ASSETS</b>		<u>35,018.84</u>	<u>641.45</u>	<u>35,660.29</u>	<u>29,035.20</u>	<u>937.98</u>	<u>29,973.18</u>
<b>TOTAL</b>		<u>59,400.17</u>	<u>1,955.05</u>	<u>61,355.22</u>	<u>52,883.79</u>	<u>2,358.87</u>	<u>55,242.66</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>							
<b>NOTES TO ACCOUNTS</b>							

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Venkatesh Subramaniam**  
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

**Pareesh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai

Date: June 13, 2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009**

	SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2009 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2008 Rs. in Lacs.
<b>I INCOME</b>							
Gross Sales and Income from Services	J	108,318.97	1,614.99	109,933.96	94,520.74	1,084.03	95,604.77
Less : Duties and Levies		14,574.24	226.80	14,801.04	13,937.14	161.60	14,098.74
NET SALES		93,744.73	1,388.19	95,132.92	80,583.60	922.43	81,506.03
Other Income	K	92.00	1.59	93.59	5.40	0.51	5.91
<b>TOTAL</b>		<b>93,836.73</b>	<b>1,389.78</b>	<b>95,226.51</b>	<b>80,589.00</b>	<b>922.94</b>	<b>81,511.94</b>
<b>II EXPENDITURE</b>							
Materials consumed / Cost of goods traded / Work in Process	L	57,692.46	813.98	58,506.44	52,419.03	648.74	53,067.77
Employees Remuneration and Benefits	M	5,494.92	177.22	5,672.14	3,949.26	117.61	4,066.87
Operating and other expenses	N	20,094.21	339.77	20,433.98	15,534.45	348.71	15,883.16
Financial Expenses	O	5,189.00	84.35	5,273.35	2,887.29	119.28	3,006.57
Depreciation/Amortisation		3,368.70	119.54	3,488.24	2,570.68	88.16	2,658.84
<b>TOTAL</b>		<b>91,839.29</b>	<b>1,534.86</b>	<b>93,374.15</b>	<b>77,360.71</b>	<b>1,322.50</b>	<b>78,683.21</b>
<b>CONSOLIDATED PROFIT BEFORE TRIAL RUN EXPENDITURE AND TAXATION</b>		<b>1,997.44</b>	<b>(145.08)</b>	<b>1,852.36</b>	<b>3,228.29</b>	<b>(399.56)</b>	<b>2,828.73</b>
Less: Trial Run Expenses Capitalised		-	-	-	(44.11)	(40.41)	(84.52)
Profit before Exceptional Income and Taxation		1,997.44	(145.08)	1,852.36	3,272.40	(359.15)	2,913.25
Add: Exceptional Income		-	-	-	4,660.91	-	4,660.91
Profit on Sale of Investment in a Subsidiary Company [Refer Note 4]		-	-	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		<b>1,997.44</b>	<b>(145.08)</b>	<b>1,852.36</b>	<b>7,933.31</b>	<b>(359.15)</b>	<b>7,574.16</b>
Less: Provision for taxation							
Current Tax		416.38	-	416.38	1,770.39	-	1,770.39
Deferred Tax		174.22	14.05	188.27	232.47	-	232.47
Fringe Benefit Tax		105.03	3.03	108.06	115.00	3.23	118.23
Taxation for earlier years written off / (written back)		10.15	25.70	35.85	16.26	0.60	16.86
<b>NET PROFIT AFTER TAX</b>		<b>1,291.66</b>	<b>(187.86)</b>	<b>1,103.80</b>	<b>5,799.19</b>	<b>(362.98)</b>	<b>5,436.21</b>
Add / (Less): Prior Period Adjustments (Net)		-	2.12	2.12	(1.34)	0.16	(1.18)
Less: Minority Interest		(36.20)	-	(36.20)	(35.55)	-	(35.55)
<b>NET PROFIT FOR THE YEAR</b>		<b>1,255.46</b>	<b>(185.74)</b>	<b>1,069.72</b>	<b>5,762.30</b>	<b>(362.82)</b>	<b>5,399.48</b>
BALANCE OF PROFIT BROUGHT FORWARD		4,250.98	(365.00)	3,885.98	1,718.63	(2.18)	1,716.45
PROFIT AVAILABLE FOR APPROPRIATION		5,506.44	(550.74)	4,955.70	7,480.93	(365.00)	7,115.93
<b>III APPROPRIATIONS</b>							
Proposed Dividend		255.65	-	255.65	383.47	-	383.47
Interim Dividend		-	-	-	447.38	-	447.38
Tax on Dividend		43.75	-	43.75	141.20	-	141.20
Transfer to General Reserve		100.00	-	100.00	2,257.90	-	2,257.90
Balance carried to Balance Sheet		5,107.04	(550.74)	4,556.30	4,250.98	(365.00)	3,885.98
<b>TOTAL</b>		<b>5,506.44</b>	<b>(550.74)</b>	<b>4,955.70</b>	<b>7,480.93</b>	<b>(365.00)</b>	<b>7,115.93</b>
<b>Earning per Equity Share of Rs.10/- Each</b> (Refer Note 10)							
<b>Basic and Diluted Earnings per Share including exceptional item</b>				<b>8.37</b>			42.24
<b>Basic and Diluted Earnings per Share excluding exceptional item</b>				<b>8.37</b>			14.02
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	P						
<b>NOTES TO ACCOUNTS</b>	Q						

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Venkatesh Subramaniam**  
Partner

For and on behalf of

**VORA & ASSOCIATES**

Chartered Accountants

**Bharat B. Chovatia**  
Partner

Place: Mumbai

Date: June 13, 2009

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

**Consolidated Cash Flow Statement**

*Nilkamal Limited*

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.**

	2008 - 2009		2007 - 2008	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		1,852.36		7,574.16
Adjustments for :				
Depreciation and Amortisation	3,488.24		2,658.84	
Loss on sale of Fixed Assets	63.46		18.59	
Interest Payments (Net)	5,273.35		3,006.57	
Provision for doubtful debts written off (written back)	87.49		8.51	
Bad Debts Written Off	-		5.15	
Exchange (Gain) / Loss on Foreign Currency Loans	452.36		(47.48)	
Share issue Expenses	-		1.60	
Provision for Wealth Tax	4.60		3.75	
	<u>9,369.50</u>		<u>5,655.53</u>	
Less : Exceptional Item	-	9,369.50	4,660.91	994.62
<b>Operating Profit before Working Capital changes</b>		<b>11,221.86</b>		<b>8,568.78</b>
Adjustments for :				
Trade and Other Receivables	2,940.96		(5,064.65)	
Inventories	(9,292.69)		(2,484.62)	
Trade Payable & Other Liabilities	293.92		1,510.40	
Direct Taxes Paid (Net of Refund)	(729.83)		(1,220.28)	
		<u>(6,787.64)</u>		<u>(7,259.15)</u>
<b>Net Cash Flow from Operating Activities.....A</b>		<b>4,434.22</b>		<b>1,309.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Addition to Fixed Assets	(4,045.55)		(10,849.96)	
Sale of Fixed Assets	70.81		163.88	
Sale proceeds of Investment in Subsidiary (Net of Taxes)	-		3,607.91	
Redemption of Government Securities	(0.18)		-	
<b>Net Cash Flow from Investing Activities.....B</b>		<b>(3,974.92)</b>		<b>(7,078.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds / (Repayment) of Long Term Borrowings (Net)	3,698.70		4,993.74	
Proceeds / (Repayment) of Unsecured Loans (Net)	7,707.22		(3,681.26)	
Proceeds from Working Capital Loans (Net)	(7,049.73)		8,808.05	
Interest Paid (Net)	(4,854.31)		(3,193.84)	
Capital Subsidy Received	45.00		-	
Dividend paid (including Tax on Dividend)	(449.36)		(820.83)	
Share Issue Expenses	-		(1.60)	
<b>Net Cash Flow from Financing Activities.....C</b>		<b>(902.48)</b>		<b>6,104.26</b>
<b>D. CHANGE IN FOREIGN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION.....D</b>		<b>239.52</b>		<b>223.32</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C + D)</b>		<b>(203.66)</b>		<b>559.04</b>
Cash and Cash Equivalents as at 01.04.2008	1,466.04		730.29	
Add : On Amalgamation	-		176.71	
	<u>1,466.04</u>		<u>907.00</u>	
Cash and Cash Equivalents as at 31.03.2009	<u>1,262.38</u>		<u>1,466.04</u>	
		<u>(203.66)</u>		<u>559.04</u>
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balances		1,502.20		1,611.53
Less:				
Balances in Fixed Deposit accounts pledged with various - government authorities	93.13		87.09	
Balances in Fixed Deposit accounts kept as margin money with - the bankers	146.69		58.40	
		<u>239.82</u>		<u>145.49</u>
<b>Cash and Cash Equivalents as at the year end</b>		<b><u>1,262.38</u></b>		<b><u>1,466.04</u></b>

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 13, 2009

**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**

	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2009 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2008 Rs. in Lacs.
<b>SCHEDULE : 'A'</b>						
<b>SHARE CAPITAL</b>						
<b>AUTHORISED:</b>						
2,20,00,000 Equity Shares (Previous Year						
2,20,00,000 Equity Shares) of Rs. 10/- each	2,200.00	-	2,200.00	2,200.00	-	2,200.00
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>2,500.00</u>	<u>-</u>	<u>2,500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>						
1,27,82,344 Equity Shares (Previous Year						
1,27,82,344 Equity Shares) of Rs. 10/- each	1,278.23	-	1,278.23	1,278.23	-	1,278.23
<b>TOTAL</b>	<u>1,278.23</u>	<u>-</u>	<u>1,278.23</u>	<u>1,278.23</u>	<u>-</u>	<u>1,278.23</u>
<b>SCHEDULE : 'B'</b>						
<b>RESERVES AND SURPLUS</b>						
<b>CAPITAL RESERVE</b>						
As per last Balance Sheet	1,085.16	-	1,085.16	1,085.16	-	1,085.16
Add: Addition during the year (Capital Grant from Government)	30.00	15.00	45.00	-	-	-
	<u>1,115.16</u>	<u>15.00</u>	<u>1,130.16</u>	<u>1,085.16</u>	<u>-</u>	<u>1,085.16</u>
<b>SECURITIES PREMIUM ACCOUNT</b>						
As per last Account	754.55	3.83	758.38	754.55	3.83	758.38
<b>TRANSLATION RESERVE</b>						
As per last Account	3.11	-	3.11	(66.49)	-	(66.49)
Add / (Less): During the year	187.90	-	187.90	69.60	-	69.60
	<u>191.01</u>	<u>-</u>	<u>191.01</u>	<u>3.11</u>	<u>-</u>	<u>3.11</u>
<b>GENERAL RESERVE</b>						
As per last Account	13,036.40	-	13,036.40	8,200.00	-	8,200.00
Less: Employee Benefits adjusted	-	-	-	65.72	-	65.72
Add: On Amalgamation	-	-	-	2,955.86	-	2,955.86
Less: Adjustment in respect of difference in accounting policies	-	-	-	311.64	-	311.64
Add: Transfer from Profit and Loss Account	100.00	-	100.00	2,257.90	-	2,257.90
	<u>13,136.40</u>	<u>-</u>	<u>13,136.40</u>	<u>13,036.40</u>	<u>-</u>	<u>13,036.40</u>
<b>PROFIT AND LOSS ACCOUNT</b>						
Surplus / (Deficit) as per Annexed Account	5,107.04	(550.74)	4,556.30	4,250.98	(365.00)	3,885.98
	<u>5,107.04</u>	<u>(550.74)</u>	<u>4,556.30</u>	<u>4,250.98</u>	<u>(365.00)</u>	<u>3,885.98</u>
<b>TOTAL</b>	<u>20,304.16</u>	<u>(531.91)</u>	<u>19,772.25</u>	<u>19,130.20</u>	<u>(361.17)</u>	<u>18,769.03</u>
<b>SCHEDULE : 'C'</b>						
<b>SECURED LOANS</b>						
<b>(A) Working Capital Loans From Banks</b>						
(i) Rupee Loans	12,327.46	231.45	12,558.91	17,557.63	894.54	18,452.17
(ii) Foreign Currency Loan	158.14	-	158.14	1,216.35	-	1,216.35
<b>(B) Term Loans From Banks</b>						
(i) Rupee Loans	12,431.66	390.26	12,821.92	8,419.32	-	8,419.32
(ii) Foreign Currency Loans	1,506.97	-	1,506.97	1,857.04	-	1,857.04
<b>TOTAL</b>	<u>26,424.23</u>	<u>621.71</u>	<u>27,045.94</u>	<u>29,050.34</u>	<u>894.54</u>	<u>29,944.88</u>
<b>SCHEDULE : 'D'</b>						
<b>UNSECURED LOANS</b>						
Short Term Rupee Loans	1,000.00	-	1,000.00	3,809.44	-	3,809.44
Commercial Paper	2,000.00	-	2,000.00	-	-	-
Others	8,516.66	-	8,516.66	-	-	-
<b>TOTAL</b>	<u>11,516.66</u>	<u>-</u>	<u>11,516.66</u>	<u>3,809.44</u>	<u>-</u>	<u>3,809.44</u>

**SCHEDULE 'E'**  
**FIXED ASSETS**

(Rs. in Lacs)

NAME OF ASSETS	GROSSBLOCK As on 31.03.2009	ACCUMULATED DEPRECIATION / AMORTISATION As on 31.03.2009	NET BLOCK As on 31.03.2009	GROSSBLOCK As on 31.03.2008	ACCUMULATED DEPRECIATION / AMORTISATION As on 31.03.2008	NET BLOCK As on 31.03.2008
<b>Consolidated with Subsidiaries:</b>						
<b>A. TANGIBLE ASSETS:</b>						
1. Freehold Land	270.09	-	270.09	247.40	-	247.40
2. Leasehold Land (a)	224.71	16.65	208.06	224.71	14.15	210.56
3. Buildings	9,245.05	1,850.22	7,394.83	8,474.59	1,561.47	6,913.12
4. Plant and Machinery	27,052.66	18,196.00	8,856.66	24,859.52	15,891.93	8,967.59
5. Furniture, Fixtures and Office Equipments	4,224.20	1,452.75	2,771.45	3,191.72	1,145.52	2,046.20
6. Vehicles	992.73	256.61	736.12	900.60	206.65	693.95
7. Vehicles on Hire Purchase	164.88	12.01	152.87	-	-	-
8. Interiors at Showroom	2,189.51	262.21	1,927.30	1,596.55	133.03	1,463.52
<b>B. INTANGIBLE ASSETS:</b>						
1. Models, Designs and Other Commercial Rights	2,012.52	637.30	1,375.22	2,012.52	234.79	1,777.73
2. Software	166.83	72.45	94.38	153.70	18.40	135.30
	<b>46,543.18</b>	<b>22,756.20</b>	<b>23,786.98</b>	41,661.31	19,205.94	22,455.37
Add : Share in Joint Venture	1,521.27	207.67	1,313.60	1,510.05	90.43	1,419.62
<b>TOTAL</b>	<b>48,064.45</b>	<b>22,963.87</b>	<b>25,100.58</b>	43,171.36	19,296.37	23,874.99

- 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 which vested in the Company pursuant to the scheme of arrangement, such assets continue to be in the name of the erstwhile amalgamated companies.

	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2009 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2008 Rs. in Lacs.
<b>SCHEDULE : 'F'</b>						
<b>INVESTMENTS</b>						
<b>Long Term, Unquoted</b>						
National Savings Certificates (Pledged with Government Authorities)	0.32	-	0.32	0.50	-	0.50
<b>TOTAL</b>	<b>0.32</b>	<b>-</b>	<b>0.32</b>	<b>0.50</b>	<b>-</b>	<b>0.50</b>
<b>SCHEDULE : 'G'</b>						
<b>INVENTORIES</b>						
Stores and Spare parts	1,396.45	12.14	1,408.59	1,208.77	15.24	1,224.01
Packing Materials	161.01	-	161.01	145.88	-	145.88
Stock in Trade						
Raw Materials	2,078.66	242.70	2,321.36	3,308.77	396.47	3,705.24
Semi-Finished Goods / Work in Process	862.45	10.41	872.86	1,269.91	-	1,269.91
Finished Goods and Traded Goods	9,876.96	123.44	10,000.40	10,787.65	178.85	10,966.50
Work in Progress (Land)	11,389.98	-	11,389.98	-	-	-
Goods in Transit (at Cost)	7.22	-	7.22	26.32	-	26.32
<b>TOTAL</b>	<b>25,772.73</b>	<b>388.69</b>	<b>26,161.42</b>	<b>16,747.30</b>	<b>590.56</b>	<b>17,337.86</b>
<b>SUNDRY DEBTORS</b>						
i) Outstanding for a period exceeding Six months						
a) Considered Good	671.92	24.92	696.84	1,352.29	4.42	1,356.71
b) Considered Doubtful	140.04	-	140.04	238.08	-	238.08
	<b>811.96</b>	<b>24.92</b>	<b>836.88</b>	1,590.37	4.42	1,594.79
ii) Other Debts (Considered Good)	10,326.92	235.24	10,562.16	12,093.40	388.99	12,482.39
	<b>11,138.88</b>	<b>260.16</b>	<b>11,399.04</b>	13,683.77	393.41	14,077.18
Less: Provision for Doubtful Debts	140.04	-	140.04	238.08	-	238.08
<b>TOTAL</b>	<b>10,998.84</b>	<b>260.16</b>	<b>11,259.00</b>	<b>13,445.69</b>	<b>393.41</b>	<b>13,839.10</b>

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2009 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2008 Rs. in Lacs
<b>CASH AND BANK BALANCES</b>						
Cash on hand	103.76	1.27	105.03	56.34	3.31	59.65
Balance with Banks						
i) On Current Accounts (Includes Book - Over Draft)	1,153.58	3.77	1,157.35	1,016.78	54.24	1,071.02
ii) On Fixed Deposit Accounts [includes Rs. 93.13 Lacs pledged with various government authorities, (Previous Year Rs. 87.09), Rs. 146.69 Lacs kept as margin money with the bankers (Previous Year Rs. 58.40 Lacs)]	239.82	-	239.82	480.86	-	480.86
<b>TOTAL</b>	<b>1,497.16</b>	<b>5.04</b>	<b>1,502.20</b>	<b>1,553.98</b>	<b>57.55</b>	<b>1,611.53</b>
<b>LOANS AND ADVANCES</b>						
(Unsecured, considered good)						
Advances Recoverable in Cash or in kind or for the value to be received						
Considered Good	3,198.07	25.93	3,224.00	3,584.64	17.94	3,602.58
Considered Doubtful	56.66	-	56.66	-	-	-
Less: Provision for Doubtful Advances	(56.66)	-	(56.66)	-	-	-
Employee Loans	180.07	-	180.07	209.97	-	209.97
Balance with Excise Department	2.88	124.29	127.17	9.18	190.09	199.27
Taxes paid in Advance (Net of Provisions)	500.16	9.18	509.34	308.48	5.16	313.64
Deposits	2,078.65	7.01	2,085.66	2,138.65	9.08	2,147.73
<b>TOTAL</b>	<b>5,959.83</b>	<b>166.41</b>	<b>6,126.24</b>	<b>6,250.92</b>	<b>222.27</b>	<b>6,473.19</b>
<b>SCHEDULE : 'H'</b>						
<b>CURRENT LIABILITIES</b>						
Sundry Creditors	4,052.56	123.36	4,175.92	3,703.87	250.26	3,954.13
Unclaimed Dividend	17.38	-	17.38	17.06	-	17.06
Other Liabilities	3,524.55	27.06	3,551.61	3,503.06	30.28	3,533.34
Interest Accrued but not due on loans	529.66	3.32	532.98	107.51	6.03	113.54
<b>TOTAL</b>	<b>8,124.15</b>	<b>153.74</b>	<b>8,277.89</b>	<b>7,331.50</b>	<b>286.57</b>	<b>7,618.07</b>
<b>SCHEDULE : 'I'</b>						
<b>PROVISIONS</b>						
Provision for Wealth Tax	4.60	-	4.60	3.75	-	3.75
Provision for Income Tax (Net of Advance tax)	1.20	8.16	9.36	-	5.15	5.15
Proposed Dividend	255.65	-	255.65	383.47	-	383.47
Tax on Proposed Dividend	43.45	-	43.45	65.17	-	65.17
For Employee Benefits	450.51	9.78	460.29	387.61	4.94	392.55
Provision for Excise Duty	212.08	7.17	219.25	659.23	29.15	688.38
Provisions for Warranties [Refer Note 3]	118.08	-	118.08	131.96	-	131.96
<b>TOTAL</b>	<b>1,085.57</b>	<b>25.11</b>	<b>1,110.68</b>	<b>1,631.19</b>	<b>39.24</b>	<b>1,670.43</b>
<b>SCHEDULE : 'J'</b>						
<b>GROSS SALES AND INCOME FROM SERVICES:</b>						
Sales of Manufactured / Traded Goods	108,051.16	1,563.17	109,614.33	94,383.25	1,067.39	95,450.64
Gross Income from Services:						
Services Charges	232.86	51.82	284.68	92.09	16.64	108.73
Export of Services	34.95	-	34.95	45.40	-	45.40
<b>TOTAL</b>	<b>267.81</b>	<b>51.82</b>	<b>319.63</b>	<b>137.49</b>	<b>16.64</b>	<b>154.13</b>
<b>TOTAL</b>	<b>108,318.97</b>	<b>1,614.99</b>	<b>109,933.96</b>	<b>94,520.74</b>	<b>1,084.03</b>	<b>95,604.77</b>
<b>SCHEDULE : 'K'</b>						
<b>OTHER INCOME</b>						
Miscellaneous Receipts	9.26	0.86	10.12	5.40	0.51	5.91
Service Charges	82.74	0.73	83.47	-	-	-
<b>TOTAL</b>	<b>92.00</b>	<b>1.59</b>	<b>93.59</b>	<b>5.40</b>	<b>0.51</b>	<b>5.91</b>

## Schedules forming part of the Consolidated Accounts

Nilkamal Limited

	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2009 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2008 Rs. in Lacs.
<b>SCHEDULE : 'L'</b>						
<b>MATERIALS CONSUMED / COST OF GOODS TRADED / WORK IN PROCESS</b>						
a) Opening Stock of Raw Materials	3,308.77	396.47	3,705.24	2,133.79	67.80	2,201.59
b) Stock Taken over on Amalgamation -	-	-	-	362.52	-	362.52
c) Purchases	31,759.73	543.87	32,303.60	35,352.91	1,127.11	36,480.02
d) Total of [a] + [b] + [c]	35,068.50	940.34	36,008.84	37,849.22	1,194.91	39,044.13
<b>Less:</b>						
e) Closing Stock	2,078.66	242.70	2,321.36	3,308.77	396.47	3,705.24
<b>I. RAW MATERIALS CONSUMED [d - e]</b>	<b>32,989.84</b>	<b>697.64</b>	<b>33,687.48</b>	34,540.45	798.44	35,338.89
<b>II. TRADING PURCHASES</b>	<b>24,813.09</b>	<b>93.32</b>	<b>24,906.41</b>	22,574.04	-	22,574.04
<b>III. PURCHASE OF LAND</b>	<b>10,325.64</b>	<b>-</b>	<b>10,325.64</b>	-	-	-
<b>IV. VARIATION IN THE STOCK OF FINISHED/SEMI-FINISHED / WORK IN PROCESS/TRADED GOODS</b>						
<b>Opening Stock</b>						
Work in Process	447.85	-	447.85	183.09	-	183.09
Semi Finished Goods	822.06	-	822.06	257.84	-	257.84
Finished and Traded Goods	10,787.65	178.85	10,966.50	4,133.49	-	4,133.49
	12,057.56	178.85	12,236.41	4,574.42	-	4,574.42
Stock taken over on Amalgamation	-	-	-	2,675.81	-	2,675.81
<b>Closing Stock</b>						
Work in Progress	247.86	-	247.86	447.85	-	447.85
Semi Finished Goods	614.59	10.41	625.00	822.06	-	822.06
Finished and Traded Goods	9,876.96	123.44	10,000.40	10,787.65	178.85	10,966.50
Closing Stock	10,739.41	133.85	10,873.26	12,057.56	178.85	12,236.41
Add / (Less): Variation in excise duty on Opening and Closing Stock of Finished Goods	(364.28)	(21.98)	(386.26)	111.87	29.15	141.02
	953.87	23.02	976.89	(4,695.46)	(149.70)	(4,845.16)
<b>V. VARIATION IN THE WORK-IN PROGRESS (LAND)</b>						
Opening Work-in-Progress	-	-	-	3,856.51	-	3,856.51
Closing Work-in-Progress	11,389.98	-	11,389.58	-	-	-
Less: Stock transferred on divestment of business	-	-	-	(3,856.51)	-	(3,856.51)
	(11,389.98)	-	(11,389.98)	-	-	-
<b>TOTAL (I+II+III+IV+V)</b>	<b>57,692.46</b>	<b>813.98</b>	<b>58,506.44</b>	52,419.03	648.74	53,067.77
<b>SCHEDULE : 'M'</b>						
<b>EMPLOYEES' REMUNERATION AND BENEFITS</b>						
Salary, Wages and Bonus	4,852.22	168.98	5,021.20	3,467.37	109.34	3,576.71
Cont. to Provident and Other funds	170.52	2.68	173.20	125.03	1.88	126.91
Workmen and Staff Welfare Expenses	472.18	5.56	477.74	356.86	6.39	363.25
<b>TOTAL</b>	<b>5,494.92</b>	<b>177.22</b>	<b>5,672.14</b>	3,949.26	117.61	4,066.87
<b>SCHEDULE : 'N'</b>						
<b>OPERATING AND OTHER EXPENSES</b>						
Stores and Spare Parts Consumed	1,283.28	82.42	1,365.70	758.70	116.00	874.70
Power and Fuel	2,766.75	38.34	2,805.09	2,126.40	40.43	2,166.83
<b>Repairs</b>						
Building	24.91	0.40	25.31	56.85	-	56.85
Machinery	70.46	0.87	71.33	74.29	-	74.29
Others	320.89	1.88	322.77	253.15	2.92	256.07
Erection charges at customer's site	-	47.37	47.37	-	28.51	28.51
Labour Charges Paid [Net]	1,673.80	-	1,673.80	1,623.68	3.78	1,627.46
Rent	2,158.15	4.27	2,162.42	1,347.19	0.26	1,347.45
Rates and Taxes	152.83	0.15	152.98	84.21	3.82	88.03
Insurance	139.59	3.25	142.84	152.61	-	152.61
Postage and Telephone Expenses	398.82	-	398.82	360.41	-	360.41

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2009 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2008 Rs. in Lacs
<b>SCHEDULE : 'N' (Contd..)</b>						
Loss on Fixed Assets sold / discarded (Net)	62.79	0.67	63.46	18.59	-	18.59
Packing Materials Consumed	585.32	-	585.32	568.96	37.73	606.69
Travelling Expenses	856.02	42.05	898.07	718.98	5.50	724.48
Commission, Discounts and Rebates	1,511.96	46.44	1,558.40	1,175.59	17.28	1,192.87
Advertisements and Publicity Expenses	1,576.32	7.82	1,584.14	1,293.53	-	1,293.53
Selling Expenses	-	-	-	7.13	-	7.13
Computer Expenses	94.57	-	94.57	103.48	-	103.48
Carriage Outward	3,843.49	32.21	3,875.70	3,101.01	29.04	3,130.05
Sales Tax Paid	-	-	-	1.49	-	1.49
Land Lease Rent	25.21	0.54	25.75	1.61	0.33	1.94
Directors' Fees	5.82	-	5.82	2.71	-	2.71
Provision for Wealth Tax	4.60	-	4.60	3.75	-	3.75
Bad Debts written off	-	-	-	5.15	-	5.15
Provision/(Write back) for Doubtful Debts	87.49	-	87.49	8.51	-	8.51
Share Issue Expenses	-	-	-	-	1.60	1.60
Sundry Expenses	2,451.14	31.09	2,482.23	1,686.47	61.51	1,747.98
<b>TOTAL</b>	<b>20,094.21</b>	<b>339.77</b>	<b>20,433.98</b>	<b>15,534.45</b>	<b>348.71</b>	<b>15,883.16</b>

**SCHEDULE : 'O'  
FINANCIAL EXPENSES**

Interest Expenses	4,998.25	91.08	5,089.33	3,377.28	123.12	3,500.40
Less:						
Interest Received	43.14	17.79	60.93	610.10	0.32	610.42
Interest Capitalised	-	-	-	108.22	12.99	121.21
	4,955.11	73.29	5,028.40	2,658.96	109.81	2,768.77
Bank Charges	174.89	6.58	181.47	155.08	7.54	162.62
Processing and other charges on Loans	59.00	4.48	63.48	73.25	1.93	75.18
<b>TOTAL</b>	<b>5,189.00</b>	<b>84.35</b>	<b>5,273.35</b>	<b>2,887.29</b>	<b>119.28</b>	<b>3,006.57</b>

**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 31<sup>st</sup> March 2009.

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 material 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 31 <sup>st</sup> March, 2009
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76.00%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76.00%
Nilkamal Padma Plastics Private Limited	Bangladesh	97.23%
Nilkamal Crates and Bins FZE	Ajman, UAE	100.00%
Starshine Land Developers Private Limited	India	50.01%

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

Name of the Company	Country of Incorporation	% Ownership held as at 31 <sup>st</sup> March, 2009
Nilkamal Bito Storage Systems Private Limited	India	50.00%

**C) Exchange Translation:**

All the foreign subsidiaries have been identified as non-integral operations. Accordingly, 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 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 Amortisation:**

(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 case of funded Defined Benefit Plans, 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 capitalised. 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 in 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.

**Q) Government Grants:**

Grants received from Government agencies / departments which are in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve.

**SCHEDULE: 'Q'**

**NOTES TO THE ACCOUNTS:**

**Notes to consolidated financial statements are intended to serve as 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. (a) **Contingent Liabilities not provided for in respect of:**

(Rs. in Lacs)

	<b>31st March, 2009</b>	31st March, 2008
i) Excise matters	<b>101.32</b>	150.40
ii) Sales Tax matters	<b>132.58</b>	116.27
iii) Un-expired letters of Credits	<b>1,575.33</b>	1,623.26
iv) Bank Guarantees given on behalf of customers, [including share of joint venture Rs. 10.80 Lacs, (Previous Year Rs. Nil)]	<b>10.80</b>	Nil

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.

(b) Pursuant to the Order of the Delhi High Court dated 18th April, 2009, which set aside the levy of service tax on rentals of immovable property, the Company has not provided for service tax expense amounting to Rs. 117.87 Lacs. The ruling is however, subject to any proceedings/appeal that may be filed by the Government and orders thereupon.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 487.91 Lacs (Previous year Rs. 942.65 Lacs) [including share of joint venture Rs. Nil (Previous Year Rs. 2.85 Lacs)].

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

(Rs. in Lacs)

	2008-09	2007-08
Opening Balance	131.96	106.49
Additions	414.91	369.69
Utilisations	428.79	344.22
Closing Balance	118.08	131.96

4. Exceptional items represent profit on sale of investment in a subsidiary Nilkamal Bhoomi Developers Private Limited, Rs. Nil (Previous Year Rs. 4,660.91 Lacs).

5. **Aggregated Related Party Disclosures:**

(Rs. in Lacs)

	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives
	2008 - 2009	2008 - 2009	2007 - 2008	2007 - 2008
Paid for Services and Labour Charges	-	40.16	-	39.16
Rent Paid	60.00	54.34	-	38.05
Remuneration Paid	155.82	-	152.21	-
Reimbursement of Expenses (Net of recovery)	-	2.79	-	1.85
Interest Expenses	146.59	9.56	2.78	24.76
Loan Received	5,846.23	240.50	200.00	514.50
Loan Repaid	2,646.18	224.00	200.00	514.50
Balance outstanding at the year end:				
Other Receivable / (Payables) (Net)	-	(1.86)	-	(4.52)
Deposits Receivable	10.00	645.25	-	645.25
Loans Payable	3,201.16	16.50	-	-
Interest Payable	129.98	7.59	-	-

Certain Key Management Personnel have extended personal guarantees as security towards the borrowings of the Company.

**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, where transactions have taken place	Nilkamal Crates & Containers Heirloom Finance Pvt. Ltd. Nilkamal Builders Pvt. Ltd. Shrimant Holdings Pvt. Ltd. Stack Plast Pvt. Ltd.

**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 Easshan 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 Private Limited, Parekh Plasto Industries Private Limited, Nilkamal Industries Plastics Private Limited, Shrimant Holdings Private Limited and Nilkamal Industries Plastics Private Limited (upto 30-09-2008).

Related Parties is as identified by the Management and relied upon by the auditors.

6. Nilkamal brand used by Nilkamal Limited is owned by Nilkamal Crates & Containers for which no consideration is paid by Nilkamal Limited to Nilkamal Crates & Containers.

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

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

(Rs. in Lacs)

	2008 - 2009		2007 - 2008		2006 - 2007	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Depreciation	-	<b>1,687.88</b>	-	1,517.64	-	920.83
Employee's Benefits	<b>33.92</b>	-	121.06	-	-	-
Provision for Doubtful Debts	<b>144.93</b>	-	71.92	-	44.27	-
Others	<b>34.45</b>	-	77.50	-	69.67	-
<b>Total</b>	<b>213.30</b>	<b>1,687.88</b>	270.48	1,517.64	113.94	920.83

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

(Rs. in Lacs)

Particulars	2008-09	2007-08
a. Lease payments recognised in the Profit and Loss Account	<b>2,162.42</b>	1,347.45
b. Future minimum Lease Payments under non cancelable agreements.		
i) Not later than one year	<b>950.10</b>	1,247.16
ii) Later than one year but not later than 5 years	<b>638.75</b>	1,049.78
iii) Later than 5 years	-	-

The agreements are executed for the period of 11 to 216 months with a non cancelable period from 0 to 36 months and having a renewable option.

Assets acquired under finance lease arrangement :

(Rs. in Lacs)

Particulars	2008-09	2007-08
Future minimum Lease Payments under agreements.		
i) Not later than one year	<b>49.16</b>	-
ii) Later than one year and not later than 5 years	<b>55.36</b>	-
iii) Later than 5 years	-	-
Present Value of the finance lease	<b>96.91</b>	-

9. **Segment Information:**  
**SEGMENT WISE REVENUE, RESULTS AND OTHER INFORMATION:-**

**A. BUSINESS SEGMENT :**

(Rs. In Lacs)

Sr. No.	Particulars	2008-09				2007-08				
		Plastics	Lifestyle Furniture, Furnishings & Accessories	Property Development	Storage Systems & Others	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Storage Systems & Others	Total
1	Segment Revenue (Net Sales)	83,052.87	11,166.53	-	1,388.19	95,607.59	74,886.33	5,884.14	922.43	81,692.90
	Less: Inter Segment Revenue	474.25	0.42	-	-	474.67	-	186.87	-	186.87
	Net Income from Operations	82,578.62	11,166.11	-	1,388.19	95,132.92	74,886.33	5,697.27	922.43	81,506.03
2	Segment Result before Tax & interest	9,506.80	(1,250.35)	(11.81)	(60.73)	8,183.91	7,490.20	(790.38)	(239.87)	6,459.95
	Add/(Less): Minority Interest	36.70	-	(0.50)	-	36.20	35.55	-	-	35.55
		9,470.10	(1,250.35)	(11.31)	(60.73)	8,147.71	7,454.65	(790.38)	(239.87)	6,424.40
	Less: Unallocated Expense (Net of Unallocated Income)					1,058.20				540.13
	Operating Profit					7,089.51				5,884.27
	Less: Interest (Net)					5,273.35				3,006.57
	Add: Exceptional Income					-				4,660.91
	Add/(Less): Prior Period Adjustment (Net)					2.12				(1.18)
	Profit Before Tax					1,818.28				7,537.43
	Less: Provision for Taxes (Net)					748.56				2,137.95
	Net Profit After Tax					1,069.72				5,399.48
3	Other Information									
	Segment Assets	46,040.35	9,163.08	11,391.04	2,108.98	68,703.45	51,990.61	7,900.02	2,627.13	62,517.76
	Add: Unallocated Assets					2,040.34				2,013.40
	Total Assets					70,743.79				64,531.16
	Segment Liabilities	6,644.99	1,491.72	221.07	167.37	8,525.15	6,794.06	1,582.77	314.63	8,691.46
	Add: Minority Interest	267.56	-	-	-	267.56	193.92	-	-	193.92
		6,912.55	1,491.72	221.07	167.37	8,792.71	6,987.98	1,582.77	314.63	8,885.38
	Add: Unallocated Liabilities									
	Loan Liabilities					38,562.60				33,754.32
	Others					2,338.00				1,844.20
	Total liabilities					49,693.31				44,483.90
	Capital Expenditure	3,393.36	920.06	-	46.28	4,359.70	9,317.11	1,863.54	323.26	11,503.91
	Depreciation and Amortisation	3,124.31	244.39	-	119.54	3,488.24	2,438.73	131.95	88.16	2,658.84
	Significant Non Cash Expenses other than Depreciation and Amortisation	87.49	-	-	-	87.49	13.66	-	-	13.66

**B. GEOGRAPHICAL SEGMENT**

(Rs. In Lacs)

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2009			Year Ended 31 <sup>st</sup> March, 2008		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue (Net Sales)	88,626.52	6,506.40	95,132.92	75,095.56	6,410.47	81,506.03
2	Carrying cost of Segment Assets	66,178.70	2,524.75	68,703.45	59,844.04	2,673.72	62,517.76
3	Addition to Fixed Assets and Intangible Assets	3,771.83	587.87	4,359.70	11,456.84	47.07	11,503.91

**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 risk and returns of these segments.
- The Company has disclosed business segment as the primary segment.

c) 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 and Accessories	Home Furniture, Home Furnishing and Accessories.
iii.	Property Development	Property Development.
iv.	Others	Storage System of Metal etc.

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

10. Earning per share has been computed as under:

(Rs. In Lacs)

	2008 - 09	2007 - 08
Net Profit as per Profit and Loss Account	<b>1,069.72</b>	5,399.48
Less: Profit on sale of investment in subsidiary (net of Tax)	-	3,607.91
Net Profit considered for EPS excluding exceptional income	<b>1,069.72</b>	1,791.57
Weighted average number of Equity shares	<b>1,27,82,344</b>	1,27,82,344

11. 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 Subramaniam**

Partner

**For and on behalf of**

**VORA & ASSOCIATES**

Chartered Accountants

**Bharat B. Chovatia**

Partner

Place: Mumbai

Date: June 13, 2009

**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 information of Subsidiaries for the year ended 31st March 2009

(Rs. in Lacs)

Sr. No.	Particulars	Nilkamal Eswaran Plastic Private Limited, Sri Lanka	Nilkamal Eswaran Marketing Private Limited, Sri Lanka	Nilkamal Padma Private Limited, Bangladesh	Nilkamal Crates and Bins - FZE, (Ajman-U.A.E)	Starshine Land Developers Private Limited, India
1	Share Capital	66.44	-	956.45	25.36	0.50
2	Reserve and Surplus	804.43	(0.62)	(1,127.02)	398.49	(11.54)
3	Total Assets	1,642.96	79.75	554.84	631.12	11,399.74
4	Total Liabilities @	772.09	80.37	725.41	207.27	11,410.78
5	Investment other than investment in Subsidiary	-	-	-	-	-
6	Turnover and Other Income	3,030.29	112.37	1,137.81	1303.32	-
7	Profit Before Taxation	259.02	15.78	(182.51)	218.63	(11.81)
8	Provision for Taxation (incl. Deferred Tax)	121.33	7.34	0.27	-	0.03
9	Profit After Taxation	137.69	8.44	(182.78)	218.63	(11.84)
10	Dividend	17.48	2.76	-	-	-

@ includes Deferred Tax Liabilities

Note - In respect of Foreign Subsidiaries

- a) Item Nos. 1 to 4 are Translated at exchange rate as on March 31, 2009 as Follows:  
1 US \$ (United State Dollar) - INR 50.53 (Indian Rupee).
- b) Item Nos. 5 to 8 are Translated at monthly closing rate.



## Nilkamal Limited

### Entrance Pass

(To be presented at the entrance)  
23<sup>rd</sup> Annual General Meeting on Thursday, 13<sup>th</sup> August, 2009 at 11.30 a.m. 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 Third Annual General Meeting  
of Nilkamal Limited to be held on Thursday, 13<sup>th</sup> day of August, 2009 at 11.30 a.m. and at any adjournment thereof.

Folio No. .... DPID No. .... Client ID No. ....

No of shares held .....

Signed this ..... day of ....., 2009 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