



# *Nilkamal Limited*

ANNUAL REPORT 2013 - 14

**Board of Directors**

Mr. Dadi B. Engineer	- Director
Mr. K. R. Ramamoorthy	- Director
Mr. M. D. Mallya	- Director
<i>(Appointed w.e.f. January 30, 2014 &amp; ceased w.e.f. May 29, 2014)</i>	
Mr. Mahendra V. Doshi	- Director
Mr. Mufazzal S. Federal	- Director
Mr. S. K. Palekar	- Director
Mr. Hiten V. Parekh	- Executive Director
Mr. Manish V. Parekh	- Executive Director
Mr. Nayan S. Parekh	- Executive Director
Mr. Sharad V. Parekh	- Managing Director
Mr. 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 Limited ● DBS Bank Limited

**Auditors**

M/s. BSR &amp; Associates LLP

M/s. Vora &amp; Associates

**Barjora Factory**Plot No. 1498/2613, WBIDC Industrial Complex, Barjora Mejia Road, P. O. & P. S. Barjora,  
District: Bankura, Pincode - 722 202, West Bengal.**Hosur Factory**Part of Survey No. 149, 151 to 153, 155/9,226/1C,  
227 and 299/1, Next to GNB Factory,  
Nallaganakothapalli Village, Koneripalli Post,  
Hosur Taluk, Krishnagiri District - 635 117, Tamilnadu.**Hooghly Factory**Dayanidhan Compound, Godown No- 1A & 2,  
Delhi High Road, Dankuni, Village: Monoharpur, J. L. No. 98,  
Touzi No. 17, Police Station - Chanditala,  
District - Hooghly - 712311, West Bengal.**Jammu Factory**Phase - II, Industrial Growth Centre, Samba - 184 121,  
Jammu & Kashmir.**Kharadpada Factory**Survey No. 389, 391, 393, 396 & 401, Naroli - Kharadpada Road,  
Village: Kharadpada, Silvassa - 396 230,  
Union Territory of Dadra & Nagar Haveli.**Noida Factory**Plot No.26, B & C Sector No.31, Surajpur - Kasna Road,  
Behind HPCL Gas Plant, Gautam Budha Nagar,  
Greater Noida - 201 310, Uttar Pradesh.**Puducherry Factory**19/3-5, 18/1-B & 21/6, Olaivaikkal Village, Villianoor - Pathukannu  
Road, Villianoor Taluk - 605 502, Puducherry.**Sinnar Factory**STICE, Plot No.971/1A, Sinnar Shirdi Road, Musalgaon,  
Sinnar - 422 103, District - Nashik, Maharashtra.**Registered Office and Vasona Factory**Survey No.354/2 and 354/3, Near Rakholi Bridge,  
Silvassa-Khanvel Road, Vasona, Silvassa - 396 230,  
Union Territory of Dadra and Nagar Haveli.**Corporate Office**Nilkamal House, 77/78, Road No.13/14, MIDC,  
Andheri (E), Mumbai - 400 093, Maharashtra.

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NOTICE is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** (CIN: L25209DN1985PLC000162) will be held at the Registered Office of the Company at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli, on **Saturday, September 6, 2014 at 12.00 noon** to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on 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 March 31, 2014.
3. To appoint a Director in place of Mr. Manish V. Parekh (holding DIN 00037724), who retires by rotation pursuant to Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-election.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Vora and Associates, Chartered Accountants having ICAI Registration No. 111612W be and are hereby appointed to hold office as Statutory Auditors of the Company for the period from the conclusion of the Twenty Eighth Annual General Meeting up to the conclusion of the Thirty First Annual General Meeting of the Company, alongwith the appointment of M/s. BSR & Co. LLP, Chartered Accountants having ICAI Registration No. 101248W, in place of M/s. BSR and Associates LLP who have expressed their unwillingness to be re-appointed, for the period from the conclusion of the Twenty Eighth Annual General Meeting up to the conclusion of the Thirty Second Annual General Meeting of the Company, subject to the ratification of their respective appointments by shareholders annually at every Annual General Meeting, at such remuneration plus applicable service tax, reimbursement of out of pocket expenses etc. incurred by them for purpose of the audit, as may be mutually agreed between the Board of Directors and the Auditor.”

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mahendra V. Doshi (holding DIN 00123243), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto conclusion of Thirty Third Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mahendra V. Doshi be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mufazzal S. Federal (holding DIN 03409798), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of Thirty Third Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mufazzal S. Federal be paid such fees as the Board

may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. K. R. Ramamoorthy (holding DIN 00058467), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is there by appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of Thirty Third Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. K. R. Ramamoorthy be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dadi B. Engineer (holding DIN 00047028), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of Thirty Third Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dadi B. Engineer be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board or its Committees.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. K. Palekar (holding DIN 01723670), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of Thirty Third Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. K. Palekar be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meeting of the Board or its Committees.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and all other orders issued in this behalf by the Ministry of Corporate Affairs, to the extent they are applicable, (including any statutory modifications thereto or re-enactment thereof for the time being in force), other permissions as may be required, the Company hereby appoints Mr. B. F. Modi, proprietor of M/s. B. F. Modi & Associates, Cost Accountants, Vapi, having Registration No. 6955, as the Cost Auditors of the Company to conduct the Audit of the Cost Records of the Company for the Financial Year 2014-2015, at remuneration of ₹ 2.65 lacs (Rupees Two Lacs Sixty Five Thousand Only) plus Service tax and levies as applicable, and reimbursement of actual out of pocket expenses incurred by them for the purpose of audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee thereof and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

**“RESOLVED THAT** in supersession to the Ordinary Resolution passed under the provisions of Section 293(1)(d) of the Companies Act, 1956, at the Twenty Sixth Annual General Meeting of the Company held on August 4, 2012 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors or a Committee thereof, to borrow money for the purpose of business of the Company from time to time as and when required, from including without limitation, any Bank and/or Public Financial Institution and/or eligible foreign lender and/or any entity/entities and/or authority/ authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or by way of commercial borrowings from multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law, on such terms and conditions as the Board of Directors or Committee thereof may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, such that the total amounts upto which the monies may be borrowed by the Board of Directors or Committee thereof and outstanding at any point of time shall not exceed ₹ 600 Crores (Rupees Six Hundred Crores Only).

**RESOLVED FURTHER THAT** the Board of Directors or Committee thereof or any persons authorised by the Board or Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution including but not limited to take such steps as may be necessary for obtaining approvals - statutory, contractual or otherwise, in relation to the above and to settle any or all questions or difficulties that may arise in this regard, if any, or incidental thereto, and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and as it may in its absolute discretion deem fit without requiring the Board of Directors to secure any further consent or approval of the members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

**“RESOLVED THAT** in supersession to the Ordinary Resolution passed under the provisions of Section 293(1)(a) of the Companies Act, 1956, at the Twenty Sixth Annual General Meeting of the Company held on August 4, 2012 and subject to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby granted to the Board of Directors or a Committee thereof, to mortgage and/or charge, in addition to the mortgages and/or charges created/to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board of Directors or Committee thereof may determine, all or any of the movable and/or immovable, tangible and/or intangible

properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued /to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s) / trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between the Company and the lender(s)/ agent(s)/ trustee(s), in respect of the said loans/ borrowings/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/ agent(s)/trustee(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company or Committee thereof be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements, deeds, papers and writings and also to agree to any amendments thereto from time to time as it may in its absolute discretion deem fit, necessary and desirable and to settle any question, difficulty or doubt that may arise in this regard to the creation of the mortgage or charge and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and expedient for giving effect to the above resolution.”

**Notes:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of the Ordinary Business at Item No. 4 and in respect of Special Businesses at Item Nos. 5 to 12 above is annexed hereto and forms a part of the Notice.
2. The relevant details of persons seeking re-appointment as Directors under Item Nos. 3, 5 to 9 of the Notice, as required pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are also annexed.
3. 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. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY PERSON OR SHAREHOLDER.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 29, 2014 to Saturday, September 6, 2014, both days inclusive, for payment of dividend. If the dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, then payment of such dividend will be made on or after fifth day from the conclusion of the Annual General Meeting of the Company as under:
  - (i) To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on August 28, 2014 and
  - (ii) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on August 28, 2014.

6. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant. Members holding shares in physical form are requested to provide the above details, along with their Folio Number, to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
7. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, address, registered email id, bank details, NECS, mandates, nominations, power of attorney, etc. to their Depository Participant. Changes intimated to the Depository Participant will be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate any of the above mentioned changes, alongwith the request for merging of folio etc., to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
8. For the purpose of availing Nomination facility, members holding shares in dematerialised form are required to lodge the nomination with their Depository Participant and members holding shares in physical form are required to fill and submit Form 2B (available on request) with the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.
10. Members, wishing to claim dividends, which remain unclaimed for the Financial Years 2007-2008 onwards, are requested to write to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the Investor Education and Protection Fund, no claim shall lie in respect thereof.
11. Any request for revalidation of dividend warrant(s) by any member of the Company may be directed to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
12. The Annual Report 2013-2014 of the Company, circulated to the members of the Company, will be made available on the Company's website at <http://www.nilkamal.com>.
13. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.
14. Voting through electronic means:  
Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).  
The procedure/ instructions for e-voting are as under:
  - A. In case of members receiving e-mail:  
Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - a. Click on "Shareholders" tab.
    - b. Select "Nilkamal Limited" from the drop down menu and click on "SUBMIT"
    - c. Now Enter your User ID
      - 1 For CDSL: 16 digits beneficiary ID,
      - 2 For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - 3 Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - d. Enter the Image Verification as displayed and Click on Login.
    - e. If you are holding shares in demat form and had voted on an earlier voting of any Company by logging on to [www.evotingindia.com](http://www.evotingindia.com), then your existing password is to be used.

f. If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>- Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field.</li> <li>- In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ram Kumar with folio number R000050 then enter RA00000050 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth (DOB) in dd / mm / yyyy format as recorded in your demat account or in the Company records for the said demat account or folio.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the Company for the said demat account or folio.  # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- g. After entering all details appropriately, click on "SUBMIT".
- h. Members holding shares in physical form will be directed to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant business of Nilkamal Limited on which you choose to vote.
- k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option 'YES' or 'NO', as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. After selecting the Resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- p. If Demat account holder has forgotten the changed password then "Enter the User ID" and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**B. In case of Institutional shareholders:**

- a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e. Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



- C. In case of members receiving the physical copy:  
Please follow all steps from Sr. No. A(a.) to A(p.) above to cast vote.
- D. The voting period begins on September 1, 2014 (9.00 a.m.) and ends on September 2, 2014 (6.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 1, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Members, who have voted electronically, are not eligible to vote by ballot paper.
- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and 'user manual for shareholders to cast their votes' available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- F. General:
- a. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 1, 2014.
  - b. Mr. Pratik M. Shah, Practising Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - c. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- G. The results of the e-voting along with the scrutinizer's report shall be placed on the Company's website [www.nilkamal.com](http://www.nilkamal.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the Stock Exchanges where the shares of the Company are listed.
15. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the Meeting. Members holding equity shares in electronic form, and proxies thereof, are requested to bring their DP ID and Client ID for identification.
16. Members are requested to bring their copies of Annual Report to the Meeting.

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

**Priti P. Dave  
Company Secretary**

Place: Mumbai  
Date: August 1, 2014

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

At the Twenty Seventh Annual General Meeting of the Company, M/s. BSR & Associates LLP and M/s. Vora & Associates, Chartered Accountants, were appointed/ re-appointed as the Joint Statutory Auditors of the Company whose term of office expires at the ensuing Twenty Eighth Annual General Meeting of the Company.

M/s. BSR & Associates LLP have expressed their unwillingness to continue as the Joint Statutory Auditor of the Company. The Board of Directors places on record its appreciation for the professional services rendered by M/s. BSR & Associates LLP during their association with the Company as its Statutory Auditors.

The Company has received a special notice from a shareholder in terms of provisions of Section 115 of the Companies Act, 2013 signifying the intention to propose the appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company.

Both, M/s. BSR & Co. LLP and M/s. Vora & Associates have expressed their willingness to act as Statutory Auditors of the Company, if appointed / re-appointed and further the said appointment / re-appointment would be in pursuance to Section 139 and 141 of the Companies Act, 2013 and the Rules framed thereunder. Accordingly, the Board of Directors, based on the recommendations of the Audit Committee proposes the appointment of M/s. BSR & Co. LLP in place of M/s. BSR & Associates LLP, Chartered Accountants and re-appointment of M/s. Vora & Associates as the Joint Statutory Auditors of the Company.

The approval of the members is sought to the appointment of M/s. BSR & Co. LLP and re-appointment of M/s. Vora & Associates as the Joint Statutory Auditors of the Company and authorise the Board of Directors, on the basis of the recommendation of the Audit Committee, to determine the remuneration payable to the said Joint Statutory Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Directors recommend the resolution at Item No. 4 of the Notice for approval of the members.

**Item No. 5**

Mr. Mahendra V. Doshi is a Non-Executive Independent Director of the Company. He is associated with the Company since year 1990. He holds a degree of Master in Business Administration from Harvard University, United States of America. He has expertise in the field of merchant banking and has handled numerous local and international capital market transactions. He holds 32,000 equity shares of the Company.

Mr. Mahendra V. Doshi retires by rotation at the ensuing Annual General Meeting under provisions of erstwhile Companies Act, 1956. Mr. Mahendra V. Doshi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mahendra V. Doshi, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Thirty Third Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Mr. Mahendra V. Doshi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Mahendra V. Doshi fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mahendra V. Doshi as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mahendra V. Doshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mahendra V. Doshi as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. Mahendra V. Doshi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 6**

Mr. Mufazzal S. Federal is a Non-Executive Independent Director of the Company. He was appointed on the Board in October 2011. He holds a Bachelors degree in Science and Bachelors degree in Law and has passed Diploma in Business Administration. He has also passed the Solicitor's examination conducted by the Bombay Incorporated Law Society, Bombay. He is a senior partner of the Solicitors firm 'M/s. Federal & Rashmikant' which is well entrenched in the legal field for the niche practice in the Corporate field, Dispute resolutions, Real estate and Commercial litigation. He does not hold any shares of the Company.

Mr. Mufazzal S. Federal retires by rotation at the ensuing Annual General Meeting under provisions of erstwhile Companies Act, 1956. Mr. Mufazzal S. Federal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mufazzal S. Federal, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Thirty Third Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Mr. Mufazzal S. Federal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Mufazzal S. Federal fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mufazzal S. Federal as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mufazzal S. Federal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mufazzal S. Federal as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. Mufazzal S. Federal, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 7**

Mr. K. R. Ramamoorthy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2003. He is a Law Graduate and a member of Institute of Company Secretaries of India. He is a prominent and successful Banker possessing wide and varied experience in the Banking field. He was the former Chairman and Managing Director of Corporation Bank. He is the Chairman of the Audit Committee of the Company. He does not hold any shares of the Company.

Mr. K. R. Ramamoorthy is a Director whose period of office is liable to determination by retirement of the Directors by rotation under the provisions of erstwhile Companies Act, 1956. Mr. K. R. Ramamoorthy is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. K. R. Ramamoorthy, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Thirty Third Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Mr. K. R. Ramamoorthy as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. K. R. Ramamoorthy fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. K. R. Ramamoorthy as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. R. Ramamoorthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. R. Ramamoorthy as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. K. R. Ramamoorthy, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 8**

Mr. Dadi B. Engineer is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2003. He holds a Bachelor's degree in Arts and a Bachelor's degree in Law from Mumbai University. Mr. Dadi B. Engineer is an advocate and attorney by profession and is a senior partner with M/s. Crawford Bayley & Co., Solicitors and Advocates, a law firm based in Mumbai. Indirect taxation and corporate and civil laws are areas of special expertise of Mr. Dadi B. Engineer. He does not hold any shares of the Company.

Mr. Dadi B. Engineer is a Director whose period of office is liable to determination by retirement of the Directors by rotation under the provisions of erstwhile Companies Act, 1956. Mr. Dadi B. Engineer is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dadi B. Engineer, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Thirty Third Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Mr. Dadi B. Engineer as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Dadi B. Engineer fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Dadi B. Engineer as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dadi B. Engineer as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dadi B. Engineer as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. D. B. Engineer, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 9**

Mr. S. K. Palekar is a Non-Executive Independent Director of the Company. He was appointed on the Board of the Company in April 2012. Mr. S. K. Palekar, is B.Sc., M.Sc. (Physics) from Mumbai University & MMS (Marketing) from Jamnalal Bajaj Institute of Management Studies. He has specialization in sales, brand management etc. and has hands on experience in FMCG, durables & service Industries. He is also the Chairperson of Executive Education Centre of S P Jain Institute of Management & Research at Mumbai. He does not hold any shares of the Company.

Mr. S. K. Palekar is a Director whose period of office is liable to determination by retirement of the Directors by rotation under the provisions of erstwhile Companies Act, 1956. Mr. S. K. Palekar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. S. K. Palekar, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Thirty Third Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Mr. S. K. Palekar as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. S. K. Palekar fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. S. K. Palekar as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. K. Palekar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S. K. Palekar as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. S. K. Palekar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 10**

The Board on the recommendations of the Audit Committee has appointed Mr. B. F. Modi, proprietor of M/s. B. F. Modi and Associates as the Cost Auditor of Financial Year 2014-2015.

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Rules framed thereunder, the Company is required to appoint a Cost Auditor and also ratify the remuneration payable to the said Cost Auditor at the General Meeting. In view of aforesaid, consent of the members is sought for passing the resolution at Item No. 10.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

Your Directors recommend the resolution at Item No. 10 of the Notice for approval of the members.

**Item No. 11**

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserve requires approval from the shareholders of the Company. Members of the Company at the Annual General Meeting held on August 4, 2012 had passed an Ordinary Resolution and authorized the Board under Section 293(1)(d) of the Companies Act, 1956 to borrow monies up to ₹ 600 crores.

The Ministry of Corporate Affairs (MCA) had vide its general circular 04/2014 dated 25-03-2014 clarified that the Ordinary Resolution passed pursuant to the Companies Act, 1956 shall be valid only upto a period of one year from the date of notification of its corresponding Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, i.e. it shall be valid upto September 11, 2014 only, and thereafter the approval is required to be sought by passing a Special Resolution in this behalf.

Hence, in order to comply with the provisions of Section 180 of the Companies Act, 2013 read alongwith the general circular, the Company is required to obtain shareholders approval by way of Special Resolution for availing the financial assistance.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Your Directors recommend the resolution for your approval as a Special Resolution.

**Item No. 12**

The Company is required to create security for the facilities mentioned under Item No. 11 by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution at Item No. 12 which shall require members approval. Further, as per the general circular of the MCA as referred above, the Company is now required to obtain approval by way of Special Resolution.

Hence, it is proposed to pass a Special Resolution authorizing the Board to create charge on the assets of the Company so as to comply with the said provisions.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Your Directors recommend the resolution for your approval as a Special Resolution.

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

Place: Mumbai  
Date: August 1, 2014

**Priti P. Dave  
Company Secretary**

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. Further, the Companies Act, 2013 also permits the use of electronic mode to send documents of the Company to its members. Hence, **members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses,** in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Link Intime India Private Limited.

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING  
(Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Mr. K.R Ramamoorthy</b>	<b>Mr. Dadi B. Engineer</b>	<b>Mr. Mahendra V. Doshi</b>
DIN	00058467	00047028	00123243
Date of birth	08-07-1940	02-05-1933	29-11-1949
Date of appointment	31-10-2003	31-10-2003	03-12-1990
Expertise in specific area	Banking Consultant	Solicitors and Advocate	Merchant Banking
Qualifications	BA, BL, FCS	Advocate and Attorney	MBA
Directorship in other Public Limited Companies	1. Amrit Corp Limited 2. National Securities Clearing Corporation Limited 3. Subros Limited	1. Foods and Inns Limited 2. Forvol International Services Limited 3. PCS Technology Limited 4. Welspun India Limited 5. Zuari Global Limited	1. Graviss Hospitality Limited 2. LKP Finance Limited 3. LKP Securities Limited 4. MKM Shares and Stock Brokers Limited 5. Salzer Magnet Wires Limited
Membership of Committees in other Public Limited Companies	1. <u>Audit Committee</u> (i) Amrit Corp Limited – Member (ii) National Securities Clearing Corporation Limited - Member (iii) Subros Limited - Member	1. <u>Audit Committee</u> (i) Foods and Inns Limited- Chairman (ii) Zuari Global Limited - Chairman (iii) Welspun India Limited – Member 2. <u>Shareholders'/ Investors' Grievance Committee</u> (i) Zuari Global Limited - Member	1. <u>Audit Committee</u> (i) Graviss Hospitality Limited – Chairman (ii) LKP Finance Limited – Member 2. <u>Shareholders'/ Investors' Grievance Committee</u> (i) Graviss Hospitality Limited - Member
Number of Shares Held	NIL	NIL	32,000
<b>Name of the Director</b>	<b>Mr. Mufazzal S. Federal</b>	<b>Mr. S. K. Palekar</b>	<b>Mr. Manish V. Parekh</b>
DIN	03409798	01723670	00037724
Date of birth	16-06-1950	23-08-1949	04-02-1969
Date of appointment	25-01-2011	17-04-2012	01-04-2000
Expertise in specific area	Corporate field, dispute resolution, real estate and commercial litigation.	Marketing and Management	Industrialist with rich experience in Marketing Management
Qualifications	B. Sc. (Hons.), LLB, DBA, Attorney-at-Law (Solicitor)	B.Sc. M.Sc., MMS	B. Com
Directorship in other Public Limited Companies	NIL	1. Huhtamaki PPL Limited (erstwhile known as The Paper Products Limited)	NIL
Membership of Committees in other Public Limited Companies	NIL	1. <u>Audit Committee</u> (i) Huhtamaki PPL Limited (erstwhile known as The Paper Products Limited)– Chairman 2. <u>Shareholders'/ Investors' Grievance Committee</u> (i) Huhtamaki PPL Limited (erstwhile known as The Paper Products Limited) - Member	NIL
Number of Shares Held	NIL	NIL	774,507

**DIRECTORS' REPORT****REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED MARCH 31, 2014.**

Dear Members,

Your Directors have pleasure to present this 28<sup>th</sup> ANNUAL REPORT of the Company together with the Audited Accounts for the Financial Year ended March 31, 2014.

**FINANCIAL HIGHLIGHTS:**

(₹ in lacs)

	2013-2014	2012-2013
Gross Turnover and Other Income	188,043	184,015
Net Turnover and Other Income	165,830	161,485
<b>Profit before Depreciation and Tax</b>	<b>10,705</b>	8,800
Less: Depreciation on Fixed Assets	4,892	4,434
<b>Profit before Tax</b>	<b>5,813</b>	4,365
Less: Provision for Taxes	1,810	1,246
<b>Profit after Tax</b>	<b>4,003</b>	3,119
Amount Available for Appropriations	21,312	18,407
Less: Appropriations:		
i) Proposed Final Dividend	597	597
ii) Total Tax on Dividend	91	101
iii) Transfer to General Reserves	3,000	400
Leaving a Balance to be carried forward	17,624	17,309
Earnings Per Share (₹)	27	21
Cash Earnings Per Share (₹)	60	51
Book Value per Share (₹)	310	288

**YEAR IN RETROSPECT**

The year 2013-14 brought many challenges such as volatile local currency, high interest rates, sluggish demand and low private consumption, etc. to the Corporate India. The economic situation was a big challenge. At one end, new business was hard to take up due to slack in demand while at other end, passing of higher input costs meant driving away of the Company's customers.

However, the scenario post election appears to be positive and the economy is likely to recuperate from the past slowdown. In view of the same, your Directors are also optimistic that the industry will soon revive.

Nilkamal recorded a gross turnover of ₹ 188,043 lacs up from ₹ 184,015 lacs of the previous Financial Year. The Operating Profit of the Company was ₹ 14,847 lacs against ₹ 13,097 lacs of the previous year. The plastic business has achieved a volume de-growth of 13% and value growth of 2%.

During Financial Year 2013-2014, your Company's retail business of Lifestyle Furniture, Furnishing and Accessories – '@home' had a total of 19 stores in 13 cities. The said retail division marked 7% increased gross turnover of ₹ 24,537 lacs as against ₹ 22,858 lacs of previous year, posting a net profit ₹ 15 lacs as compared to loss of ₹ 938 lacs of the previous year.

**RESERVES**

Your Directors have proposed to carry a sum of ₹ 3,000 lacs to the General Reserve Account out of the profits available.

**DIVIDEND**

Your Board of Directors recommend a Final Dividend of ₹ 4/- per equity share (40%) which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company. The total outgo of ₹ 698 lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

**AWARDS AND RECOGNITIONS**

During the year under review, your Company has achieved ISO 50001 EnMS Certification from TUV Germany for its Sinnar, Puducherry and Hosur Units. This certificate is given to the Company for efficient Energy Management System and being an energy efficient Company in line with the International Standards.

Your Company was awarded with 'Silver Certificate of Merit Award' by the Economic Times "Indian Manufacturing Excellence Award" in partnership with Frost & Sullivan for its Jammu Unit.

The Company was similarly awarded in past for its Puducherry Unit and Gold Certificate of merit with trophy for Sinnar Unit.



**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 Exchange, is presented in a separate section forming part of the Annual Report.

**SUBSIDIARIES & JOINT VENTURE**

Your Company has three subsidiaries namely - Nilkamal Eswaran Plastics Private Limited and Nilkamal Eswaran Marketing Private Limited at Sri Lanka and Nilkamal Crates and Bins – FZE at U.A.E.

The Ministry of Corporate Affairs had vide General Circular No. 2/2011 and 3/2011 dated February 8, 2011 granted general exemption from attaching the balance sheet of the subsidiary companies with the annual accounts of the holding companies, subject to fulfilment of conditions prescribed therein. In view of the same the Company has complied with all the conditions and has obtained consent of the Board of Directors of the Company for not 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.

The Company's Indo-German Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited has performed satisfactorily, thereby achieving an improved turnover of ₹ 7,858 lacs and earned profit of ₹ 694 lacs, as against ₹ 7,368 lacs and ₹ 216 lacs respectively.

The Company's Indo-American Joint Venture Company viz. Cambro Nilkamal Private Limited has also displayed an encouraging performance, with a total turnover of ₹ 1,603 lacs and Profit of ₹ 203 lacs as against ₹ 1,640 lacs and ₹ 160 lacs respectively, of the previous year.

**EXPORTS**

During the year 2013-2014, your Company's Exports were ₹ 4,621 lacs (plus deemed exports ₹ 949 lacs) as against exports of ₹ 4,239 (plus deemed export of ₹ 2,828 lacs) of 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 Company's Joint Statutory Auditors M/s. Vora & Associates having ICAI Registration No. 111612W and M/s. BSR & Associates LLP, having ICAI Registration No. 116231W retire at the ensuing Annual General Meeting.

The Board, based on recommendation of the Audit Committee, proposes the re-appointment/ appointment of M/s. Vora and Associates and M/s. BSR & Co. LLP as the Joint Statutory Auditors of the Company at the ensuing Annual General Meeting.

Both, M/s. Vora & Associates and M/s. BSR & Co. LLP, being eligible have expressed their willingness to such re-appointment / appointment as the Joint Statutory Auditors. They have further confirmed that if appointed, their re-appointment / appointment would be in pursuance to the provisions of Section 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

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

**COST AUDITOR**

Mr. B. F. Modi, proprietor of M/s. B. F. Modi and Associates, Cost Auditor, was appointed as Cost Auditor for the Financial Year 2013-2014. Mr. B. F. Modi being eligible has expressed his willingness to be reappointed as Cost Auditor of the Company for the Financial Year 2014-2015.

The Cost Audit Report for the Financial Year ended March 31, 2013 which was due for filing on September 30, 2013 was filed with the Central Government (Ministry of Corporate Affairs) on September 27, 2013.

**DIRECTORS**

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Manish V. Parekh, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-election.

Further, in terms of provision of Section 149 and other applicable provisions of the Companies Act, 2013, none of the Independent Directors shall be liable to retire by rotation. In view of aforesaid, Mr. Mahendra V. Doshi, Mr. Mufazzal S. Federal, Mr. K. R. Ramamoorthy, Mr. Dadi B. Engineer and Mr. S. K. Palekar, Independent Directors of the Company, being eligible, have offered themselves for appointment as Independent Directors to hold office as such Independent Directors of the Company for a period of five consecutive years upto the conclusion of Thirty Third Annual General Meeting to be concluded in the calendar year 2019.

Required resolutions for their appointment have been included in the Notice calling the ensuing Annual General Meeting. Your Directors commend their appointment as such.

Further, Mr. M. D. Mallya, who was appointed as an Additional Director of the Company on January 30, 2014, has tendered his resignation and hence has ceased to be a Director with effect from May 29, 2014. Mr. M. D. Mallya was appointed as Director on the Board of State Bank of India, who is also the Company's lead consortium Banker, and to avoid a conflict of interest in performance of his duties, Mr. M. D. Mallya had resigned from the Company. The Board places on record its sincere appreciation for the valuable contribution provided by Mr. M. D. Mallya during his short association with the Company.

Brief resume of the Directors proposed to be re-appointed, 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 Agreement with Stock Exchange in India, forms part of the Annual 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 required to be given under Clause 49 of the Listing Agreement with the Stock Exchange 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 also annexed thereto.

#### **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 forms 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 March 31, 2014 is given in the Annexure to this Report.

#### **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

**ANNEXURE TO DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY.**

Your Company is constantly making efforts towards efficient utilisation and conservation of resources. Your Company believes - in letter and in spirit - that conservation of energy at all levels is the foremost requirement for a sustainable growth. Hence, your Company, in continuation to its commitment for conservation and improving energy performance, has achieved ISO 50001 EnMS certification from TUV Germany for its Sinnar, Puducherry and Hosur Units.

Further, most of the other units of the Company have also already started implementing the EnMS practices in line with international requirement for ISO 50001.

The adoption and implementation of such energy saving processes, has helped your Company to derive energy saving of more than 15% and the continuous training, monitoring and control at all levels has lead to significant savings in terms of its Rupee per kg consumption of raw material processed.

**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.

Research and Development, being the core element for the growth of any Company, is continuously carried on by your Company. The major R&D activity undertaken by the Company during the year were:

- Developing of 1000 Litre+ insulated tank having inner layer of SS and outer layer of plastic for storage and processing of milk.
- Developing and manufacturing parts of EVM, CU, CCBU and CCCU faster than time limit provided by for BEL & ECIL.

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

This has helped your Company achieve the set targets within less th an required time together with providing improved quality products. This has also enhanced the development capabilities of the Company.

3. Future Plan of Action.

The Company is in the process of extending the R&D department to all its businesses. Further plant trials with better R&D will be extended to all its units so as to serve the needs of the dynamic market in a more enhanced manner.

4. Expenditure on R&D.

(₹ in lacs)

a) Capital	: NIL
b) Recurring	: 154
c) Total	: 154
d) Total R&D as percentage of total turnover	: 0.08%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- The Company had focussed on Supply Chain Management (SCM) resulting in hassle free availability of all SKU and reduction in inventory by way of visual management and control.
- The visible advantages of the SCM have encouraged the organization to extend the SCM to our front end Partners for which new method and systems are being explored and training is in progress. The Company shall complete the pilot extension and shall review the short comings to extend the same PAN India basis.
- Innovative method of carrying out Machine Health Check (MHC) introduced last year by the Company has yielded the machine performance and availability by 40% in green zone indicating the effective implementation of the MHC System in place.
- The Company is focussing on manufacturing of composite products to ensure value addition, by way of introducing new product range which will bring additional value to customers at a very competitive

price and such products are also better import substitutes to meet the challenges ahead.

- The Company has also installed a system alongwith computerised program to develop new products for moulded furniture, composite furniture and @home furniture range.
  - The Company has also introduced several new products in the furniture and material handling equipment business.
2. Benefits derived as a result of the above efforts.
- Improvement in quality and productivity and reduction in cost.
  - Improved performance of machines.
  - Improvement in utilisation of plant capacities.
  - Advancement of basic knowledge and skills.
  - Development of new product, improvement in the product yield and quality.
  - Conservation of its energy resources.
3. The Company has not imported any technology or process know-how.

**FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Total Foreign Exchange used and earned

( ₹ in lacs)

	<b>2013-2014</b>	2012-2013
Foreign Exchange Earned	<b>4,572</b>	4,042
Foreign Exchange Used	<b>15,765</b>	19,274

**For and on behalf of the Board**

Place: Mumbai  
Date: August 1, 2014

**Vamanrai V. Parekh**  
**Chairman**

**Certificate of Compliance with the Corporate Governance requirements  
under Clause 49 of the Listing Agreement**

To the Members of  
Nilkamal Limited

We have examined the compliance of conditions of Corporate Governance by Nilkamal Limited ("the Company") for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For B S R & Associates LLP  
Chartered Accountants  
Firm's Registration No: 116231W

For Vora & Associates  
Chartered Accountants  
Firm's Registration No: 111612W

N Sampath Ganesh  
Partner  
Membership No: 042554

Bharat B. Chovatia  
Partner  
Membership Number: 031756

Mumbai  
May 14, 2014

Mumbai  
May 14, 2014

**CORPORATE GOVERNANCE REPORT**

The Directors are pleased to present the Company's Report on Corporate Governance for the year ended March 31, 2014.

**1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

Nilkamal's philosophy on the Code of Corporate Governance is based on the principles of integrity, transparency, accountability and compliance. These ideology forms the four pillars on which Nilkamal's functioning is laid and are the fundamentals which guide Nilkamal towards attaining its goals. Nilkamal has always strived to comply with the requirements of Clause 49 of the Listing Agreement and perform in the best interest of all its stakeholders.

**2. BOARD OF DIRECTORS****The Composition of the Board**

Your Company's Board has an optimum blend of Executive as well as Non-Executive Directors in conformity with the requirements of Clause 49 of the Listing Agreement. As on March 31, 2014, there are Eleven Directors on the Board, out of which Seven are Non-Executive Directors including a Non-Executive Chairman, and the rest are Executive Directors. The Non-Executive Directors are distinguished professionals from diverse knowledge backgrounds, bringing in their professional expertise and experience and positively contributing to the growth of the Company, while the Executive Directors oversee the various aspects of its business operations.

**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:**

Name of Director	Category	Attendance at the Board Meetings during the F. Y. 2013-2014.	Attendance at the Last AGM held on July 15, 2013.	AS ON MARCH 31, 2014*		
				No. of Directorships in other Public Co.	Committee membership in other Public Co. #	Chairmanship in committees in which they are members #
Mr. Dadi B. Engineer	Independent, Non-Executive Director	3	No	5	4	2
Mr. K. R. Ramamoorthy	Independent, Non-Executive Director	4	Yes	3	3	0
Mr. M. D. Mallya	Independent, Non-Executive Director	1	N.A.	4	0	0
Mr. Mahendra V. Doshi	Independent, Non-Executive Director	4	No	5	3	1
Mr. Mufazzal S. Federal	Independent, Non-Executive Director	4	No	--	--	--
Mr. S. K. Palekar	Independent, Non-Executive Director	4	No	1	2	1
Mr. Hiten V. Parekh	Promoter, Executive Director	4	No	--	--	--
Mr. Manish V. Parekh	Promoter, Executive Director	3	No	--	--	--
Mr. Nayan S. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Mr. Sharad V. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Mr. Vamanrai V. Parekh	Promoter, Non Executive Director	4	Yes	--	--	--

\* Excluding Directorship / Committee membership / Committee chairmanship in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956.

\*\* Appointed as an Additional Director w.e.f. January 30, 2014 and ceased to be a Director w.e.f. May 29, 2014.

# Includes Audit Committee and Shareholders' / Investors' Grievance Committee only.

**Number of Board Meetings held and the dates on which held**

There were four Board Meetings of the Company held during the Financial Year 2013-2014 on the following dates: May 18, 2013, August 10, 2013, October 31, 2013, and January 30, 2014.

Mr. Vamanrai V. Parekh and Mr. Sharad V. Parekh are brothers. Further, Mr. Hiten V. Parekh and 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.

**3. 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 Agreement 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.

**Details of the composition of the Audit Committee and attendance of the Members are as follows:**

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

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Executive Directors, Senior Executives representing Finance, Accounts and Internal Audit functions of the Company, Statutory Auditors and Internal Auditors are invitees to the Meeting.

**Terms of Reference:**

The Terms of Reference of Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 the Listing Agreement, as well as in Section 292A of the Companies Act, 1956, and are as follows:

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

**4. REMUNERATION COMMITTEE**

Mr. K. R. Ramamoorthy (Chairman of Committee), Mr. Mahendra V. Doshi and Mr. Dadi B. Engineer - all the three Non-Executive, Independent Directors - are the members of the Remuneration Committee. All the members of the Committee have adequate financial knowledge and experience.

**Details of the attendance of the Members at the Remuneration Committee Meeting held on May 18, 2013 is as follows:**

Name of Director	No. of Meeting	
	Held	Attended
Mr. K. R. Ramamoorthy	1	1
Mr. Mahendra V. Doshi	1	1
Mr. Dadi B. Engineer	1	1

The Company Secretary acts as the Secretary to the Committee.

The role of the Remuneration Committee is to determine the remuneration payable to the Non- Executive Directors as well as the Executive Directors (including the determination of remuneration payable in terms of Schedule XIII of the Companies Act, 1956 in the event of the Company not having profits or its profits being inadequate in any Financial Year), based on their knowledge and expertise.

#### Remuneration of Directors

The Company pays remuneration to its Managing Director and Executive Directors by way of salary, perquisites and allowances (a fixed component) within the range as 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, Audit Committee and Remuneration Committee as applicable to each of them.

**The details of remuneration paid to the Directors during the Financial Year 2013-2014 are given below:**

Director	Salary & perquisites (₹)	*Sitting fees (₹)	Total (₹)	No. of Shares held as on 31-03-2014
Mr. Dadi B. Engineer	N.A.	115,000	115,000	Nil
Mr. K. R. Ramamoorthy	N.A.	150,000	150,000	Nil
Mr. M. D. Mallya	N.A.	20,000	20,000	Nil
Mr. Mahendra V. Doshi	N.A.	150,000	150,000	32,000
Mr. Mufazzal S. Federal	N.A.	80,000	80,000	Nil
Mr. S. K. Palekar	N.A.	80,000	80,000	Nil
Mr. Vamanrai V. Parekh	N.A.	140,000	140,000	1,795,462
Mr. Hiten V. Parekh	12,629,498	N.A.	12,629,498	1,170,055
Mr. Manish V. Parekh	11,819,681	N.A.	11,819,681	774,507
Mr. Nayan S. Parekh	9,860,905	N.A.	9,860,905	1,148,263
Mr. Sharad V. Parekh	12,369,102	N.A.	12,369,102	1,292,908

\*Sitting fees include fees for attending the Board Meetings, Audit Committee Meetings and Remuneration Committee Meeting.

Note: - No amount by way of commission was paid to any Directors during the Financial Year 2013-2014.

#### 5. 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
Mr. Vamanrai V. Parekh	Chairman	Non-Executive
Mr. Sharad V. Parekh	Director	Executive
Mr. Hiten V. Parekh	Director	Executive

The Company Secretary is the Compliance Officer to this Committee.

Report on complaints received from the Investors during the period April 1, 2013 to March 31, 2014.

Opening Balance	No. of complaints/letters received during the Year	No. of complaints/ letters attended	Closing Balance
Nil	6	6	Nil

The Company has assigned its share transfer and dematerialisation work to M/s. Link Intime India Private Limited, Registrar and Transfer Agents. As on March 31, 2014 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

**6. GENERAL BODY MEETINGS**

**Details of the location of the last three Annual General Meetings (AGM) and details of the Special Resolutions passed:**

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
27 <sup>th</sup> AGM	15-07-2013	12.00 noon	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli.	NIL
26 <sup>th</sup> AGM	04-08-2012	12.00 noon	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli.	NIL
25 <sup>th</sup> AGM	30-07-2011	11.30 a.m.	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli.	NIL

All Special Resolutions set out in the Notices for the Annual General Meetings were passed by the Members at the respective meetings with requisite majority.

**Postal Ballots**

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

**7. DISCLOSURES**

- 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 financial statements.
- There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last three years.
- 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 Executive Directors of the Company. The Management periodically reviews the adequacy and efficacy of overall risk management system.

**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 October 29, 2005. The Code of Conduct has been posted on the website of the Company ([www.nilkamal.com](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.

**8. MEANS OF COMMUNICATION**

- The Company's unaudited quarterly financial results are announced within forty-five days of the close of the quarter and its audited annual financial results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board.
- The financial results are published in Financial Express (English) and Daman Ganga Times.

The Company's results and official news releases are displayed on the Company's website [www.nilkamal.com](http://www.nilkamal.com).



## 9. GENERAL SHAREHOLDER INFORMATION

## Annual General Meeting:

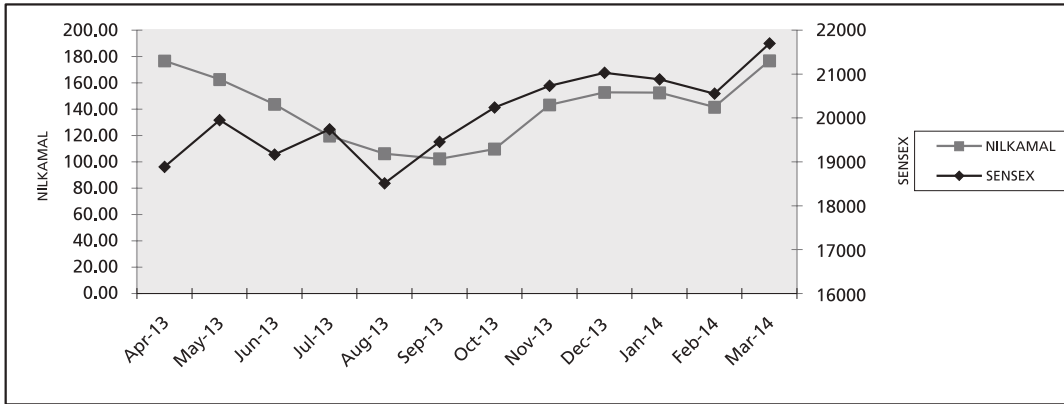
<b>Date &amp; Time</b>	Saturday, September 6, 2014 at 12.00 noon.	
<b>Venue</b>	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.	
<b>Financial Calendar</b>	Financial Year: April 1, 2014 to March 31, 2015 Results for Quarter ending:	
	June 30, 2014	– Before August 14, 2014.
	September 30, 2014	– Before November 14, 2014.
	December 31, 2014	– Before February 14, 2015.
	March 31, 2015	– Before May 30, 2015.
<b>Date of Book Closure</b>	From August 29, 2014 to September 6, 2014 (both days inclusive).	
<b>Dividend Payment Date</b>	Credit/ dispatch between September 12, 2014 to September 20, 2014.	
<b>Listing on Stock Exchanges</b>	1. The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. 2. National Stock Exchange of India Limited, Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.	
<b>Stock Code</b>	1. The Bombay Stock Exchange Limited – 523385 2. National Stock Exchange of India Limited - NILKAMAL	
<b>Demat ISIN in NSDL and CDSL for Equity Shares</b>	INE310A01015	
<b>Corporate Identification Number (CIN)</b>	L25209DN1985PLC000162	

The Company has paid the Annual Listing fees to each of the above Stock Exchanges, for the Financial Year 2013-2014.

## Market Price Data:

Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
Month	High	Low	Month	High	Low
April, 2013	188.95	164.25	April, 2013	189.00	163.25
May, 2013	175.70	149.25	May, 2013	175.90	149.05
June, 2013	156.30	131.00	June, 2013	157.05	131.05
July, 2013	136.90	102.00	July, 2013	139.00	100.75
August, 2013	117.70	94.75	August, 2013	118.80	95.30
September, 2013	109.10	95.35	September, 2013	109.25	95.25
October, 2013	124.00	95.30	October, 2013	124.30	95.75
November, 2013	163.00	123.40	November, 2013	162.95	124.05
December, 2013	160.80	144.55	December, 2013	161.30	144.05
January, 2014	168.75	136.00	January, 2014	183.90	135.30
February, 2014	147.95	135.00	February, 2014	147.80	134.00
March, 2014	211.00	142.50	March, 2014	208.80	142.05

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the Financial Year 2013-2014. \*



\* Sources www.bseindia.com.

**Registrar and Transfer Agents:**

M/s. Link Intime India Private Limited (Link Intime), C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078; Tel: 022-25946970, Fax: 022-25946969, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) are the Registrar and Share Transfer Agents for physical shares of the Company. They are 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 MARCH 31, 2014**

Slab of Equity Shares	No of Shareholders	% of Shareholders	Amount in ₹	% of Shareholding
1-5000	8,133	91.80	8,680,090	5.82
5001 to 10000	331	3.74	2,632,630	1.76
10001 to 20000	171	1.93	2,603,810	1.74
20001 to 30000	51	0.58	1,271,410	0.85
30001 to 40000	32	0.36	1,143,310	0.77
40001 to 50000	26	0.29	1,191,280	0.80
50001 to 100000	48	0.54	3,509,640	2.35
100001 and above	67	0.76	128,193,080	85.91
<b>Total</b>	<b>8,859</b>	<b>100.00</b>	<b>149,225,250</b>	<b>100.00</b>

**Categories of Shareholders as per Clause 35 of the Listing Agreement:**

Category	No. of Shareholders	Voting Strength (%)	No. of shares
Promoter and Promoter Group	27	63.24	9,436,982
Mutual Funds & UTI	3	7.88	1,175,300
Banks, Financial Institutions	4	0.04	5,731
FII	5	1.26	187,471
Bodies Corporate	411	5.93	885,096
Individuals	8,309	19.55	2,918,649
NRIs, OCB & Trust	100	2.10	313,296
<b>Total</b>	<b>8,859</b>	<b>100</b>	<b>14,922,525</b>

**Dematerialisation of shares and liquidity:**

98.48 % of the Company’s Share Capital is dematerialised as on March 31, 2014. 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 Industrial Complex, Barjora Mejia Road, P. O. & P.S. Barjora, District: Bankura, Pincode – 722 202, West Bengal.
Hooghly Unit	Dayanidhan Compound, Godown No: - 1A & 2, Delhi High Road, Dankuni, Village: Monoharpur, J. L. No. 98, Touzi No. 17, Police Station-Chanditala, District - Hooghly, 712 311, West Bengal.
Hosur Unit	Part of Survey No. 149, 151 to 153, 155/9, 226/1C, 227 and 299/1, Next to GNB Factory, Nallaganakothapalli Village, Koneripalli Post, Hosur Taluk, Krishnagiri District - 635 117, Tamilnadu .
Jammu Unit	Phase – II, Industrial Growth Centre, Samba – 184 121, Jammu & Kashmir.
Kharadapada Unit	Survey No. 389, 391, 393, 396 & 401, Naroli –Kharadpada Road, Village: Kharadpada, Silvassa -396 230, Union Territory of Dadra & Nagar Haveli.
Noida Unit	Plot No.26, B & C Sector No.31, Surajpur – Kasna Road, Behind HPCL Gas Plant, Gautam Budha Nagar, Greater Noida – 201 310, Uttar Pradesh.
Puducherry Unit	19/3-5, 18/1-B & 21/6, Olaivaikkal Village, Villianoor- Pathukannu Road, Villianoor Taluk – 605 502, Puducherry.
Sinnar Unit	STICE, Plot No.971/1A, Sinnar Shirdi Road, Musalgaon, Sinnar-422 103, Dist. Nashik, Maharashtra.
Vasona Unit	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa- Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.

**Registered Office and Corporate Office:**

Registered Office	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa- Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.
Corporate Office	Nilkamal House, Plot No.77/78, Road No.13/14, MIDC, Andheri (E), Mumbai – 400 093, Maharashtra.

**Address for Correspondence:**

Investors can communicate at the following addresses:

**1. Ms. Priti P. Dave – Company Secretary**

Nilkamal Limited  
 Nilkamal House,  
 77/78, Road No. 13/14, MIDC,  
 Andheri-East, Mumbai 400 093.  
 Tel:- 022-42358888 Fax:- 022-26818080  
 E-mail:- [investor@nilkamal.com](mailto:investor@nilkamal.com)

**2. M/s. Link Intime India Private Limited**

Registrar and Transfer Agents  
 C-13, Kantilal Maganlal Estate,  
 Pannalal Silk Mills Compound,  
 L.B.S.Marg, Bhandup (W), Mumbai 400 078.  
 Tel: 022-25946970, Fax: 022-25946969  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:-

The Indian economy stood at a critical juncture in 2013-14. Persistent slowdown in the Gross Domestic Product (GDP) growth rate continued during the year. Inflation re-emerged as a major problem with both the wholesale and retail consumer price inflation levels rising to as high as 6.46 % and 9.10%, respectively.

The economy grossly underperformed the expectations in terms of the agricultural and the industrial growth. The industrial sector continued to underperform due to sluggish growth in manufacturing and contraction of output in the mining and quarrying sectors. Overall service sector revealed mixed picture.

For 2014-15, the Indian economy is expected to gradually recover. The GDP growth is likely to be in the range of 5% to 6%. A slow paced inflation moderation amidst sticky prices could continue based on the assumptions of normal rainfall, some cost pressures from administered fuel price increases, elevated rural wages and supply chain bottlenecks.

#### Plastic Division

The **Plastic Business** has a volume de-growth of 13% and value growth of 2%. During the Financial Year 2013-14, the Company has achieved total turnover of ₹ 165,830 lacs as compared to ₹ 161,485 lacs in the previous year.

The **Furniture Business** of the Company registered a top line growth of nearly 4%, in revenue terms over the previous financial year. The year gone by witnessed a sluggish demand due to high volatility in raw material prices which led to a tonnage de-growth for the industry in the moulded furniture category. This vertical of the Company still enjoys a leadership position with a market share of around 32% and a lead of over two times its closest competitor.

The raw material prices increased by nearly 15% when compared to the prices prevailing at the beginning of the year. The major increase was evident in the second half of the year and the series of increases resulted in postponement of sales and sluggish demand.

The furniture business of the Company is well geared for a stable growth by augmenting its range by adding a variety of products in the seating solutions segment like office chairs, designer chairs etc. for commercial establishment like food courts, malls etc. The division also actioned its metal line facility in Hosur plant for manufacture of contract chairs to cater to marriage halls/visitor chairs requirement etc. These chairs are a combination of fabric/PVC with steel and have been very well appreciated by the consumers. Going forward the Company also intends to enhance this range for developing products like dining tables/cafeteria tables etc. In financial year 2013-14 the division also enhanced its plastic storage solutions range by adding products like shoe cabinet/chest of drawers etc.

The Company has added 7 additional "Nilkamal Home Ideas" stores ranging from 4,000 to 8,000 sq. ft., thus taking the total of "Nilkamal Home Ideas" stores to 26. These are one stop furniture showrooms for all Nilkamal furniture in the categories of living/bedroom/sofas/dining /designer chairs etc., thereby increasing the opportunity to leverage the benefits accrued from the 5 Crores satisfied households of moulded furniture build across the years.

The furniture business of your Company is well geared for a higher trajectory growth rate by moving into areas of seating solutions other than plastic moulded chairs and marketing of traded products in the furniture category thus capitalizing on the benefits of a strong distribution platform. The strong network of 40 plus depots and 1000 plus channel partners on a pan India basis would not only increase the division's ability to serve the remotest rural markets and also further augment our leadership position in the days to come.

The main threats would be the price in-elasticity of plastic moulded furniture, high volatility of raw material prices adverse currency fluctuation and proliferation of regional players who compete on the strength of low quality raw material and unethical practices like non conformity of statues.

#### Mattress Division

Your Company grew by 36% in FY 2013-14 (₹ 3,505 lacs) over FY 2012-13 (₹ 2,573 lacs), while the industry grew by 10%.

The year 2013-2014 witnessed an appreciable growth in foam and spring segment of the mattress industry where there are few organized players who cater to quality conscious customers.

Robust distribution network always becomes key to success in this business. Your Company's strength lies in its brand leadership in furniture segment, in a short span of time your Company was able to cater to around 2400 retail stores in India during this year directly and also through distribution channel. Your Company has also started business relationship with organized retail, hospitals and hotels.

Your Company has tried to position itself as an organization to fit in to the requirement of the customers and specialize in manufacturing mattresses required for customers with different sleeping habits. Your Company introduced for the first time in India a specialized mattress for side sleepers.

Your Company has introduced for the first time in India an easy reference chart to facilitate the consumers to select the right type of mattress according to their height and weight.

#### Threats and risks

1. Competition with the regional players with low technology.
2. Cotton mattress dominating still major share of the market.
3. Increasing Freight cost giving edge to regional players.

4. International players coming into India with technological advantage and money power.

#### Future Outlook

With the success of launch of mattress in South, East and West your Company is currently preparing itself to stabilize with a positioning of an innovator and facilitator for the consumers in selection of right mattress. Higher purchasing power backed by higher income levels, increased urbanization rising construction activity in housing segment and easy availability of loans continue to boost the growth in mattress industry. Such scenario leads to increase in spring mattress segment where your Company has invested in machinery and marketing strategy for growth. Mattress market is throwing up opportunities for premium products which are technically superior.

The strength of Nilkamal Brand is extended to mattresses and efforts are also taken to enlarge the foot print of NILKAMAL as a brand for mattresses. Your Company's investments in production units in southern and eastern part of the country is bound to create positive impact in mattress industry.

The **Material Handling Business** effected by the recession in Auto Industry and overall industrial scenario witnessed a de-growth of 2% in value terms & 15% in volume terms after consistent growth of several years.

The sudden substantial weakening of Indian Rupee during the year caused major spurt in Raw Material prices which has impacted overall performance for the year.

The somber mood has driven Industries to focus on controlling costs driven by scarcity of labour, emphasis on shop-floor productivity, material handling efficiency, increasing costs of land leading to think towards storage optimization bodes well for our Material Handling products like crates, pallets, metal storage racks, & material handling equipment. Nilkamal continued to exhibit a market leader position in the material handling segment backed by its ability to directly reach a very diverse set of industrial customers through 350+ self-employed sales people operating from 50+ regional sales offices across India.

We have continued our focus of investing & growing our wide product breadth by introducing & scaling up new products & services.

Combined sales of our three ventures Nilkamal Crates & Bins Ajman, Nilkamal Bito Storage Systems Private Limited (NBSS), and Cambro Nilkamal Private Limited (CNPL) grew by 6%.

We see good prospects of growth in Ajman given the turn-around in Dubai & Middle-Eastern region and Dubai declared venue for EXPO 2020.

Growth of E-commerce, Retail & Industries focus on Storage Space Optimization presents our Joint venture NBSS with bright prospects and they continued to successfully executed large storage system projects.

Our Joint venture CNPL fared well inspite of the sluggishness of Hospitality Industry which witnessed deferment of large Investments.

In the long term, we remain bullish on the prospects of Material Handling Business, based on overall industrial segments, increased focus on productivity, less dependency on labour, expected implementation of GST to be the next trigger for need of Large Warehouses.

Instability of currency and crude prices, remain a major concern for sustaining profitability and sales growth in short and medium term.

#### Lifestyle Furniture, Furnishing and accessories Division:

@home – The Mega Home Store has 19 large format retail stores spread across 13 cities covering a retail space of carpet area of over 3.15 lakh sq. ft. @home today has become a trusted brand among the consumers. Company has also forayed into other channels of business such as institutional sales and E-commerce.

FY 2013-14 was an encouraging year for @home where it has registered a profit. The FY 2013-14 witnessed re-strategising retail business. During the year the Company has closed operation of one store & opened one new store while one store was relocated. The Company has invested in extensive data analytics for optimizing profitability on retail area and product portfolio. It has successfully managed to renegotiate on retail rentals and increase in productivity per employee.

In the FY 2013-14, apart from @home portal, it has also entered into business partnership with other leading E-commerce portals in home décor business. @home E-commerce portal has delivery reach of more than 4500 towns in India for non-furniture product portfolio. The strong and dynamic backend system laid for e-commerce is set to result in higher growth and operational efficiency. This year, Company has made significant progress through Institutional sales channel; sales have grown 28% over last FY. Company has introduced long term supply arrangements with corporate; the portfolio of which will grow in the current year. Company has recently entered in trading designer corporate furniture; all the initiative are expected to deliver results in the current year FY 14-15.

Continued economic uncertainty coupled with adverse currency fluctuation is a threat to the business as home furniture is not purchased frequently. Higher inflation rate has also fueled to the delayed purchase decisions turnover growth was of 7% in FY 2013-14 (₹ 21,881 lacs) over FY 2012-13 (₹ 20,393 lacs).

The Management believes that the changing political environment and the entry of more organized players will accelerate the shift from unorganized to organized market.

#### Financial Review

##### Operating Profit

The Company registered operating Profit of ₹ 14,847 lacs against ₹ 13,097 lacs in the previous year, increase of 13.36% over the previous year.

The operating margin for the year was 8.97% as compared to 8.13% in the previous year. The operating margin of plastic business stood at 9.86% compared to 9.58% in previous year.

**Interest**

Interest and Financial cost has been decreased by ₹ 155 lacs i.e. from ₹ 4,297 lacs to ₹ 4,142 lacs. This is due to lower average utilisation of borrowed funds and better working capital management .

**Net Profit**

The Company has made net profit after tax of ₹ 4,003 lacs as against ₹ 3,119 lacs, increased by 28.35%.

**Dividend**

The Company has proposed final dividend of ₹ 4 per equity shares (40%) for the current year. The total outflow amounts to ₹ 698 lacs including dividend distribution tax.

**Capital Employed**

The total capital employed stood at ₹ 78,262 lacs against ₹ 82,321 lacs of previous year. Return on Average Capital employed is 10.15% against 9.33% of previous year while Return on Equity is 8.98% against 7.48% of previous year.

The total debt to equity stands at 0.69 time against 0.92 time of the previous financial year.

**Subsidiary and Joint Venture Performance**

The Sri Lankan Subsidiary has achieved turnover of SLR 9,916 lacs and net profit of SLR 240 lacs as compared to previous year turnover of SLR 10,975 lacs and net profit of SLR 643 lacs.

During the year under review, the Company has received towards Technical and Management Fees of INR 29 lacs (previous year INR 116 lacs), and dividend of INR 4 lacs (previous year INR NIL lacs) from the said subsidiary.

The subsidiary at Ajman has achieved a turnover of AED 172 lacs with net profit of AED 9 lacs against previous year turnover of AED 158 lacs and net profit of AED 13 lacs. The Company has received INR 8 lacs as dividend (Previous Year INR 55 lacs) from the said subsidiary.

The Joint Venture Company – Nilkamal Bito Storage Systems Private Limited is in manufacturing of storage systems of metal. It has achieved turnover of ₹ 7,858 lacs and has achieved Profit of ₹ 694 lacs as compared to Previous Year turnover of ₹ 7,368 lacs and Profit of ₹ 216 lacs. The Company has received ₹ 256 lacs (previous year ₹ 233 lacs) towards Technical and Management Fees from the said Joint Venture Company.

The other Joint Venture Company Cambro Nilkamal Private Limited carries out the business of manufacturing and importing of the extensive range of quality products for the food service industry and its distribution. The Company has achieved turnover of ₹ 1,603 lacs (Previous Year INR 1,640 lacs) and net profit of ₹ 203 lacs (Previous Year INR 160 lacs). During the year under review, the Company has received towards Technical and Management Fees of ₹ 87 lacs (previous year ₹ 82 lacs). The Company has received INR 2 lacs as dividend (Previous Year INR Nil lacs) from the said Joint Venture Company.

**Internal Control System and Their Adequacy**

In Nilkamal Limited, the Internal Audit Department along with the help of external agencies continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Department also assesses opportunities for improvement in business processes, systems and controls and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and the Senior Management.

The Scope of the Audit Plan is assigned based on the following objectives:

All operational and related activities are performed efficiently and effectively. The Financial transactions are reported with accuracy.

Significant legislative and regulatory provisions impacting the organisation are recognized, complied and addressed appropriately.

Opportunities identified during audits, for improving management control and profitability and process efficiency are communicated to the appropriate level of Management.

The resources as acquired are safeguarded and used optimally.

During the year, the Audit Committee met regularly to review the Reports submitted by the Internal Audit Department. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Audit Committee's observations and suggestions were acted upon by the Management.

**Human Resources and Industrial Relations**

Your Company's industrial relations continued to be harmonious during the year under review. The employee strength of your Company is currently 2,880.

**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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NILKAMAL LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Nilkamal Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss 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 Act; and
- (e) on the basis of written representations received from the directors of the company as on 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 116231W

**For Vora & Associates**  
Chartered Accountants  
Firm's Registration No: 111612W

**N Sampath Ganesh**  
Partner  
Membership No: 042554

**Bharat B. Chovatia**  
Partner  
Membership Number: 031756

Mumbai  
May 14, 2014

Mumbai  
May 14, 2014



**Annexure to the Independent Auditors' Report – 31<sup>st</sup> March 2014  
(Referred to in our report of even date)**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.  
(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act').
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any continuing failure to correct major weakness in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.  
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of rupees five lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax/Value added tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax/Value added tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues applicable to it were in arrears as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of Wealth tax and Customs duty which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues of Income-tax, Sales tax, Service tax and Excise duty as at 31<sup>st</sup> March 2014 which have not been deposited on account of disputes are as follows:

Name of the statute	Nature of dues	Amount (Note) (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax of various states	Central Sales Tax and Local Sales Tax (including Value Added Tax)	- 157.88	2001 to 2004 2002-2004, 2006-2013	Supreme Court Commissioner - Appeals
Central Excise Act, 1944	Excise Duty	4.81 326.25 2.27	1999-2001 2002-2007  April 2007- September 2008	High Court Customs Excise & Service tax Appellate tribunal ("CESTAT") Commissioner -Appeals
Finance Act, 1994	Service Tax	2.55	2007-2012	Commissioner -Appeals
Income Tax Act, 1961	Tax deducted at source	3.39	2010-11	CIT (Appeals)

Note : Amount is net of payments made under dispute.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding dues to any debenture holders during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, except for the unutilized proceeds of term loans, to the extent of ₹ 361.52 lacs, that were obtained for capital expenditure but held in accounts with banks at the year end, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W

**N Sampath Ganesh**

Partner

Membership No: 042554

Mumbai  
May 14, 2014

**For Vora & Associates**

Chartered Accountants

Firm's Registration No: 111612W

**Bharat B. Chovatia**

Partner

Membership Number: 031756

Mumbai  
May 14, 2014

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

	Note No.	As at 31 <sup>st</sup> March, 2014	(₹ in lacs) As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	44,782.45	41,418.48
<b>2 Non-current Liabilities</b>			
(a) Long term borrowings	3	9,282.00	11,178.88
(b) Deferred tax liability (net)	4	2,430.45	2,190.44
(c) Other long term liabilities	5	3,326.90	3,237.35
(d) Long term provisions	6	679.70	705.58
<b>3 Current Liabilities</b>			
(a) Short term borrowings	7	17,599.17	24,254.51
(b) Trade payables	32	9,415.69	9,391.41
(c) Other current liabilities	8	8,405.09	6,976.00
(d) Short term provisions	9	2,212.81	1,942.84
<b>TOTAL</b>		<b>99,626.51</b>	<b>102,787.74</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		32,856.39	33,603.54
(ii) Intangible assets		401.57	218.40
(iii) Capital work-in-progress		215.47	420.54
(b) Non-current investments	11	2,556.29	2,529.59
(c) Long-term loans and advances	12	5,644.77	5,130.93
(d) Other Non Current Assets	13	43.74	54.42
<b>2 Current assets</b>			
(a) Inventories	14	30,063.49	30,525.63
(b) Trade receivables	15	21,755.09	22,974.17
(c) Cash and Bank Balances	16	1,805.23	2,542.90
(d) Short-term loans and advances	17	3,696.40	4,196.38
(e) Other current assets	18	588.07	591.24
<b>TOTAL</b>		<b>99,626.51</b>	<b>102,787.74</b>
<b>Significant accounting policies</b>	26		

The notes form an integral part of these financial statements

**AS PER OUR REPORT OF EVEN DATE ATTACHED****For B S R & Associates LLP**

Chartered Accountants  
Firm's Registration No: 116231W

**N Sampath Ganesh**

Partner  
Membership No: 042554

**For VORA & ASSOCIATES**

Chartered Accountants  
Firm's Registration No: 111612W

**Bharat B. Chovatia**

Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Pareesh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

		(₹ in lacs)
	<b>Note No.</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>
		<b>Year ended 31<sup>st</sup> March, 2013</b>
I. <b>Revenue from Operations (Gross)</b>	19	<b>188,042.82</b>
Less: Duties and levies		<b>22,565.96</b>
Revenue from Operations (Net)		<b>165,476.86</b>
II. <b>Other Income</b>	20	<b>352.65</b>
III. <b>Total Revenue (I+II)</b>		<b>165,829.51</b>
IV. <b>Expenses:</b>		
Cost of materials consumed	21	<b>59,732.86</b>
Purchases of stock in traded	34 (b)	<b>42,683.20</b>
Changes in inventories of finished goods, work-in-progress and stock in trade	22	<b>1,915.76</b>
Employee benefits expense	23	<b>10,539.54</b>
Finance costs	24	<b>4,142.47</b>
Depreciation and amortisation expenses	10	<b>4,892.22</b>
Other expenses	25	<b>36,110.80</b>
<b>Total Expenses</b>		<b>160,016.85</b>
V. <b>Profit Before Tax (III-IV)</b>		<b>5,812.66</b>
VI. <b>Tax Expense:</b>		
Current tax		<b>1,605.00</b>
MAT Credit Utilisation		<b>110.70</b>
Deferred tax		<b>54.90</b>
Taxation for earlier years		<b>38.91</b>
VII. <b>Profit for the year (V-VI)</b>		<b>4,003.15</b>
VIII. <b>Earnings per equity share of ₹ 10/- each (previous year ₹ 10/- each)</b>	40	
(1) Basic		<b>26.83</b>
(2) Diluted		<b>26.83</b>
Weighted average number of equity shares outstanding		<b>14,922,525</b>
<b>Significant accounting policies</b>	26	
The notes form an integral part of these financial statements		

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For B S R & Associates LLP**

Chartered Accountants  
Firm's Registration No: 116231W

**N Sampath Ganesh**

Partner  
Membership No: 042554

**For VORA & ASSOCIATES**

Chartered Accountants  
Firm's Registration No: 111612W

**Bharat B. Chovatia**

Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Paresh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(₹ in lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	5,812.66	4,365.18
Adjustments for :		
Depreciation and amortisation	4,892.22	4,434.32
Loss on fixed assets sold / discarded (net)	2.07	225.44
Finance costs	4,142.47	4,297.46
Provision for doubtful debts and advances	110.62	43.94
Bad debts written off	72.21	63.81
Provision for wealth tax	9.10	12.04
Interest income	(254.52)	(267.39)
Dividend income	(13.82)	(54.97)
Exchange rate difference on borrowings (after capitalization)	-	(95.89)
Unrealised foreign exchange loss	59.89	20.08
	<u>9,020.24</u>	<u>8,678.84</u>
<b>Operating Profit before Working Capital changes</b>	<b>14,832.90</b>	<b>13,044.02</b>
Adjustments for :		
(Increase) / decrease in trade receivables	1,031.21	(3,460.07)
(Increase) / decrease in other receivables	128.31	3.93
(Increase) / decrease in inventories	409.62	(3,072.74)
Increase / (decrease) in trade payables	(0.79)	1,281.52
Increase / (decrease) in other liabilities and provisions	569.36	890.36
	<u>2,137.71</u>	<u>(4,357.00)</u>
Direct taxes paid (net of refund)	<u>(1,491.12)</u>	<u>(1,255.21)</u>
<b>Net Cash Inflow from Operating Activities A</b>	<b>15,479.49</b>	<b>7,431.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets, capital work in progress and capital advances	(3,745.97)	(5,393.86)
Proceeds from sale of fixed assets	387.73	81.76
Dividend received from subsidiary	60.63	-
Interest received	204.83	100.07
Investments made during the year	(213.18)	-
<b>Net Cash Outflow from Investing Activities B</b>	<b>(3,305.96)</b>	<b>(5,212.03)</b>

**CASH FLOW STATEMENT (Contd.) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(₹ in lacs)

	<b>Year ended 31<sup>st</sup> March, 2014</b>	Year ended 31 <sup>st</sup> March, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	<b>2,542.25</b>	4,013.18
Repayment of long term borrowings	<b>(4,106.69)</b>	(3,621.49)
Proceeds/(repayment) of short term borrowings [net]	<b>(6,655.34)</b>	2,697.59
Changes in external commercial borrowing pending utilisation [net]	<b>1,140.00</b>	(628.84)
Interest received on pending external commercial borrowings utilization	<b>50.06</b>	153.71
Finance cost	<b>(4,232.28)</b>	(4,273.37)
Dividend paid (including tax on dividend)	<b>(697.01)</b>	(692.93)
<b>Net Cash Outflow from Financing Activities C</b>	<b>(11,959.01)</b>	(2,352.15)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>214.52</b>	(132.37)
Cash and Cash Equivalents as at the beginning of the period	<b>1,021.15</b>	1,153.52
<b>Cash and Cash Equivalents as at the end of the period</b>	<b>1,235.67</b>	1,021.15
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>214.52</b>	(132.37)
	<b>As at 31<sup>st</sup> March 2014</b>	As at 31 <sup>st</sup> March 2013

**Notes to the Cash Flow Statement**

1 Components of cash and cash equivalents

(a) Balance in Current Accounts	<b>332.55</b>	537.38
(b) Cheques on Hand	<b>610.99</b>	220.74
(c) Cash on Hand	<b>292.13</b>	263.03
<b>Cash and cash Equivalents</b>	<b>1,235.67</b>	<b>1,021.15</b>

2 The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For B S R & Associates LLP**

Chartered Accountants  
Firm's Registration No: 116231W

**N Sampath Ganesh**

Partner  
Membership No: 042554

**For VORA & ASSOCIATES**

Chartered Accountants  
Firm's Registration No: 111612W

**Bharat B. Chovatia**

Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Pareesh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

## Notes to the financial statements as at 31 March 2014

(₹ in lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>1 Share capital</b>		
<b>Authorised</b>		
2,20,00,000 (Previous Year 2,20,00,000) Equity Share of ₹ 10/- each	2,200.00	2,200.00
30,00,000 (Previous Year 30,00,000) Preference Share of ₹ 10/- each	300.00	300.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Fully Paid up</b>		
1,49,22,525 Equity Shares of ₹ 10/- each (Previous year 1,49,22,525 Equity Shares of ₹ 10/- each) (Refer Note 29)	1,492.25	1,492.25
<b>Total</b>	<u>1,492.25</u>	<u>1,492.25</u>
<b>2 Reserves and surplus</b>		
<b>(a) Capital Reserve</b>		
At the commencement and at the end of the year	1,115.16	1,115.16
<b>(b) Securities Premium Reserve</b>		
At the commencement and at the end of the year	6,448.96	6,448.96
<b>(c) Cash Flow Hedge Reserve</b>		
At the commencement of the year	45.59	-
Add : Net gain recognised on cash flow hedge (Refer Note 31)	49.22	45.59
	<u>94.81</u>	<u>45.59</u>
<b>(d) General Reserve</b>		
At the commencement of the year	16,500.00	16,100.00
Add: Transferred from Surplus	3,000.00	400.00
	<u>19,500.00</u>	<u>16,500.00</u>
<b>(e) Surplus (Profit and Loss)</b>		
At the commencement of the year	17,308.77	15,288.09
Add : Net Profit for the year	4,003.15	3,119.02
<b>Appropriations</b>		
Proposed Equity Dividend [Dividend for current year ₹ 4 per Share (Previous Year ₹ 4 per share)].	(596.90)	(596.90)
Tax on Proposed Dividend	(91.50)	(101.44)
Transfer to General Reserve	(3,000.00)	(400.00)
	<u>17,623.52</u>	<u>17,308.77</u>
<b>Total</b>	<u>44,782.45</u>	<u>41,418.48</u>
<b>3 Long term borrowings</b>		
<b>Secured</b>		
<b>Term loan from banks</b>		
(i) Rupee Loans	3,140.20	4,933.47
(ii) Foreign currency loans	6,141.80	6,245.41
<b>Total</b>	<u>9,282.00</u>	<u>11,178.88</u>
Current maturities of Long Term Borrowings	* 5,106.53	* 3,977.03
* Amount disclosed under other current liabilities (Refer Note 8) For Security and terms of repayment (Refer Note 30)		

(₹ in lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>4 Deferred tax liability (Net)</b>		
Major components of deferred tax assets and liabilities arising on account of timing differences are:		
<b>Deferred Tax Liabilities :</b>		
Depreciation	2,587.25	2,530.41
Allowance under Income Tax Act	278.24	198.84
	<u>2,865.49</u>	<u>2,729.25</u>
<b>Deferred Tax Assets :</b>		
Disallowance under Income Tax Act	342.63	443.24
Provision for Doubtful Debts	92.41	95.57
	<u>435.04</u>	<u>538.81</u>
<b>Deferred Tax Liability (Net)</b>	<u>2,430.45</u>	<u>2,190.44</u>
Tax in respect of earlier years includes deferred tax charge of ₹ 185.12 lacs (Previous year ₹ 194.67 lacs)		
<b>5 Other long term liabilities</b>		
(a) Security Deposit Received	3,326.90	3,205.73
(b) Derivative Liability (Refer Note 31)	-	31.62
	<u>3,326.90</u>	<u>3,237.35</u>
<b>6 Long term provisions</b>		
(a) Provision For Employee Benefits (Refer Note 38)		
(b) Gratuity	357.97	439.45
(c) Compensated Absences	321.73	266.13
	<u>679.70</u>	<u>705.58</u>
<b>7 Short term borrowings</b>		
<b>Secured Loans</b>		
<b>(a) Working Capital Loan From Banks</b>		
Rupee Loans	17,599.17	21,485.29
Buyers Credit Facility	-	1,269.22
<b>(b) Unsecured Loans</b>		
Short Term Rupee Loan from Banks	-	1,500.00
<b>Total</b>	<u>17,599.17</u>	<u>24,254.51</u>
For Security and terms of repayment (Refer Note 30)		
<b>8 Other current liabilities</b>		
<b>(a) Current maturities of long-term debt</b>		
(i) Rupee Loans	2,559.93	3,252.74
(ii) Foreign Currency Loans	2,546.60	678.88
(iii) Unsecured Loans from Others	-	45.42
<b>(b) Interest accrued but not due on borrowings</b>	67.65	150.32
<b>(c) Unclaimed Dividend (note)</b>	23.08	21.75
<b>(d) Advance Received from Customers</b>	1,256.43	1,168.22
<b>(e) Employee Benefits Payable</b>	594.52	385.26
<b>(f) Other Payables</b>		
(a) Statutory Dues		
(i) Sales Tax	781.84	736.74
(ii) Excise and Service Tax	9.73	10.03
(iii) Tax Deducted at Source	174.11	155.71
(iv) Provident Fund, ESIC	42.84	25.32
	<u>1,008.52</u>	<u>927.80</u>
(b) Others	348.36	345.61
<b>Total</b>	<u>8,405.09</u>	<u>6,976.00</u>

Note: There are no amounts due for payment to the Investor Education and Protection Fund under section 205 C of the Companies Act, 1956 as at the year ended.



(₹ in lacs)

As at  
**31<sup>st</sup> March, 2014**    31<sup>st</sup> March, 2013

**9 Short term provisions****(a) Provision for Employee Benefits (Refer Note 38)**

(i) Gratuity	<b>84.66</b>	73.28
(ii) Compensated Absences	<b>219.90</b>	245.49
	<b>304.56</b>	318.77

**(b) Others Provisions**

(i) Provision For Excise Duty on Closing Stock	<b>693.70</b>	746.21
(ii) Provision For Product Warranties (Refer Note 28)	<b>365.84</b>	169.86
(iii) Provision For Wealth Tax	<b>7.98</b>	9.66
(iv) Proposed Equity Dividend	<b>596.90</b>	596.90
(v) Tax on Proposed Equity Dividend	<b>91.50</b>	101.44
(vi) Provision for Tax (Net of advance tax)	<b>152.33</b>	-
<b>Total</b>	<b>2,212.81</b>	1,942.84

**10 Fixed Assets****Tangible Fixed Assets :**

(₹ in lacs)

	Free Hold Land	Leasehold Land	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Lease Equipments	Leasehold Improvements	Total
<b>Gross Block :</b>										
Balance as at 1st April 2012	1,101.78	224.72	13,327.62	35,500.52	3,201.77	1,611.25	2,585.58	-	2,900.45	60,453.69
Additions	14.47	-	342.07	3,740.33	278.62	198.84	600.37	277.87	230.64	5,683.21
Disposals	-	-	11.26	146.49	44.52	143.45	44.78	-	230.29	620.79
<b>Balance as at 31st March 2013</b>	<b>1,116.25</b>	<b>224.72</b>	<b>13,658.43</b>	<b>39,094.36</b>	<b>3,435.87</b>	<b>1,666.64</b>	<b>3,141.17</b>	<b>277.87</b>	<b>2,900.80</b>	<b>65,516.11</b>
Balance as at 1st April 2013	1,116.25	224.72	13,658.43	39,094.36	3,435.87	1,666.64	3,141.17	277.87	2,900.80	65,516.11
Additions	15.45	-	212.44	1,893.60	1,062.09	28.63	575.44	40.59	504.21	4,332.45
Disposals	-	-	105.24	340.06	110.80	175.52	51.07	-	288.44	1,071.13
<b>Balance as at 31st March 2014</b>	<b>1,131.70</b>	<b>224.72</b>	<b>13,765.63</b>	<b>40,647.90</b>	<b>4,387.16</b>	<b>1,519.75</b>	<b>3,665.54</b>	<b>318.46</b>	<b>3,116.57</b>	<b>68,777.43</b>
<b>Depreciation :</b>										
Balance as at 1st April 2012	-	24.16	2,616.88	21,950.98	1,052.53	393.52	1,386.10	-	664.69	28,088.86
Depreciation for the year	-	2.50	418.38	2,900.56	228.82	152.60	246.20	12.82	194.20	4,156.08
Disposals / Adjustments	-	-	2.31	130.51	20.22	61.27	32.10	-	85.96	332.37
<b>Balance as at 31st March 2013</b>	<b>-</b>	<b>26.66</b>	<b>3,032.95</b>	<b>24,721.03</b>	<b>1,261.13</b>	<b>484.85</b>	<b>1,600.20</b>	<b>12.82</b>	<b>772.93</b>	<b>31,912.57</b>
Balance as at 1st April 2013	-	26.66	3,032.95	24,721.03	1,261.13	484.85	1,600.20	12.82	772.93	31,912.57
Depreciation for the year	-	2.50	432.83	3,214.39	230.54	151.24	256.73	55.17	346.41	4,689.81
Disposals / Adjustments	-	-	9.62	227.41	53.00	66.62	26.31	-	298.38	681.34
<b>Balance as at 31st March 2014</b>	<b>-</b>	<b>29.16</b>	<b>3,456.16</b>	<b>27,708.01</b>	<b>1,438.67</b>	<b>569.47</b>	<b>1,830.62</b>	<b>67.99</b>	<b>820.96</b>	<b>35,921.04</b>
<b>Net Block :</b>										
As at 31st March 2013	1,116.25	198.06	10,625.48	14,373.33	2,174.74	1,181.79	1,540.97	265.05	2,127.87	33,603.54
<b>As at 31st March 2014</b>	<b>1,131.70</b>	<b>195.56</b>	<b>10,309.47</b>	<b>12,939.89</b>	<b>2,948.49</b>	<b>950.28</b>	<b>1,834.92</b>	<b>250.47</b>	<b>2,295.61</b>	<b>32,856.39</b>

(a) Leasehold land acquisition value includes ₹ 0.01 Lac (Previous year ₹ 0.01 Lac) paid by way of subscription of shares for membership of co-operative housing society.

(b) Pending completion of the relevant formalities 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.

(c) For Addition of Foreign Exchange Fluctuation refer note 33

**10 Fixed Assets (Continued)**

**Intangible Fixed Assets :**

(₹ in lacs)

	Models, Designs and Commercial rights	Computer Software	Total
<b>Gross Block :</b>			
Balance as at 1st April 2012	2,012.52	406.54	2,419.06
Additions	-	139.19	139.19
Disposals / Adjustments	-	-	-
<b>Balance as at 31st March 2013</b>	<b>2,012.52</b>	<b>545.73</b>	<b>2,558.25</b>
Balance as at 1st April 2013	2,012.52	545.73	2,558.25
Additions	-	385.58	385.58
Disposals / Adjustments	-	-	-
<b>Balance as at 31st March 2014</b>	<b>2,012.52</b>	<b>931.31</b>	<b>2,943.83</b>
<b>Depreciation :</b>			
Balance as at 1st April 2012	1,844.81	216.80	2,061.61
Amortisation for the year	167.71	110.53	278.24
Disposals / Adjustments	-	-	-
<b>Balance as at 31st March 2013</b>	<b>2,012.52</b>	<b>327.33</b>	<b>2,339.85</b>
Balance as at 1st April 2013	2,012.52	327.33	2,339.85
Amortisation for the year	-	202.41	202.41
Disposals / Adjustments	-	-	-
<b>Balance as at 31st March 2014</b>	<b>2,012.52</b>	<b>529.74</b>	<b>2,542.26</b>
<b>Net Block :</b>			
As at 31st March 2013	-	218.40	218.40
<b>As at 31st March 2014</b>	<b>-</b>	<b>401.57</b>	<b>401.57</b>

(₹ in lacs)

**As at 31st March, 2014**      **As at 31st March, 2013**

**11 Non-current investments**

(Valued at cost unless stated otherwise)

**Trade investments (Unquoted)**

**(i) Investment in Equity instruments**

**(a) Investment in subsidiary companies**

(i) 15,20,000 (previous year 15,20,000) Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Pvt. Ltd., Srilanka, fully paid up	<b>93.62</b>	93.62
(ii) 1 (previous year 1) Equity share of DHS 1,85,000 of Nilkamal Crates and Bins, FZE, fully paid up	<b>19.65</b>	19.65

**(b) Investments in Joint ventures**

(i) 22,20,000 (previous year 22,20,000) Equity Shares of ₹ 10/- Each of Nilkamal Bito Storage Systems Pvt Ltd., fully paid up	<b>2,215.50</b>	2,215.50
(ii) 1,05,000 (previous year 1,05,000) Equity Shares of ₹ 10/- Each of Cambro Nilkamal Pvt Ltd., fully paid up	<b>200.50</b>	200.50

**(c) Investment in Beta Wind Farm Pvt. Ltd.**

1,40,526 (previous year Nil) Equity Shares of ₹ 10/- Each of Beta Wind Farm Pvt. Ltd. Fully paid up	<b>26.70</b>	-
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**Other Non-current Investments (Unquoted)**

**Investment in Government Securities**

National Savings Certificate (Pledged with Government Authorities)	<b>0.32</b>	0.32
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**Total**

	<b>2,556.29</b>	2,529.59
Aggregate amount of unquoted non current investments	<b>2,556.29</b>	2,529.59

(₹ in lacs)

	As at	As at
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013

**12 Long term loans and advances****Unsecured, Considered Good****To parties other than related parties :**

(i) Capital Advances	171.28	395.89
(ii) Security Deposits	2,074.81	1,851.15
(iii) Deposit with Government Authorities	1,097.49	1,061.88
(iv) Other Loans and Advances (Considered Good)	535.98	542.32
Other Loans and Advances Considered Doubtful	56.66	56.66
Less: Provision for doubtful loans and advances	(56.66)	(56.66)
(v) Taxes paid in advance (Net of provision)	705.39	555.13

**To related parties :**

Deposit with related party (Refer Note 36)	720.00	724.56
--------------------------------------------	--------	--------

**Derivative Asset (Refer Note 31)**

	339.82	-
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<b>Total</b>	<b>5,644.77</b>	<b>5,130.93</b>
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**13 Other non current assets**

Bank deposits (Maturity after 12 months from the reporting date)	43.74	54.42
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<b>Total</b>	<b>43.74</b>	<b>54.42</b>
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**14 Inventories**

(Valued at the lower of cost and net realisable value)

(i) Raw Material (including Goods in transit ₹ 344.37 lacs (Previous year ₹ 417.47 lacs.))	6,128.14	4,772.89
(ii) Work in Progress	2,548.32	2,596.92
(iii) Finished Goods	7,695.37	8,250.67
(iv) Stock in Trade (including Goods in transit ₹ 265.22 lacs (Previous year ₹ 419.12 lacs.))	11,425.99	12,642.28
(v) Stores and Spare Parts	1,889.09	1,953.96
(vi) Packing Material	376.58	308.91

<b>Total</b>	<b>30,063.49</b>	<b>30,525.63</b>
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**15 Trade receivables****Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

(a) Secured, Considered good	12.91	71.68
(b) Unsecured, Considered good	1,108.56	1,470.41
(c) Doubtful	273.68	285.94
Less: Provision for Doubtful Receivables	(273.68)	(285.94)
	<b>1,121.47</b>	<b>1,542.09</b>

**Trade receivables outstanding for a period less than six months from the date they are due for payment**

(a) Secured, Considered good	2,541.98	2,468.42
(b) Unsecured, Considered good	18,091.64	18,963.66
	<b>20,633.62</b>	<b>21,432.08</b>
<b>Total</b>	<b>21,755.09</b>	<b>22,974.17</b>

Trade receivables (unsecured considered good) includes ₹ 322.28 lacs (Previous year ₹ 231.00 lacs) due from subsidiaries and joint venture

	(₹ in lacs)	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>16 Cash and bank balances</b>		
<b>a. Cash and Cash Equivalents</b>		
(i) Balance in Current Accounts #	332.55	532.31
(ii) Cheques on Hand	610.99	225.81
(iii) Cash on Hand	292.13	263.03
	<u>1,235.67</u>	<u>1,021.15</u>
<b>b. Other Bank Balances</b>		
(i) Earmarked balance with Bank (Unclaimed Dividend)	23.08	21.75
(ii) Bank Deposits with less than 3 months maturity*	-	-
(iii) Bank Deposits with 3-12 months maturity*	546.48	1,500.00
	<u>569.56</u>	<u>1,521.75</u>
<b>Total</b>	<u>1,805.23</u>	<u>2,542.90</u>
# Pending utilisation of External Commercial Borrowings ₹ 1.52 lacs (Previous year ₹ 2.18 lacs)		
*Pending utilisation of External Commercial Borrowings ₹ 360 lacs (Previous year ₹ 1,500 lacs)		
<b>17 Short term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
<b>To parties other than related parties :</b>		
<b>a. Security Deposit</b>	326.48	407.06
(i) Security Deposit Considered Doubtful	52.05	52.05
(ii) Less: Provision for doubtful deposit	(52.05)	(52.05)
<b>b. Other Loans and Advances</b>		
(i) Advance to Vendors	1,248.16	1,604.80
(ii) Balance with Excise Department	1,134.55	1,249.83
(iii) Taxes paid in advance (net of Provisions)	72.93	134.22
(iv) Prepaid expenses	342.90	241.41
(v) Others	571.38	559.06
<b>Total</b>	<u>3,696.40</u>	<u>4,196.38</u>
<b>18 Other current assets</b>		
<b>Unsecured, Considered Good unless stated otherwise</b>		
(a) MAT Credit Receivable	-	15.00
(b) Due from Related parties	110.81	224.70
(c) Interest Receivable	23.56	23.93
(d) Other Receivables	453.70	327.61
<b>Total</b>	<u>588.07</u>	<u>591.24</u>
Note: At the time of filing the Return of Income for the AY 2014-15, the MAT entitlement utilised aggregate ₹ 110.70 lacs as against the brought forward balance in the financials for the year ended 31 <sup>st</sup> March 2013 amounting to ₹ 15 lacs.		
<b>19 Revenue from operations (Gross) (Refer Note 34 (a))</b>		
<b>Gross Sale of Products</b>		
Local	181,063.95	175,519.24
Export [Including Deemed Exports of ₹ 949.03 lacs, (Previous year ₹ 2,828.07 lacs)]	5,570.18	7,067.53
	<u>186,634.13</u>	<u>182,586.77</u>
Less : Duties & Levies	22,565.96	22,949.21
<b>Sale of Product (Net)</b>	<u>164,068.17</u>	<u>159,637.56</u>
<b>Sale of Services</b>	526.95	388.41
<b>Other Operating Revenue</b>		
(i) Sale of Scrap	380.07	411.44
(ii) Technical and Management Fees	493.83	622.71
(iii) Others	7.84	5.76
<b>Revenue from Operations (Net)</b>	<u>165,476.86</u>	<u>161,065.88</u>

	(₹ in lacs)	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>20 Other income</b>		
(a) Interest income	254.52	267.39
(b) Dividend Income from Subsidiary Companies	13.82	54.97
(c) Net Foreign Exchange Gain	84.31	96.61
<b>Total</b>	<b>352.65</b>	<b>418.97</b>
<b>21 Cost of materials consumed [Refer Note 34 (d) and (e)]</b>		
Opening Stock of Raw Materials	4,772.89	4,657.40
Add : Purchases	61,088.11	63,812.69
Less : Closing Stock of Raw Materials	6,128.14	4,772.89
<b>Total</b>	<b>59,732.86</b>	<b>63,697.20</b>
<b>22 Changes in inventories of finished goods, work-in-progress and traded goods (Refer note 34(c))</b>		
<b>Opening Stock</b>		
Work in Progress	2,596.92	1,905.48
Finished Goods	8,250.67	6,499.16
Stock in Trade	12,642.28	11,409.30
	<b>23,489.87</b>	<b>19,813.94</b>
<b>Closing Stock</b>		
Work in Progress	2,548.32	2,596.92
Finished Goods	7,695.37	8,250.67
Stock in Trade	11,425.99	12,642.28
	<b>21,669.68</b>	<b>23,489.87</b>
Add : Variation in excise duty on Opening and Closing stock of Finished Goods	95.57	68.58
<b>Total</b>	<b>1,915.76</b>	<b>(3,607.35)</b>
<b>23 Employee benefits expense</b>		
(a) Salary, Wages and Bonus	9,453.33	9,111.24
(b) Contribution to Provident and Other funds	282.89	279.75
(c) Workmen and staff welfare expenses	803.32	772.03
<b>Total</b>	<b>10,539.54</b>	<b>10,163.02</b>
<b>24 Finance costs</b>		
(a) Interest on term loan	1,390.47	1,536.36
(b) Interest Paid to Banks	1,984.27	2,133.47
(c) Other Interest	308.23	305.98
(d) Other Finance Charges	286.84	276.53
(e) Other Borrowing Costs	172.66	141.01
(f) Net Foreign Exchange Gain on Borrowings (Refer Note 33)	-	(95.89)
<b>Total</b>	<b>4,142.47</b>	<b>4,297.46</b>

(₹ in lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>25 Other expenses</b>		
(a) Stores, Spare Parts Consumed [Refer Note 34 (f)]	2,147.78	2,184.38
(b) Power and Fuel	3,953.69	4,696.06
(c) Repairs :		
Building	26.77	194.69
Machinery	157.94	166.15
Others	699.86	865.52
(d) Labour Charges	5,297.72	5,620.24
(e) Rent	4,121.75	4,079.40
(f) Rates and Taxes	243.81	260.43
(g) Insurance	252.99	189.73
(h) Postage and Telephone Expenses	377.79	410.12
(i) Loss on Fixed Assets Sold / Discarded (Net)	2.07	225.44
(j) Packing Material Consumed	1,538.22	1,237.37
(k) Travelling Expenses	1,107.69	1,149.93
(l) Commission	409.40	472.75
(m) Advertisements and Sales Promotion Expense	2,014.62	2,034.06
(n) Computer Expenses	544.21	398.17
(o) Carriage outward	8,178.80	7,629.25
(p) Land Lease Rent	5.45	8.25
(q) Board Meeting Fees	7.35	6.50
(r) Provision for Wealth Tax	9.10	12.04
(s) Bad Debts written off	72.21	63.81
(t) Provision for Doubtful Debts and Advances	110.62	43.94
(u) Discounts and Schemes	975.65	844.80
(v) Payment to Auditors		
- Audit Fees	24.00	22.00
- For Other Services	19.49	11.32
- Reimbursement of Expenses	2.08	0.96
(w) Sundry Expenses	3,809.74	3,596.92
<b>Total</b>	<b>36,110.80</b>	<b>36,424.23</b>

**26 Significant accounting policies****a) Basis of preparation of Financial Statements:**

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ("the Act") and other accounting principles generally accepted in India, to the extent applicable. All figures, unless otherwise stated, are Rupees in lacs.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

**b) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known /materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**c) Fixed Assets:****Tangible Fixed Assets**

Fixed assets are recorded at cost of acquisition or construction, net of tax credit wherever eligible. Cost includes all expenses related to acquisition or construction, including attributable borrowing cost on qualifying assets. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

**Intangible Fixed Assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and accumulated impairment loss.

Intangible assets are amortised in the statement of profit or loss over the estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

**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 Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**e) Depreciation and Amortisation:**

- (i) Depreciation on tangible fixed assets is provided in the manner specified in Schedule XIV to the Act, except in the case of improvements to the leasehold assets, which are depreciated on straight line basis over the total period of lease or useful life of assets, whichever is lower;
- (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) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.  
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.
- (vi) Individual Assets except Assets given on lease acquired for less than ₹5,000/- are entirely depreciated in the year of acquisition.

**f) Investments:**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost less provision, if any, for other than temporary diminution in value.

**g) Valuation of Inventories:**

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and 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 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**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 Statement of 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 at the end of each year, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. 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.

**Compensated Absence**

The employees can carry-forward a portion of the unutilised accrued Compensated Absence and utilize it in future service periods or receive cash compensation on termination of employment. Since the Compensated Absence do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as long-term employee benefit. The Company records an obligation for such Compensated Absence in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

**i) Derivative financial instruments and hedge accounting**

The Company has adopted the principles for accounting of derivative instruments and hedge accounting as set out in Accounting Standard 30 (AS 30), "Financials Instruments: Recognition and Measurement" and to the extent it does not contradict any of the provisions of any of the notified accounting standards. The Company uses derivative financial instrument such as forward contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments, other than those which are accounted under the provisions of Accounting Standard 11, "Foreign Currency Transactions", are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedge, which is recognised in Cash Flow Hedge Reserve included in the Reserves and Surplus while any ineffective portion is recognised immediately in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to statement of profit and loss for the year.

**j) Foreign Exchange Transactions:**

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.

With effect from financial year 2011-12, exchange differences, in respect of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond the accounting period ending on or before 31<sup>st</sup> March, 2020.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.



In respect of Forward Exchange contracts entered into to hedge foreign currency risks of an on-balance sheet foreign currency denominated asset or liability, 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. In case of forward contracts against highly probable forecast transaction, mark to market loss, if any, is charged to Statement of Profit and Loss.

**k) 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.

**l) Recognition of Income and Expenditure:**

- (i) Revenue from 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 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 payment is established.
- (vii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- (viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

**m) Assets taken on Lease:**

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

Assets acquired on finance lease are capitalised at their fair market value on the date of acquisition and a corresponding lease liability is created for the same.

**n) Assets given on Lease:**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**o) Taxation:**

Income-tax expense comprises current tax 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. 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 realization. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**p) Expenditure during Construction Period:**

In case of new Projects and in case of substantial modernisation / Expansion at existing units of the Company, all directly attributable 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 against specific fixed assets are adjusted to the cost of the assets and those in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve. Revenue grants are recognized in the Statement of Profit and Loss as an adjustment to the respective expense in accordance with the related scheme and the period in which these are accrued.

**r) Provisions, Contingent Assets and Contingent Liabilities:**

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and in respect of which reliable estimate can be made. At each Balance Sheet date, the carrying value of provisions is reviewed and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**27. Contingent Liabilities and commitments to the extent not provided for in respect of:****a) Contingent liabilities :-**

(₹ in lacs)

	Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
(i)	Excise and Service Tax matters	341.44	366.26
(ii)	Sales Tax matters *	1,132.60	1,192.11
(iii)	Income Tax matters	3.39	3.39
(iv)	(a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	-	59.50
	(b) On account of surety given on behalf of Joint Venture for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	10.00
	(c) On account of Cross Subsidy Surcharge on electricity	9.38	9.38

\* Includes ₹ 972.61 lacs (Previous Year 972.61 lacs) paid in full against the disputed Sales Tax liability under the Kerala General Sales Tax Act, 1963. The matter is pending for hearing in the Honorable Supreme Court of India.

Note: The Excise, Service Tax, Sales Tax and Income Tax demands are being contested by the Company at various levels. The Company has been legally advised that it has a good case and the demands by the authorities are not tenable. Future cash flows in respect of these are determinable only on receipt of judgements / decisions pending with various forums / authorities.

**b) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹207.64 lacs (Previous Year ₹504.52 lacs).

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

(₹ In lacs)

Particulars	2013-14	2012-13
Opening Balance	169.86	140.91
Additions	692.63	498.17
Utilisations	496.65	469.22
Closing Balance	365.84	169.86

Provision is estimated for expected warranty claim in respect of products sold during the year based on past experience regarding defective claim of products and cost of rectification or replacement. It is expected that most of this cost will be incurred over next 12 months which is as per warranty terms.

**29. Share capital**

- (a) Rights, preferences and restrictions attached to Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (b) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Vamanrai V. Parekh	1,795,462	12.03%	1,795,462	12.03%
Nilkamal Builders Private Limited	1,464,000	9.81%	1,464,000	9.81%
Sharad V. Parekh	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	1,170,055	7.84%	1,139,455	7.64%
Nayan S. Parekh	1,148,263	7.69%	1,084,995	7.27%
Reliance Capital Trustee Co. Ltd. A/C – Reliance regular Savings Fund – Equity Option	1,000,000	6.70%	1,000,000	6.70%
Heirloom Finance Private Limited	912,000	6.11%	912,000	6.11%
Manish V. Parekh	774,507	5.19%	711,778	4.77%

- (c) **Reconciliation of number of shares outstanding as on beginning and closing of the year**

Particulars	Equity Shares			
	2013-14		2012-13	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	14,922,525	1,492.25
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,922,525	1,492.25	14,922,525	1,492.25

**30. Borrowings :****(A) Secured loans :****(a) Working Capital loans :**

Working capital facilities of ₹ 17,599.17 lacs (Previous year ₹ 24,254.51 lacs) 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 immovable property and personal guarantee of Director/s. Working capital loans repayable on demand having interest rate from 9.95% to 12.50%.

**(b) Term Loans:**

- (i) Term loans of ₹ 14,388.53 lacs (previous year ₹ 15,085.91 lacs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil nadu) 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. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of ₹ 5,392.80 lacs (Previous Year ₹ 4,887.66 lacs).
- (ii) Vehicle loan of ₹ Nil (Previous Year ₹ 4.81 lacs) was secured against respective assets.

**(c) Terms of Repayment****(i) Rupee Term loan**

Term loans are repayable in equal quarterly installments, last installments due for various draw downs from December, 2014 to December, 2017 as per repayment schedules, having interest rate from 11.50% to 14.00% which are reset periodically.

**(ii) Foreign Currency loan**

Foreign Currency loan is repayable in equal quarterly/half yearly installments, last installments due on March, 2018 as per repayment schedules, having interest rate from 3 / 6 month LIBOR + 1.50% to 2.50 % which are reset periodically.

- (B) Maximum balance outstanding during the year by way of issue of Commercial Papers ₹ 3,000 lacs (Previous Year ₹ 5,000 lacs)

**31. Cross Currency Interest Rate Swap:**

The Company has transacted a cross currency interest rate swap (CCIRS) agreement with banks to hedge the principal and interest of the ECB Loan of USD 9.40 Million (Previous year USD 5.10 Million). The Company has designated this ECB loan and the CCIRS in a cash flow hedge accounting relationship. The change in the fair value of the CCIRS, to the extent considered effective, is taken to the 'Cash flow hedge reserve account' under Reserves & Surplus under Note 2. Of this, during current year ₹ 322.22 Lacs has been debited to statement of profit and loss to offset the loss on restatement of this ECB (previous year, credit of ₹ 77.21 lacs). The net effect on restatement of ECB amounts to ₹ 245.01 lacs (previous year, credit of ₹ 45.59 lacs). The net balance amounting to ₹ 94.81 lacs (previous year ₹ 45.59 lacs) represents the balance effective portion of cash flow hedge. Had the Company not exercised such option, the net profit after tax for the year ended on 31<sup>st</sup> March, 2014 would have been higher by ₹49.22 lacs (Previous Year ₹ 45.59 lacs).

**32. Dues to micro and small suppliers**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

- 33.** The foreign exchange fluctuation on outstanding foreign currency loan has been accounted for as per Accounting Standard (AS 11) as amended wide Notification dated 29<sup>th</sup> December, 2011 with further clarification note dated 9<sup>th</sup> August, 2012 issued by the Ministry of Corporate Affairs Government of India. Consequently, an amount of ₹ 474.84 lacs (Previous year ₹ 327.06 lacs) is capitalised as cost of fixed assets. The Company has provided additional amount of depreciation of ₹ 197.01 lacs (Previous year ₹ 97.90 lacs) on such costs. Had the Company not exercised the said option, the net profit after tax for the year ended on 31<sup>st</sup> March, 2014 would have been lower by ₹183.40 lacs (Previous year ₹ 154.81 lacs).

**34. (a) Revenue from Operations (Net) :-**

(₹ in lacs)

Particulars	2013-14	2012-13
Details of Turnover of Goods		
(i) Finished Goods		
Moulded Plastics Articles	95,136.70	97,193.12
Others	6,387.28	4,653.73
(ii) Traded Goods		
Moulded Plastics Articles	40,342.14	36,621.65
Readymade Home Furniture, Furnishing, Accessories & Others	21,865.24	20,381.29
Others	336.81	787.77
<b>Total</b>	<b>1,64,068.17</b>	<b>1,59,637.56</b>

**(b) Details of Traded Purchases :-**

(₹ in lacs)

Particulars	2013-14	2012-13
Moulded Plastics Articles	30,067.62	30,228.63
Readymade Home Furniture, Furnishing, Accessories & Others	12,537.34	11,081.67
Others	78.24	400.49
<b>Total</b>	<b>42,683.20</b>	<b>41,710.79</b>

**(c) Details of Closing Stock :-**

(₹ in lacs)

	Particulars	2013-14	2012-13
(i)	Finished Goods		
	Moulded Plastics Articles	7,327.26	7,875.40
	Others	368.11	375.27
(ii)	Traded Goods		
	Moulded Plastics Articles and Others	5,511.64	7,242.29
	Readymade Home Furniture, Furnishing, Accessories & Others	5,825.27	5,264.98
	Others	89.08	135.01
	<b>Total</b>	<b>19,121.36</b>	<b>20,892.95</b>

**(d) Details of Raw Material Consumed:-**

(₹ in lacs)

Particulars	2013-14	2012-13
Polyethylene	31,616.14	33,997.54
Polypropylene	20,715.91	21,455.23
Others	7,400.81	8,244.43
<b>Total</b>	<b>59,732.86</b>	<b>63,697.20</b>

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

Particulars	2013-14		2012-13	
	(₹ in lacs)	%	(₹ in lacs)	%
Imported	3,590.55	6.01	5,581.10	8.76
Indigenous	56,142.31	93.99	58,116.10	91.24
<b>Total</b>	<b>59,732.86</b>	<b>100.00</b>	<b>63,697.20</b>	<b>100.00</b>

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

Particulars	2013-14		2012-13	
	(₹ in lacs)	%	(₹ in lacs)	%
Imported	112.86	5.25	186.46	8.54
Indigenous	2034.92	94.75	1,997.92	91.46
<b>Total</b>	<b>2,147.78</b>	<b>100.00</b>	<b>2,184.38</b>	<b>100.00</b>

**(g) Earnings in Foreign Currency :-**

- (i) FOB Value of exports ₹ 4,443.36 lacs (Previous year ₹ 3,827.88 lacs).
- (ii) Technical and Management Fees from Subsidiaries ₹ 28.96 lacs (Previous year ₹ 115.60 lacs).
- (iii) Income earned from export of services ₹ 81.07 lacs (Previous Year ₹ 37.93 lacs).
- (iv) Dividend Received from Subsidiaries ₹ 11.72 lacs (Previous Year ₹ 54.97 lacs).
- (v) Lease Rent Received from Subsidiary ₹ 6.76 lacs (Previous Year ₹ 5.37 lacs).

**(h) CIF Value of Imports:-**

(₹ in lacs)

Particulars	2013-14	2012-13
Capital Goods	791.89	2,087.55
Raw Material	5,293.61	6,546.89
Traded Goods	8,560.39	9,460.44
Stores, Spares etc	238.44	544.20
<b>Total</b>	<b>14,884.33</b>	<b>18,639.08</b>

**(i) Expenditure in Foreign Currency:-**

(₹ in lacs)

Particulars	2013-14	2012-13
Travelling Expenses	111.34	124.98
Interest	550.73	342.94
Legal and Professional Charges	80.26	52.25
Others	138.03	114.96
<b>Total</b>	<b>880.36</b>	<b>635.13</b>

**35. Disclosure in respect of derivative instruments:-****(a) Derivatives contracts entered by the Company and outstanding as at year end :-**

(Figures In lacs)

Particulars	Currency	2013-14		2012-13	
		Forward	Swap	Forward	Swap
Cross Currency Interest Rate Swap	USD	-	94.00	-	51.00
	₹		5,632.48		2,769.71
Imports Forward Contracts	USD	9.50	-	40.50	-
	₹	597.95		2,230.66	
	EURO	-	-	0.72	-
	₹			51.50	

**(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 at year end.**

(Figures In lacs)

Particulars	Currency	2013-14	2012-13
Receivables	USD	15.86	17.73
	₹	1,044.24	953.64
	EURO	0.70	1.82
	₹	57.90	126.55
	GBP	-	0.01
	₹		1.19
	SGD	0.06	0.14
	₹	2.88	6.16
Payables	USD	7.29	6.92
	₹	436.59	375.77
	EURO	0.58	1.34
	₹	47.88	93.21
	GBP	0.03	0.01
	₹	2.99	0.91
	SGD	0.26	0.51
	₹	12.39	22.27
Loan Taken	USD	51.00	76.50
	₹	3,055.92	4,154.57
Cash and Bank Balances	USD	0.01	0.02
	₹	0.87	0.86

## Names of related parties and description of relationship

- |                                                                                                                                                |                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Foreign Subsidiaries<br>where control exists                                                                                               | Nilkamal Eswaran Plastics Pvt. Ltd.<br>Nilkamal Eswaran Marketing Pvt. Ltd.<br>Nilkamal Crates & Bins, FZE.                                                                                                        |
| (ii) Joint Venture                                                                                                                             | Nilkamal Bito Storage Systems Pvt. Ltd.<br>Cambro Nilkamal Pvt. Limited.                                                                                                                                           |
| (iii) Key Management Personnel                                                                                                                 | Shri Vamanrai V. Parekh, Chairman<br>Shri Sharad V. Parekh, Managing Director<br>Shri Hiten V. Parekh, Executive Director<br>Shri Manish V. Parekh, Executive Director<br>Shri Nayan S. Parekh, Executive Director |
| (iv) Enterprise owned or significantly<br>influenced by key Management<br>Personnel or their relatives, where<br>transactions have taken place | Nilkamal Crates & Containers<br>Mrs. Dhruvi Nakul Kumar<br>Miss Priyanka H. Parekh                                                                                                                                 |

**36. Related Party Disclosures:**

(₹ in lacs)

	2013-14					2012-13				
	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>Sales of Finished Goods / Others</b>	<b>691.53</b>	<b>508.09</b>			<b>1,199.62</b>	759.31	581.33			1,340.64
Nilkamal Eswaran Plastics Pvt Ltd	37.82					109.45				
Nilkamal Eswaran Marketing Pvt Ltd	57.03					60.75				
Nilkamal Crates & Bins, FZE.	596.68					589.11				
Nilkamal Bito Storage Systems Pvt. Ltd.		44.95					14.32			
Cambro Nilkamal Pvt. Ltd.		463.14					567.01			
<b>Purchases of raw materials, intermediaries and finished goods</b>		<b>688.55</b>			<b>688.55</b>		924.39			924.39
Nilkamal Bito Storage Systems Pvt. Ltd.		538.01					787.74			
Cambro Nilkamal Pvt. Ltd.		150.54					136.65			
<b>Paid for services</b>				<b>67.69</b>	<b>67.69</b>				62.43	62.43
Nilkamal Crates & Containers				67.69					62.43	-
<b>Received for services &amp; labour charges</b>		<b>73.62</b>			<b>73.62</b>		120.61			120.61
Nilkamal Bito Storage Systems Pvt. Ltd.		73.62					120.61			
<b>Deputation Charges</b>		<b>73.16</b>			<b>73.16</b>		37.67			37.67
Nilkamal Bito Storage Systems Pvt. Ltd.		42.38					5.72			
Cambro Nilkamal Pvt. Ltd.		30.78					31.95			
<b>Technical and Management Fees received</b>	<b>28.96</b>	<b>342.62</b>			<b>371.58</b>	115.60	322.26			437.86
Nilkamal Eswaran Plastics Pvt Ltd	28.96					115.60				
Nilkamal Bito Storage Systems Pvt. Ltd.		255.72					240.12			
Cambro Nilkamal Pvt. Ltd.		86.90					82.14			
<b>Dividend received</b>	<b>11.72</b>	<b>2.10</b>			<b>13.82</b>	54.97				54.97
Nilkamal Eswaran Plastics Pvt Ltd	3.56									

(₹ in lacs)

	2013-14					2012-13				
	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Nilkamal Crates & Bins, FZE.	8.16					54.97				
Cambro Nilkamal Pvt. Ltd.		2.10								
<b>Purchase of fixed assets</b>	<b>41.51</b>	<b>766.01</b>			<b>807.52</b>		67.12			67.12
Nilkamal Eswaran Plastics Pvt Ltd	41.51									
Nilkamal Bito Storage Systems Pvt. Ltd.		766.01					67.12			
<b>Rent paid</b>				<b>201.79</b>	<b>201.79</b>				193.57	193.57
Nilkamal Crates & Containers				185.34					178.20	
Dhruvi Nakul Kumar				16.45					15.37	
<b>Remuneration to Directors</b>			<b>466.79</b>		<b>466.79</b>			474.37		474.37
Shri Sharad V. Parekh			123.69					127.66		
Shri Hiten V. Parekh			126.29					126.17		
Mr. Manish V. Parekh			118.20					118.08		
Mr. Nayan S. Parekh			98.61					102.46		
<b>Salary Paid</b>				<b>2.35</b>	<b>2.35</b>				0.82	0.82
Ms. Priyanka H. Parekh				2.35					0.82	
<b>Lease Rent Received</b>	<b>6.76</b>				<b>6.76</b>	5.37				5.37
<b>Reimbursement of Expenses</b>		<b>63.59</b>			<b>63.59</b>		99.35			99.35
<b>Balances Outstanding at the year end:</b>										
<b>Deposits Receivable</b>				<b>720.00</b>	<b>720.00</b>				724.56	724.56
Nilkamal Crates & Containers				720.00					720.00	
<b>Others</b>									4.56	
<b>Other Receivables / (Payables) (Net)</b>	<b>258.87</b>	<b>40.70</b>			<b>299.57</b>	323.11	(141.67)		(5.17)	176.27
Nilkamal Eswaran Plastics Pvt Ltd	113.44					184.75				
Nilkamal Eswaran Marketing Pvt Ltd	8.40					35.82				
Nilkamal Crates & Bins, FZE.	137.03					102.54				
Nilkamal Bito Storage Systems Pvt. Ltd.		(65.43)					(173.88)			
Cambro Nilkamal Pvt. Ltd.		106.13					32.21			
Nilkamal Crates & Containers									(4.00)	
Dhruvi Nakul Kumar									(1.17)	

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

**37. (a) (i) Operating Lease in respect of Property taken on Lease:**

The Company has taken several warehouses, showrooms, offices under operating leases. The agreements are executed for the period of 36 to 240 months with a non cancelable period upto 60 months having a Renewable Clause. For certain properties taken on Lease, contingent rent payable as a percentage of revenue from the respective stores, subject to a minimum rent.

(₹ in lacs)

	Particulars	2013-14	2012-13
A	Lease payments recognised in the Statement of Profit and Loss [includes contingent rent of ₹205.72 lacs (Previous year ₹139.97 lacs)]	<b>4,072.55</b>	4,053.72
B	Future minimum Lease Payments under non cancelable agreements.		
	(i) Not later than one year	<b>1,583.26</b>	876.97
	(ii) Later than one year and not later than 5 years	<b>4,397.09</b>	1,362.27
	(iii) Later than 5 years	<b>1,339.29</b>	-



**37. (a) (ii) Operating Lease in respect of Other Asset taken on Lease:**

(₹ in lacs)

Particulars		2013-14	2012-13
(a)	Lease payments recognised in the Statement of Profit and Loss	49.20	25.68
(b)	Future minimum Lease Payments under non cancelable agreements.		
	(i) Not later than one year	60.33	25.68
	(ii) Later than one year and not later than 5 years	100.79	19.26
	(iii) Later than 5 years	-	-

The agreement is executed with a non cancelable period upto 48 months.

**(b) Asset given on Operating Lease:**

The Company has leased out some of its Material Handling equipments. The lease term is in the range of 3-5 years. There is no escalation or renewal clause in the lease agreements and sub-letting is not permitted. The carrying amounts of equipments given on operating leases and depreciation thereon for the period are:

(₹ in lacs)

Particulars			2013-14	2012-13
(a)	(i)	Gross Carrying Amount	318.46	277.87
	(ii)	Depreciation for the Year	55.17	12.82
	(iii)	Accumulated Depreciation	68.00	12.82
	The Total future Minimum rentals receivable at the Balance Sheet Date is as Under			
(b)	(i)	For a period not later than one year	119.12	130.94
	(ii)	For a period more than one year but not later than 5 years	56.50	171.22
	(iii)	For a period later than 5 years	-	-

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

(a) The Company recognised ₹ 282.89 lacs (Previous Year ₹ 279.75 lacs) for provident fund contribution in the Statement of Profit and Loss.

**(b) Defined Benefit Plan Disclosures:**

(₹ in lacs)

Sr. No.	Particulars	2013-14	2012-13
		Gratuity	Gratuity
<b>1</b>	<b>Expense recognized in Statement of Profit and Loss</b>		
	(a) Current Service Cost	98.40	113.66
	(b) Interest Cost	66.07	46.83
	(c) Expected return of plan assets	(25.33)	(18.12)
	(d) Actuarial (Gain)/Loss	(44.53)	32.53
	(e) Total expense recognised in the Statement of Profit and Loss	94.61	174.90
<b>2</b>	<b>Net Liability recognised in Balance Sheet</b>		
	(a) Present Value of Obligation	798.10	734.15
	(b) Fair Value of Plan Assets	(355.47)	(221.43)
	(c) Liability recognised in the Balance Sheet	442.63	512.73
	(i) Current	84.66	73.28
	(ii) Non Current	357.97	439.45
<b>3</b>	<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
	(a) Present Value of Obligation as at beginning of the year	734.15	567.61
	(b) Current Service cost	98.40	113.66
	(c) Interest Cost	66.07	46.83
	(d) Actuarial (Gain)/Loss	(55.83)	34.49

(₹ in lacs)

Sr. No.	Particulars	2013-14	2012-13
		Gratuity	Gratuity
	(e) Benefits paid	(44.70)	(28.44)
	(f) Present Value of Obligation as at the close of the year	798.09	734.15
<b>4</b>	<b>Changes in the Fair Value of Plan Assets</b>		
	(a) Present Value of Plan Assets as at beginning of the year	221.43	201.35
	(b) Contribution to the fund	120.00	-
	(c) Expected return of plan assets	25.33	18.12
	(d) Actuarial Gain/(Loss)	(11.29)	1.96
	(e) Fair Value of Plan Assets as at the close of the year	355.47	221.43
	(f) Actual return on plan assets	14.04	20.08
<b>5</b>	<b>Actuarial Assumptions</b>		
	(a) Discount Rate (per annum)	9.00%	8.25%
	(b) Expected Rate of Return on Assets (per annum)	9.00%	9.00%
	(c) Salary Escalation Rate (per annum)	7.00%	7.00%
	(d) Mortality	Indian Assured Life Mortality (2006-08) Ult.	Indian Assured Life Mortality (2006-08) Ult.
<b>6</b>	<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.

**Experience Adjustment**

(₹ in lacs)

Sr. No.	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
1	Present Value of the defined benefit obligation	798.10	734.15	567.61	475.60	308.49
2	Fair value of the plan assets	355.47	221.43	201.35	143.91	85.01
3	Surplus / (deficit) in the plan	(442.63)	(512.72)	(366.26)	(331.69)	(223.48)
4	Experience adjustment on plan assets	(11.29)	1.96	(5.22)	0.65	8.55
5	Experience adjustment on plan liabilities	2.26	(16.90)	(11.21)	0.30	13.86
6	The estimated contribution to be paid to the plan during the annual period beginning after balance sheet date is ₹ 84.66 lacs (Previous Year ₹ 73.28 lacs)					

**(c) Compensated Absences:**

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹ 125.07 lacs (Previous Year ₹ 185.63 lacs) and is included in Note 23 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 321.73 lacs (Previous Year ₹ 266.13 lacs) and current provision aggregates ₹ 219.90 lacs (Previous Year ₹ 245.49 lacs).

**39. Information on Joint Ventures:****(a) Jointly Controlled Entities:**

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

**(b) Contingent Liability in respect of the Jointly Controlled Entities:**

(₹ In lacs)

Particulars	2013-14	2012-13
a) Directly incurred by the Company	10.00	69.50
b) Share of the Company in contingent liabilities which have been incurred jointly with other ventures	-	-
c) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	-	-
d) Share of other ventures in contingent liabilities incurred by jointly controlled entity.	-	-

**(c) Capital Commitment in respect of the Jointly Controlled Entities:**

(₹ In lacs)

Particulars	2013-14	2012-13
a) Direct Capital commitments by the Company	-	-
b) Share of the Company in capital commitments which have been incurred jointly with other ventures	-	149.50
c) Share of the Company in capital commitments of the jointly controlled entity.	-	-

**(d) Share in the Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entities (as per audited/unaudited financial statements available with the company:**

(₹ In lacs)

	2013-14	2012-13
<b>(A) Assets :</b>		
Tangible Assets	1,069.39	1,168.70
Intangible Assets	9.68	22.67
Intangible assets under development	-	-
Long-term loans and advances	55.53	16.92
Other non-current assets	0.70	-
Inventories	491.36	655.48
Trade Receivables	941.58	925.16
Cash and Bank Balances	476.31	33.58
Short-term loans and advances	93.97	121.53
Other current assets	17.76	16.62
<b>(B) Liabilities :</b>		
Long Term Borrowings	47.82	-
Deferred Tax Liabilities (Net)	13.91	12.00
Long term provisions	24.49	20.28
Short Term Borrowings	159.96	379.48
Trade Payables	326.73	437.02
Other Current Liabilities	195.96	165.86
Short term provisions	20.78	22.82

		<b>2013-14</b>	2012-13
<b>(C) Income:</b>			
	Revenue from Operations (Net)	<b>4,715.54</b>	4,499.22
	Other Income	<b>14.63</b>	4.89
<b>(D) Expenditure:</b>			
	Cost of materials and components consumed	<b>1,980.33</b>	2,154.34
	Purchases of Stock-in-trade	<b>431.25</b>	563.26
	(Increase)/Decrease in Stock of finished goods, work in progress and stock-in-trade	<b>114.97</b>	(25.98)
	Employee benefits expense	<b>341.26</b>	323.02
	Finance costs	<b>30.31</b>	36.82
	Depreciation and Amortisation	<b>176.63</b>	168.88
	Other Expenses	<b>1,158.43</b>	1,058.24
	Tax Expenses (Net)	<b>48.63</b>	37.73

**40. Earnings per share:**

	<b>2013-14</b>	2012-13
Profit for the year after tax (₹ In lacs)	<b>4,003.15</b>	3,119.02
Nominal Value per Share in Rupees	<b>10.00</b>	10.00
Weighted average number of equity shares Outstanding during the year	<b>14,922,525</b>	14,922,525
Basic and diluted earnings per share (₹)	<b>26.83</b>	20.90

**41.** In accordance with Accounting Standard 17 "Segment Reporting", segment information has been given in the Consolidated Financial Statement of Nilkamal Limited and therefore no separate disclosure on segment information is given in these financial statements.

**42.** Previous year figures have been regrouped / recast wherever necessary.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For B S R & Associates LLP**

Chartered Accountants  
Firm's Registration No: 116231W

**N Sampath Ganesh**

Partner  
Membership No: 042554

**For VORA & ASSOCIATES**

Chartered Accountants  
Firm's Registration No: 111612W

**Bharat B. Chovatia**

Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Paresh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

## Performance at a glance

(₹ in lacs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Net Sales	102,805	125,170	143,461	161,066	165,477
Profit Before Tax	6,589	7,004	7,105	4,365	5,813
Profit After Tax	4,724	5,246	5,560	3,119	4,003
Share Capital	1,278	1,492	1,492	1,492	1,492
Reserves and Surplus	23,839	34,086	38,952	41,418	44,782
Shareholder's Funds	25,117	35,578	40,444	42,911	46,275
Loan Funds	27,873	30,246	36,167	39,410	31,988
Total Capital Employed	52,991	65,824	76,612	82,321	78,262
Deffered Tax Liability	1,352	1,564	1,847	2,190	2,430
Gross Block	45,801	56,153	63,382	68,495	71,937
Net Block	22,391	29,776	33,232	34,242	33,473
Investments	2,429	2,530	2,530	2,530	2,556
Net Current Assets	29,522	35,083	42,698	47,740	44,663
<b>RATIO</b>					
<b>Financial Performance %</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Domestic Turnover/Total Turnover	98.16	96.52	96.74	95.94	96.86
Exports/Total Turnover	1.43	3.21	3.11	3.83	2.96
Other Income/Total Turnover	0.41	0.28	0.15	0.23	0.19
Raw Material/Total Turnover	53.76	54.18	53.80	55.20	55.38
Duties & Levies/Total Turnover	11.45	12.20	11.87	12.44	11.98
Overheads/Total Turnover	19.41	19.02	19.55	19.75	19.17
Adv & Sales Exps/Total Turnover	1.29	1.87	2.03	1.56	1.59
Interest/Total Turnover	2.12	2.11	2.46	2.33	2.20
Profit Before Interest & Tax /Total Turnover	7.77	7.01	6.82	4.70	5.28
Profit Before Tax/Total Turnover	5.65	4.90	4.36	2.37	3.09
Depreciation//Total Turnover	2.76	2.30	2.48	2.40	2.60
Tax/Total Turnover	1.60	1.23	0.95	0.68	0.96
Net Profit After Tax /Total Turnover	4.05	3.67	3.41	1.69	2.12
Cash Profit /Total Turnover	6.81	5.97	5.89	4.10	4.72
Return on Capital Employed	14.02	13.92	13.45	9.33	10.15
Return on Net Worth	20.42	17.29	14.63	7.48	8.98
<b>Balance Sheet Ratios</b>					
Debt-Equity	1.11	0.85	0.89	0.92	0.69
Debtors Turnover (days)	42	39	45	47	44
Inventory Turnover	56	66	69	69	66
Current Ratio	3.84	3.71	3.63	3.61	3.36
Quick Ratio	2.33	1.98	1.95	1.94	1.77
Depreciation/Gross Block (%)	7.16	6.31	6.44	6.51	6.82
Asset Turnover	4.78	4.85	4.38	4.76	4.98
<b>Per Share Data - ₹</b>					
EPS	36.96	36.80	37.26	20.90	26.83
CEPS	62.13	59.91	64.39	50.62	59.61
Book Value	196.50	238.42	271.03	287.55	310.10
<b>Shareholder Statitics</b>					
DPS	5.00	4.00	4.00	4.00	4.00
Dividend (%)	50	40	40	40	40
Dividend Payout (Rs)	746	694	694	698	688
Dividend Payout (%)	15.79	13.22	12.48	22.39	17.20

**Independent Auditors' Report To the Board of Directors of Nilkamal Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Nilkamal Limited ("the Company"), its subsidiaries and joint ventures hereinafter referred to as "Group" (refer note 27B to the attached consolidated financial Statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other matter**

We did not audit the financial statements of certain subsidiaries and joint ventures included in the consolidated financial statements, whose financial statements reflect total assets ₹ 5,235.85 lacs as at 31<sup>st</sup> March 2014, total revenue of ₹ 7,825.35 lacs and net cash inflows amounting to ₹ 164.46 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on reports of the other auditors. Our opinion is not qualified in respect of this matter.

The financial statements and other financial information of a joint venture have not been subject to audit either by us or other auditors and therefore unaudited financial statements for the year ended 31<sup>st</sup> March 2014 of the joint venture have been furnished to us by the Management. This joint venture accounts for ₹ 2,532.84 lacs of total assets, ₹ 3,928.92 lacs of total revenue and ₹ 51.05 lacs of cash flows as shown in these consolidated financial statements, and therefore, is not material to the consolidated financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W

For **Vora & Associates**

Chartered Accountants

Firm's Registration No: 111612W

**N Sampath Ganesh**

Partner

Membership No: 042554

**Bharat B. Chovatia**

Partner

Membership Number: 031756

Mumbai

May 14, 2014

Mumbai

May 14, 2014

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

		(₹ in lacs)	
	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	47,183.73	42,995.91
<b>2 Minority Interest</b>		538.46	465.66
<b>3 Non-current liabilities</b>			
(a) Long Term Borrowings	3	9,332.58	11,324.62
(b) Deferred Tax Liabilities (net)	4	2,497.88	2,273.42
(c) Other Long Term Liabilities	5	3,326.90	3,237.35
(d) Long Term Provisions	6	789.80	798.29
<b>4 Current Liabilities</b>			
(a) Short Term Borrowings	7	17,759.13	25,369.31
(b) Trade Payables		10,157.74	10,132.72
(c) Other Current Liabilities	8	8,813.50	7,207.51
(d) Short Term Provisions	9	2,233.59	1,965.52
<b>TOTAL</b>		<b>104,125.56</b>	<b>107,262.56</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	35,319.42	36,275.74
(ii) Intangible Assets		412.15	242.65
(iii) Capital work-in-progress		215.48	420.56
<b>(b) Non-current investments</b>	11	27.02	0.32
<b>(c) Long-Term Loans and Advances</b>	12	5,767.99	5,203.87
<b>(d) Other Non Current Assets</b>	13	43.74	54.42
<b>2 Current assets</b>			
(a) Current Investments	14	157.96	-
(b) Inventories	15	31,583.24	32,619.44
(c) Trade Receivables	16	23,566.29	24,666.26
(d) Cash and Bank Balances	17	2,555.38	2,739.07
(e) Short-term Loans and Advances	18	3,977.88	4,624.01
(f) Other Current Assets	19	499.01	416.22
<b>TOTAL</b>		<b>104,125.56</b>	<b>107,262.56</b>
<b>Significant accounting policies</b>			
	27		

The notes form an integral part of these consolidated financial statements

**AS PER OUR REPORT OF EVEN DATE**

For **B S R & Associates LLP**  
Firm's Registration No: 116231W  
Chartered Accountants

**N Sampath Ganesh**  
Partner  
Membership No: 042554

For **VORA & ASSOCIATES**  
Firm Registration No. : 111612W  
Chartered Accountants

**Bharat B. Chovatia**  
Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LTD.**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Paresh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AT 31<sup>ST</sup> MARCH 2014**

(₹ in lacs)

	Note No.	Year Ended 31st March 2014	Year Ended 31st March 2013
<b>I. Revenue from operations (gross)</b>	20	<b>198,790.76</b>	194,002.91
Less: Duties and Levies		<b>23,565.94</b>	23,784.25
Revenue from Operations (Net)		<b>175,224.82</b>	170,218.66
<b>II. Other Income</b>	21	<b>355.66</b>	275.89
<b>III. Total Revenue (I+II)</b>		<b>175,580.48</b>	170,494.55
<b>IV. Expenses:</b>			
Cost of materials consumed	22	<b>63,695.02</b>	68,146.75
Purchases of Stock in Trade		<b>44,235.04</b>	42,712.85
Changes in inventories of finished goods, work-in-progress and traded goods	23	<b>1,932.55</b>	(3,790.55)
Employee benefits expense	24	<b>11,526.64</b>	11,027.94
Finance costs	25	<b>4,250.77</b>	4,493.25
Depreciation and amortization expenses	10	<b>5,223.29</b>	4,758.00
Other expenses	26	<b>38,127.12</b>	38,388.38
Total Expenses		<b>168,990.43</b>	165,736.62
<b>V. Profit Before Tax (III-IV)</b>		<b>6,590.05</b>	4,757.93
<b>VI. Tax Expense:</b>			
Current tax		<b>1,672.46</b>	940.04
MAT Credit Utilitilisation		<b>90.68</b>	155.00
Deferred tax		<b>39.31</b>	161.19
Taxation for earlier years		<b>30.24</b>	(284.56)
<b>VII. Net Profit After Tax (V-VI)</b>		<b>4,757.36</b>	3,786.26
Less: Minority Interest		<b>52.86</b>	72.35
<b>VIII. Profit for the year</b>		<b>4,704.50</b>	3,713.91
<b>IX. Earnings per equity share of ₹ 10/- each (Previous Year ₹ 10/- each)</b>	39		
(1) Basic		<b>31.53</b>	24.89
(2) Diluted		<b>31.53</b>	24.89
Weighted average number of equity shares outstanding		<b>14,922,525</b>	14,922,525
<b>Significant accounting policies</b>	27		

The notes form an integral part of these consolidated financial statements

**AS PER OUR REPORT OF EVEN DATE**

For **B S R & Associates LLP**  
Firm's Registration No: 116231W  
Chartered Accountants

**N Sampath Ganesh**  
Partner  
Membership No: 042554

For **VORA & ASSOCIATES**  
Firm Registration No. : 111612W  
Chartered Accountants

**Bharat B. Chovatia**  
Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

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Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(₹ in lacs)

	Year ended 31st March 2014	Year ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	6,590.05	4,757.93
Adjustments for :		
Depreciation and amortisation	5,223.29	4,758.00
Loss on fixed assets sold / discarded (net)	11.59	228.86
Finance costs	4,250.77	4,493.25
Interest income	(266.84)	(273.76)
Provision for doubtful debts and advances	114.71	69.44
Provision for wealth tax	9.10	12.04
Bad debts written off	114.72	64.23
Exchange rate difference on borrowings (after capitalization)	-	(95.89)
Unrealised foreign exchange loss	60.11	20.09
	<u>9,517.45</u>	<u>9,276.26</u>
<b>Operating Profit before Working Capital changes</b>	<b>16,107.50</b>	<b>14,034.19</b>
Adjustments for :		
(Increase) / Decrease in trade receivables	857.13	(3,558.80)
(Increase) / Decrease in other receivables	108.12	(71.17)
(Increase) / Decrease in inventories	983.17	(3,575.21)
Increase / (Decrease) in trade payables	(0.05)	1,002.25
Increase / (Decrease) in other payables and provisions	698.62	870.42
	<u>2,646.99</u>	<u>(5,332.51)</u>
Direct taxes paid (Net of refund)	(1,431.03)	(1,306.48)
<b>Net Cash Inflow from Operating Activities (A)</b>	<b>17,323.46</b>	<b>7,395.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets, capital work-in-progress and capital advances	(3,932.85)	(5,802.28)
Proceeds from sale of fixed assets	554.04	82.66
Investments made during the year	(709.61)	(74.79)
Interest received	215.09	105.69
<b>Net Cash Outflow from Investing Activities (B)</b>	<b>(3,873.33)</b>	<b>(5,688.72)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	2,640.04	4,308.19
Repayment of long term borrowings	(4,260.02)	(3,778.74)
Proceeds / (Repayment) of short term borrowings [net]	(7,661.16)	3,213.00
Refund of securities premium under direction of reserve bank of india.	-	(3.83)
Changes in external commercial borrowing pending utilisation [net]	1,140.00	(628.84)
Interest received on pending external commercial borrowings utilization	50.06	153.71
Finance costs	(4,336.19)	(4,482.13)
Dividend paid (including tax on dividend)	(697.01)	(692.93)
<b>Net Cash Outflow from Financing Activities (C)</b>	<b>(13,124.28)</b>	<b>(1,911.57)</b>
<b>Change In Foreign Currency Fluctuation Reserve Arising On Consolidation (D)</b>	<b>104.18</b>	<b>(21.76)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)</b>	<b>430.03</b>	<b>(226.85)</b>
Cash and Cash Equivalents as at the beginning of the year	1,142.53	1,369.38
<b>Cash and Cash Equivalents as at the year end</b>	<b>1,572.56</b>	<b>1,142.53</b>
	<u>430.03</u>	<u>(226.85)</u>

(₹ in lacs)

**Year ended**  
**31st March 2014**

Year ended  
31st March 2013

**Notes to the Cashflow statement**

1. Components of cash and cash equivalents

(a) Balance in Current Accounts	<b>607.55</b>	626.03
(b) Cheques on Hand / Remittance in Transit	<b>573.56</b>	220.74
(c) Cash on Hand	<b>341.10</b>	274.57
(d) Bank Deposits with less than 3 months	<b>50.35</b>	21.19
<b>Cash and cash Equivalents</b>	<u><b>1,572.56</b></u>	<u>1,142.53</u>

2 The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006

**AS PER OUR REPORT OF EVEN DATE**

For **B S R & Associates LLP**  
Firm's Registration No: 116231W  
Chartered Accountants

**N Sampath Ganesh**  
Partner  
Membership No: 042554

For **VORA & ASSOCIATES**  
Firm Registration No. : 111612W  
Chartered Accountants

**Bharat B. Chovatia**  
Partner  
Membership No. : 031756

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Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

	(₹ in lacs)					
	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2 013
<b>1. Share Capital</b>						
<b>Authorised</b>						
2,20,00,000 Equity Share of ₹10/- each (Previous Year 2,20,00,000 Equity Share of ₹ 10/- each)	2,200.00	-	2,200.00	2,200.00	-	2,200.00
30,00,000 Preference Share of ₹ 10/- each (Previous Year 30,00,000 Preference Share of ₹ 10/- each)	300.00	-	300.00	300.00	-	300.00
			<u>2,500.00</u>			<u>2,500.00</u>
<b>Issued, Subscribed and Fully Paid up</b>						
1,49,22,525 Equity Shares of ₹ 10/- each (Previous year 1,49,22,525 Equity Shares of ₹ 10/- each) [Refer Note 30 (c)]	1,492.25	-	1,492.25	1,492.25	-	1,492.25
<b>TOTAL</b>			<u>1,492.25</u>			<u>1,492.25</u>
<b>2. Reserves and Surplus</b>						
<b>(a) Capital Reserve</b>						
At the Commencement and at the end of the year	1,115.16	15.00	1,130.16	1,115.16	15.00	1,130.16
<b>(b) Securities Premium Account</b>						
At the Commencement of the year	6,448.96	(1.09)	6,447.87	6,448.96	2.74	6,451.70
Less: Amount refunded to Bito Lagertechnik Bittmann, Gmbh under direction of Reserve Bank of India	-	-	-	-	(3.83)	(3.83)
			<u>6,447.87</u>			<u>6,447.87</u>
<b>(c) Cash Flow Hedge Reserve</b>						
At the Commencement of the year	45.59	-	45.59	-	-	-
Add : Net gain recognised on cash flow hedge (Refer note 32)	49.22	-	49.22	45.59	-	45.59
			<u>94.81</u>			<u>45.59</u>
<b>(d) Foreign Currency Translation Reserve</b>						
At the Commencement of the year	196.63	-	196.63	180.37	-	180.37
Add/(Less): Exchange Difference during the year	127.41	-	127.41	16.26	-	16.26
			<u>324.04</u>			<u>196.63</u>
<b>(e) General Reserve</b>						
At the Commencement of the year	16,536.40	5.98	16,542.38	16,136.40	-	16,136.40
Add: Transferred from Surplus	3,000.00	20.22	3,020.22	400.00	5.98	405.98
			<u>19,562.60</u>			<u>16,542.38</u>
<b>(f) Surplus</b>						
At the Commencement of the year	19,179.47	(546.19)	18,633.28	16,748.73	(725.04)	16,023.69
Add/(less): Net Profit for the year	4,366.48	338.02	4,704.50	3,529.08	184.83	3,713.91
Proposed Dividend [ Dividend per share current year ₹ 4/- per share (Previous year ₹ 4/- per share)]	596.90	4.20	601.10	596.90	-	596.90
Tax on proposed Dividend	91.50	0.71	92.21	101.44	-	101.44
Transfer to General Reserve	3,000.00	20.22	3,020.22	400.00	5.98	405.98
			<u>19,624.25</u>			<u>18,633.28</u>
<b>TOTAL</b>			<u>47,183.73</u>			<u>42,995.91</u>
<b>3. Long Term Borrowings</b>						
<b>Secured Loan</b>						
<b>Term loan from banks</b>						
(i) Rupee Loans	3,140.20	47.82	3,188.02	5,073.93	-	5,073.93
(ii) Foreign currency Loans	6,141.80	-	6,141.80	6,245.41	-	6,245.41
(iii) Finance Lease Obligation	2.76	-	2.76	5.28	-	5.28
			<u>9,332.58</u>			<u>11,324.62</u>
*amount disclosed under other current liabilities (Refer Note 8)	* 5,259.79	* 49.98	* 5,309.77	* 4,120.36	* 00.00	* 4,120.36
For Security and Terms of repayment (Refer note 31)						

(₹ in lacs)

**2013 - 2014**      2012 - 2013

**4 Deferred Tax Liabilities (Net)**

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

Deferred Tax Liabilities:

Depreciation	<b>2,748.78</b>	2,686.17
Allowance under Income Tax Act	<b>262.69</b>	198.84
	<b>3,011.47</b>	2,885.01

Deferred Tax Assets:

Disallowances under Income Tax Act	<b>426.37</b>	459.21
Provision for Doubtful Debts	<b>87.22</b>	96.17
Others	<b>-</b>	56.21
	<b>513.59</b>	611.59

Deferred Tax Liabilities - Net	<b>2,497.88</b>	2,273.42
Above includes share in Joint Venture (Net)	<b>13.91</b>	12.00

Tax in respect of earlier years includes Deferred Tax charge of ₹ 185.15 lacs (Previous Year ₹ 194.67 lacs)

(₹ in lacs)

	<u>Consolidated with Subsidiaries</u>	<u>Share of Joint Ventures</u>	<u>As at 31st March, 2014</u>	<u>Consolidated with Subsidiaries</u>	<u>Share of Joint Ventures</u>	<u>As at 31st March, 2013</u>
<b>5 Other Long Term Liabilities</b>						
Security Deposit Received	<b>3,326.90</b>	-	<b>3,326.90</b>	3,205.73	-	3,205.73
Derivative Liability (Refer note 32)	-	-	-	31.62	-	31.62
<b>TOTAL</b>			<b>3,326.90</b>			<b>3,237.35</b>

**6 Long Term Provisions**

Provision For Employee Benefits [Refer note 37]

Gratuity	<b>443.57</b>	<b>14.87</b>	<b>458.44</b>	511.88	13.60	525.48
Compensated Absences	<b>321.73</b>	<b>9.63</b>	<b>331.36</b>	266.13	6.68	272.81
<b>TOTAL</b>			<b>789.80</b>			<b>798.29</b>

**7 Short Term Borrowings**

Secured

Working capital loan from banks

(a) Rupee Loans	<b>17,599.17</b>	<b>159.96</b>	<b>17,759.13</b>	22,220.61	379.48	22,600.09
(b) Buyers Credit Facility	-	-	-	1,269.22	-	1,269.22

Unsecured

(a) Short Term Rupee Loan from Banks	-	-	-	1,500.00	-	1,500.00
<b>TOTAL</b>			<b>17,759.13</b>			<b>25,369.31</b>

For Security and Terms of repayment (Refer note 31)

	(₹ in lacs)					
	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013
<b>8 Other Current Liabilities</b>						
<b>(a) Current maturities of long-term debt</b>						
(i) Rupee Loans	2,710.12	49.98	2,760.10	3,393.53	-	3,393.53
(ii) Foreign Currency Loan	2,546.60	-	2,546.60	678.88	-	678.88
(iii) Current Maturity of Finance Lease Obligation	3.07	-	3.07	2.53	-	2.53
(iv) Unsecured Loans from Others	-	-	-	45.42	-	45.42
<b>(b) Interest accrued but not due on borrowings</b>	67.65	1.13	68.78	150.32	-	150.32
<b>(c) Unclaimed Dividend (note)</b>	23.08	-	23.08	21.75	-	21.75
<b>(d) Advance received from customers</b>	1,261.98	89.81	1,351.79	1,184.49	116.14	1,300.63
<b>(e) Employee Benefits Payable</b>	594.52	12.45	606.97	385.26	12.20	397.46
<b>(f) Other Payables</b>						
(a) Statutory Dues						
(i) Sales Tax	781.84	33.09	814.93	736.74	21.64	758.38
(ii) Excise and Service Tax	9.73	-	9.73	10.03	-	10.03
(iii) Tax Deducted at Source	174.11	7.54	181.65	155.71	12.24	167.95
(iv) Provident Fund, ESIC	42.84	1.95	44.79	28.83	2.14	30.97
(b) Others	402.01	-	402.01	248.17	1.49	249.66
<b>TOTAL</b>			<b>8,813.50</b>			<b>7,207.51</b>

Note: There are no amounts due for payment to the Investor Education and Protection Fund under section 205 C of the Companies Act, 1956 as at the year ended.

## 9 Short Term Provisions

### (a) Provision For Employee Benefits

[Refer note 37]

Gratuity	84.66	0.30	84.96	73.28	0.23	73.51
Compensated Absences	219.90	4.31	224.21	245.50	8.34	253.84

### (b) Others Provisions

(i) Provision For Excise Duty on Closing Stock	693.70	11.00	704.70	746.21	11.52	757.73
(ii) Provision For Product Warranties [Refer note 29]	365.84	-	365.84	169.86	-	169.86
(iii) Provision For Wealth Tax	7.98	-	7.98	9.66	-	9.66
(iv) Proposed Dividend	596.90	4.20	601.10	596.90	-	596.90
(v) Tax on proposed dividend	91.50	0.71	92.21	101.44	-	101.44
(vi) Provision for Tax (Net of advances tax)	152.33	0.26	152.59	2.31	0.27	2.58

**TOTAL**

**2,233.59**

**1,965.52**



(₹ in lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013
<b>11 Non-Current Investments</b> (Valued at cost unless stated otherwise)						
<b>Trade Investment (Unquoted)</b>						
<b>Investment in Equity instruments</b>						
Investment in Beta Wind Farm Pvt. Ltd. 1,40,5256 (Previous year Nil, Equity Shares of ₹ 10/- each of Beta Wind Farm Pvt. Ltd. Fully paid-up)	2 6.70	-	26.70			
<b>Other Non-Current Investments (Unquoted)</b>						
<b>Investment in Government Securities</b>						
National Savings Certificate (Pledged with Government authorities)	0.32	-	0.32	0.32	-	0.32
<b>TOTAL</b>			<b>27.02</b>			<b>0.32</b>
<b>12 Long Term Loans and Advances</b>						
<b>Unsecured, Considered Good</b>						
(i) Capital Advances	171.28	17.26	188.54	395.89	-	395.89
(ii) Security Deposit	2,074.81	11.28	2,086.09	1,851.15	11.13	1,862.28
(iii) Deposit with Government Authorities	1,097.49	6.42	1,103.91	1,061.88	4.74	1,066.62
(iv) Deposit with related party (Refer Note 34)	720.00	-	720.00	724.56	-	724.56
(v) Other Loans and Advances (Considered Good)	543.74	-	543.74	598.39	-	598.39
Other Loans and Advances Considered Doubtful	56.66	-	56.66	56.66	-	56.66
Less: Provision for doubtful loans and advance	(56.66)	-	(56.66)	(56.66)	-	(56.66)
(vi) Taxes Paid in Advance (Net of provisions)	765.32	0.55	765.87	555.08	1.05	556.13
(vii) MAT Credit Entitlement	-	20.02	20.02	-	-	-
(vii) Derivative Assets (Refer Note 32)	339.82	-	339.82	-	-	-
<b>TOTAL</b>			<b>5,767.99</b>			<b>5,203.87</b>
<b>13 Non Current Assets</b>						
Bank Deposit (Maturity after 12 months from the reporting date)	43.74	-	43.74	54.42	-	54.42
<b>TOTAL</b>			<b>43.74</b>			<b>54.42</b>
<b>14 Current Investments</b>						
Sri Lankan Government Treasury Investment	157.96	-	157.96	-	-	-
<b>TOTAL</b>			<b>157.96</b>			<b>-</b>
<b>15 Inventories</b>						
I. Raw Material (including Goods in transit ₹ 350.42 lacs (Previous year ₹ 435.22 lacs)	6,339.72	224.73	6,564.45	5,452.09	272.62	5,724.71
II. Work in Progress	2,548.32	36.77	2,585.09	2,596.92	60.51	2,657.43
III. Finished Goods	8,055.21	98.96	8,154.17	8,591.14	97.97	8,689.11
IV. Stock in Trade (including Goods in Transit ₹ 283.96 lacs (Previous year ₹ 456.97 lacs)	11,911.85	78.73	11,990.58	13,048.44	172.36	13,220.80
V. Stores and Spare Parts	1,889.09	13.96	1,903.05	1,991.07	16.08	2,007.15
VI. Packing Material	385.90	-	385.90	320.24	-	320.24
<b>TOTAL</b>			<b>31,583.24</b>			<b>32,619.44</b>

Refer Note 27-I

(₹ in lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013
<b>16 Trade Receivables</b>						
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>						
(a) Secured, Considered good	71.52	30.27	101.79	179.42	-	179.42
(b) Unsecured, Considered good	1,121.38	6.62	1,128.00	1,548.01	133.72	1,681.73
(c) Doubtful	288.96	55.79	344.75	300.18	29.50	329.68
Less: Provision For Doubtful Debts	(288.96)	(55.79)	(344.75)	(300.18)	(29.50)	(329.68)
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>						
(a) Secured, Considered good	2,899.89	-	2,899.89	2,952.08	-	2,952.08
(b) Unsecured, Considered good	18,681.19	755.42	19,436.61	19,265.01	588.02	19,853.03
<b>TOTAL</b>			<b>23,566.29</b>			<b>24,666.26</b>

**17 Cash and Bank balances**

**I Cash and Cash Equivalents**

(a) Balance in Current Accounts #	603.42	4.13	607.55	621.52	4.51	626.03
(b) Cheques on Hand / Remittance in Transit	573.56	-	573.56	220.74	-	220.74
(c) Cash on Hand	331.83	9.27	341.10	266.69	7.88	274.57
(d) Bank Deposits with less than 3 months maturity	-	50.35	50.35	(*)0.00	21.19	21.19
			<b>1,572.56</b>			<b>1,142.53</b>

**II Other Bank Balances**

(a) Earmarked balance with Bank (Unclaimed Dividend)	23.08	-	23.08	21.75	-	21.75
(b) Bank Deposits with 3-12 months maturity	(*)546.48	412.56	959.04	(*)1,574.79	-	1,574.79
(c) Bank Deposits with more than 12 months maturity	(*)0.00	0.70	0.70	-	-	-
			<b>982.82</b>			<b>1,596.54</b>
<b>TOTAL</b>			<b>2,555.38</b>			<b>2,739.07</b>

# Pending utilisation of External Commercial Borrowings ₹ 1.52 lacs (Previous year ₹ 2.18 lacs)

(\*) Pending utilisation of External Commercial Borrowings ₹ 360 lacs (Previous year ₹ 1,500 lacs)

**18 Short term loans and advances**

**Unsecured, Considered Good**

(i) Security Deposit	326.48	-	326.48	407.06	-	407.06
Security Deposit Considered Doubtful	52.05	2.19	54.24	52.05	2.19	54.24
Less: Provision for doubtful advance	(52.05)	(2.19)	(54.24)	(52.05)	(2.19)	(54.24)
(ii) Other Loans and Advances						
(a) Advances to Vendors	1,248.17	-	1,248.17	1,604.80	-	1,604.80
(b) Balance with excise department	1,134.55	33.92	1,168.47	1,249.83	17.74	1,267.57
(c) Taxes paid in advance (net of Provisions)	72.93	-	72.93	314.89	-	314.89
(d) Interest Receivable	-	0.61	0.61	-	-	-
(e) Prepaid Expenses	371.07	20.86	391.93	259.62	19.59	279.21
(f) Others	730.10	39.19	769.29	698.66	51.82	750.48
<b>TOTAL</b>			<b>3,977.88</b>			<b>4,624.01</b>



(₹ in lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013
<b>19 Other Current Assets</b>						
<b>Unsecured, Considered Good unless stated otherwise</b>						
Other Receivable	-	-	-	-	35.92	35.92
Mat Credit Receivable	-	-	-	15.00	-	15.00
Other Receivables	462.90	9.71	472.61	327.62	12.97	340.59
Interest Receivable	23.56	2.84	26.40	24.60	0.11	24.71
<b>TOTAL</b>			<b>499.01</b>			<b>416.22</b>

Note: At the time of filing the Return of Income for the AY 2014-15, the MAT entitlement utilised aggregate ₹ 90.68 lacs as against the brought forward balance in the financials for the year ended 31<sup>st</sup> March 2013 amounting to ₹ 15 lacs.

	Consolidated with Subsidiaries	Share of Joint Ventures	Year ended 31st March, 2014	Consolidated with Subsidiaries	Share of Joint Ventures	Year ended 31st March, 2013
<b>20 Revenue from operations (Gross)</b>						
Gross Sale of Products	193,507.70	3,924.13	197,431.83	188,740.53	3,976.99	192,717.52
Sale of Services	81.07	64.01	145.08	388.41	56.39	444.80
Less : Duties & Levies	23,121.20	444.74	23,565.94	23,407.75	376.50	23,784.25
Revenue (Net)			174,010.97			169,378.07
<b>Other Operating Revenue</b>						
a) Sale of Scrap	388.54	38.77	427.31	458.88	28.43	487.31
b) Technical and Management Fees	464.87	(171.31)	293.56	507.11	(161.13)	345.98
c) Others	447.61	45.37	492.98	0.53	6.77	7.30
<b>Revenue from Operations (Net)</b>			<b>175,224.82</b>			<b>170,218.66</b>
<b>TOTAL</b>						
<b>21 Other Income</b>						
a) Interest income	256.71	10.13	266.84	270.66	3.10	273.76
b) Net Exchange Gain / (Loss)	84.32	4.50	88.82	-	-	-
c) Others	2.10	(2.10)	-	2.13	-	2.13
<b>TOTAL</b>			<b>355.66</b>			<b>275.89</b>
<b>22 Cost of Materials Consumed</b>						
Opening Stock of Raw Materials	5,452.09	272.62	5,724.71	5,096.62	223.89	5,320.51
Purchases	62,839.63	1,695.13	64,534.76	66,347.88	2,203.07	68,550.95
Less: Closing Stock of Raw Materials	6,339.72	224.73	6,564.45	5,452.09	272.62	5,724.71
<b>TOTAL</b>			<b>63,695.02</b>			<b>68,146.75</b>
<b>23 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods</b>						
Opening Stock						
Work in Progress	2,596.92	60.51	2,657.43	1,905.48	38.96	1,944.44
Stock in Trade	13,048.44	172.36	13,220.80	11,959.74	265.25	12,224.99
Finished Goods	8,591.14	97.97	8,689.11	6,536.27	10.14	6,546.41
			24,567.34			20,715.84
Closing Stock						
Work in Progress	2,548.32	36.77	2,585.09	2,596.92	60.51	2,657.43
Stock in Trade	11,911.85	78.73	11,990.58	13,048.44	172.36	13,220.80
Finished Goods	8,055.21	98.96	8,154.17	8,591.14	97.97	8,689.11
			22,729.84		330.84	24,567.34
Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	95.57	(0.52)	95.05	68.58	(7.63)	60.95
<b>TOTAL</b>			<b>1,932.55</b>			<b>(3,790.55)</b>

(₹ in lacs)

	<u>Consolidated with Subsidiaries</u>	<u>Share of Joint Ventures</u>	<u>Year ended 31st March, 2014</u>	<u>Consolidated with Subsidiaries</u>	<u>Share of Joint Ventures</u>	<u>Year ended 31st March, 2013</u>
<b>24 Employee benefits expense</b>						
(a) Salary, Wages and Bonus	<b>10,017.14</b>	<b>304.45</b>	<b>10,321.59</b>	9,591.78	305.59	9,897.37
(b) Contribution to Provident and Other funds	<b>320.26</b>	<b>10.41</b>	<b>330.67</b>	310.03	7.25	317.28
(c) Workmen and staff welfare expenses	<b>847.98</b>	<b>26.40</b>	<b>874.38</b>	787.13	26.16	813.29
<b>TOTAL</b>			<u><b>11,526.64</b></u>			<u><b>11,027.94</b></u>
<b>25 Finance Costs</b>						
(a) Interest on Term Loan	<b>1,421.31</b>	<b>12.64</b>	<b>1,433.95</b>	1,617.96	-	1,617.96
(b) Interest Paid to Banks	<b>2,017.57</b>	<b>10.83</b>	<b>2,028.40</b>	2,189.89	36.93	2,226.82
Less: Interest Subsidy	-	<b>2.93</b>	<b>2.93</b>	-	7.84	7.84
(c) Other Interest	<b>308.23</b>	<b>2.91</b>	<b>311.14</b>	307.13	0.29	307.42
(d) Other Finance Charges	<b>288.31</b>	<b>11.73</b>	<b>300.04</b>	284.58	11.75	296.33
(e) Other Borrowing Costs	<b>173.31</b>	<b>6.86</b>	<b>180.17</b>	141.01	7.44	148.45
(f) Net Foreign Exchange Gain on Borrowings (Refer Note 31)	-	-	-	(95.89)	-	(95.89)
<b>TOTAL</b>			<u><b>4,250.77</b></u>			<u><b>4,493.25</b></u>
<b>26 Other Expenses</b>						
(a) Stores, Spare Parts Consumed	<b>2,154.55</b>	<b>250.89</b>	<b>2,405.44</b>	2,204.44	246.13	2,450.57
(b) Power and Fuel	<b>4,121.26</b>	<b>31.08</b>	<b>4,152.34</b>	4,870.18	33.73	4,903.91
(c) Repairs :						
Building	<b>24.80</b>	-	<b>24.80</b>	198.23	-	198.23
Machinery	<b>175.27</b>	-	<b>175.27</b>	181.36	0.27	181.63
Others	<b>726.16</b>	<b>11.32</b>	<b>737.48</b>	887.34	8.42	895.76
(d) Labour Charges	<b>5,297.72</b>	<b>86.09</b>	<b>5,383.81</b>	5,620.24	125.16	5,745.40
(e) Rent	<b>4,207.87</b>	<b>15.58</b>	<b>4,223.45</b>	4,154.77	11.26	4,166.03
(f) Rates and Taxes	<b>250.43</b>	-	<b>250.43</b>	336.59	0.04	336.63
(g) Insurance	<b>274.79</b>	<b>9.28</b>	<b>284.07</b>	208.91	6.94	215.85
(h) Postage and Telephone Expenses	<b>381.19</b>	-	<b>381.19</b>	413.01	-	413.01
(i) Loss on Sale of Fixed Assets/ Discarded (Net)	<b>10.09</b>	<b>1.50</b>	<b>11.59</b>	229.33	(0.47)	228.86
(j) Packing Material Consumed	<b>1,602.31</b>	-	<b>1,602.31</b>	1,317.23	-	1,317.23
(k) Travelling Expenses	<b>1,130.61</b>	<b>73.21</b>	<b>1,203.82</b>	1,175.42	68.91	1,244.33
(l) Commission, Discount and Rebate	<b>1,629.13</b>	-	<b>1,629.13</b>	1,546.32	-	1,546.32
(m) Advertisements and Sales Promotion Expense	<b>2,141.19</b>	<b>23.70</b>	<b>2,164.89</b>	2,170.81	15.63	2,186.44
(n) Computer Expenses	<b>546.31</b>	<b>21.01</b>	<b>567.32</b>	399.50	-	399.50
(o) Carriage outward	<b>8,354.09</b>	<b>144.67</b>	<b>8,498.76</b>	7,777.36	160.87	7,938.23
(p) Land Lease Rent	<b>5.45</b>	<b>0.54</b>	<b>5.99</b>	8.25	0.54	8.79
(q) Board Meeting Fees	<b>7.35</b>	-	<b>7.35</b>	6.50	-	6.50
(r) Provision for Wealth Tax	<b>9.10</b>	-	<b>9.10</b>	12.04	-	12.04
(s) Bad Debts written off	<b>79.22</b>	<b>35.50</b>	<b>114.72</b>	64.05	0.18	64.23
(t) Provision/ Doubtful Debts and Advances	<b>110.62</b>	<b>4.09</b>	<b>114.71</b>	57.61	11.83	69.44
(u) Net Foreign Exchange Loss	-	-	-	(96.61)	-	(96.61)
(v) Sundry Expenses	<b>4,056.95</b>	<b>122.20</b>	<b>4,179.15</b>	3,837.10	118.96	3,956.06
<b>TOTAL</b>			<u><b>38,127.12</b></u>			<u><b>38,388.38</b></u>

**27. Significant accounting policies****A) Basis of preparation of Consolidated Financial Statements:**

The financial statements of the Subsidiary Companies and Joint Venture Companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended 31st March, 2014.

These financial statements of the Company and the Joint Venture Companies have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ("the Act") and other accounting principles generally accepted in India, to the extent applicable. All figures, unless otherwise stated, are Rupees in lacs.

The financial statements of the Company, Subsidiary Companies and Joint Ventures (the "Group") 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.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

**B) Principles of Consolidation:**

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

- Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per "Accounting Standard – 27 (AS-27) Financial Reporting of Interest in Joint Ventures".
- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS 21) "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006. The consolidated financial statements have been prepared by 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 per 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, 2014	% Ownership held as at 31 <sup>st</sup> March, 2013
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%	76%
Nilkamal Crates and Bins FZE	Ajman, UAE	100%	100%

"Minority interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since the date the parent subsidiary relationship comes into existence.

The Joint Venture Companies considered in the consolidated financial statement are:

Name of the Company	Country of Incorporation	% Ownership held as at 31 <sup>st</sup> March 2014	% Ownership held as at 31 <sup>st</sup> March, 2013
Nilkamal Bito Storage Systems Private Limited	India	50%	50%
Cambro Nilkamal Private Limited	India	50%	50%

**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 Statement of Profit and Loss have been translated into Indian Rupees at average monthly exchange rate.

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

The resultant translation exchange gain/loss has been disclosed as Translation Reserve under the Reserve and Surplus.

**D) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**E) Fixed Assets:****Tangible Fixed Assets**

Fixed assets are recorded at cost of acquisition or construction, net of tax credit wherever eligible. Cost includes all expenses related to acquisition or construction, including attributable borrowing cost on qualifying assets. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

**Intangible Fixed Assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation, any accumulated impairment loss.

Intangible assets are amortised in the statement of profit or loss over the estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

**F) 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 Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**G) Depreciation and Amortisation:**

- (i) Depreciation on tangible fixed assets is provided 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 or useful life of assets whichever is lower;
- (ii) Cost of Leasehold land is amortised over the period of lease;
- (iii) Depreciation on addition to assets or on sale /disposal of assets, is calculated pro rata from the date of such addition or upto the date of such sale/disposal, 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) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.  
(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.
- (vi) Individual Assets except Assets given on lease acquired for less than ₹ 5,000/- are entirely depreciated in the year of acquisition.

**H) Investments:**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost less provision, if any, for other than temporary diminution in value.

**I) Valuation of Inventories:**

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and 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 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**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 Statement of Profit and Loss as incurred.

Defined Benefit Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation at the end of each year, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. 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.

**Compensate Absances**

The employees can carry-forward a portion of the unutilised accrued Compensate Absances and utilize it in future service periods or receive cash compensation on termination of employment. Since the Compensate Absances do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as long-term employee benefit. The Company records an obligation for such Compensate Absances in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

**K) Derivative financial instruments and hedge accounting**

The Company has adopted the principles for accounting of derivative instruments and hedge accounting as set out in Accounting Standard 30 (AS 30), "Financials Instruments: Recognition and Measurement" and to the extent it does not contradict any of the provisions of any of the notified accounting standards. The Company uses derivative financial instrument such as forward contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments, other than those which are accounted under the provisions of Accounting Standard 11, "Foreign Currency Transactions", are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedge, which is recognised in Cash Flow Hedge Reserve included in the Reserves and Surplus while any ineffective portion is recognised immediately in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to statement of profit and loss for the year.

**L) Foreign Currency Transactions:**

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.

With effect from previous year 2011-12, exchange differences, in respect of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond the accounting period ending on or before 31<sup>st</sup> March, 2020.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

In respect of Forward Exchange contracts entered into to hedge foreign currency risks of an on-balance sheet foreign currency denominated asset or liability, 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. In case of forward contracts against highly probable forecast transaction, mark to market loss, if any, is charged to Statement of Profit and Loss.

**M) 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.

**N) 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 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.

**O) Assets taken on Lease:**

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

Assets acquired on finance lease are capitalised at their fair market value on the date of acquisition and a corresponding lease liability is created for the same.

**P) Assets given on Lease:**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**Q) Taxation:**

Income-tax expense comprises current tax 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. 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 realization. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**R) Government Grants:**

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve. Revenue grants are recognized in the Statement of Profit and Loss as an adjustment to the respective expense in accordance with the related scheme and the period in which these are accrued.

**S) Provisions, Contingent Assets and Contingent Liabilities:**

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and in respect of which reliable estimate can be made. At each Balance Sheet date, the carrying value of provisions is reviewed and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**28. Contingent Liabilities and commitments to the extent not provided for in respect of:**

**(a) Contingent liabilities :-**

(₹ in lacs)

	Particulars	31st March, 2014	31st March, 2013
i)	Excise and Service Tax matters	341.44	366.26
ii)	Sales Tax matters *	1,132.60	1,192.11
iii)	Income Tax matters	3.39	3.39
iii)	a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	-	59.50
	b) On account of surety to Cambro Nilkamal Private Limited for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	10.00
	c) On account of Cross Subsidy Surcharge on electricity	9.38	9.38
	d) On account of Customer claims against a Subsidiary Company	-	25.32

\*Includes ₹ 972.61 lacs (Previous Year 972.61 lacs) paid in full against the disputed Sales Tax liability under the Kerala General Sales Tax Act, 1963. The matter is pending for hearing in the Honorable Supreme Court of India.

Note: The Excise, Service Tax, Sales Tax and Income Tax demands are being contested by the Company at various levels. The Company has been legally advised that it has a good case and the demands are not tenable. Future cash flows in respect of these are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

**b. Commitments**

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 211.87 lacs (Previous Year ₹ 505.87 lacs).

Export commitment on EPCG license utilisation remaining to be executed ₹ 38.98 lacs (Previous ₹ Nil).

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

(₹ in lacs)

Particulars	2013-14	2012-13
Opening Balance	169.86	140.91
Additions	692.63	498.17
Utilisations	496.65	469.22
Closing Balance	365.84	169.86

Provision is estimated for expected warranty claim in respect of products sold during the year based on past experience regarding defective claim of products and cost of rectification or replacement. It is expected that most of this cost will be incurred over next 12 months which is as per warranty terms.

**30. Share Capital**

(a) Rights, preferences and restrictions attached to Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) **Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Vamanrai V. Parekh	1,795,462	12.03%	1,795,462	12.03%
Nilkamal Builders Private Limited	1,464,000	9.81%	1,464,000	9.81%
Sharad V. Parekh	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	1,170,055	7.84%	1,139,455	7.64%
Nayan S. Parekh	1,148,263	7.69%	1,084,995	7.27%
Reliance Capital Trustee Co. Ltd. A/C – Reliance regular Savings Fund – Equity Option	1,000,000	6.70%	1,000,000	6.70%
Heirloom Finance Private Limited	912,000	6.11%	912,000	6.11%
Manish V. Parekh	774,507	5.19%	711,778	4.77%

(c) **Reconciliation of number of shares outstanding as on beginning and closing of the year**

Particulars	Equity Shares			
	2013-14		2012-13	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	14,922,525	1,492.25
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,922,525	1,492.25	14,922,525	1,492.25

**31. Borrowings:**

(A) **Secured Loans:**

(a) **Working Capital Loans:**

Working capital facilities of ₹ 17,599.17 lacs (Previous year ₹ 22,754.51 lacs) 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 immovable property and personal guarantee of Director/s. Working capital loans repayable on demand having interest rate from 9.95% p.a. to 12.50% p.a.

**Subsidiaries**

Working Capital facilities of ₹ Nil(Previous year ₹ 735.32 lacs) from Banks are secured on concurrent primary mortgage on entire stock, Receivables, Land, Building and Plant and Machinery of the respective subsidiary company. Working capital loans repayable on demand having interest rate from AWPLR+1.50% to 2.00%.

**Share in JV**

Working capital facilities of ₹159.96 lacs (Previous year ₹ 379.48 lacs) from Bank are secured by a first charge on current assets of the Company and second charge on fixed assets of the respective joint venture company personal guarantee of Director. Working capital loans repayable on demand having interest rate from 11.70 % p.a. to 13.75% p.a.

(b) **Term Loans:**

Term loans of ₹14,388.53 lacs (Previous year ₹15,085.91 lacs) from the Banks 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 (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil nadu) 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. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of ₹ 5,392.80 lacs (Previous Year ₹ 4,887.66 lacs ).



(b) Vehicle loan of ₹ Nil (Previous Year ₹ 4.81 lacs) was secured against respective assets.

**Subsidiaries**

Term loan is of ₹150.19 lacs (Previous Year ₹ 140.46 lacs) is secured by Quaternary mortgage over Land, Building and Plant and Machinery.

Vehicle loan of ₹ 5.83 lacs (Previous Year ₹ 5.28 lacs) is secured against specific assets.

**Share in JV**

Term loans of ₹ 97.80 lacs (Previous Year ₹ Nil) from the Banks are secured on pari passu basis by a first charge on entire fixed assets of the Company situated at Jammu (Jammu & Kashmir) and second pari passu charge by way of hypothecation of entire current assets of the Company.

**(c) Terms of Repayment**

**(i) Rupee Term loan**

Term loans is repayable in equal quarterly installments, last installments due on various from December, 2014 to December, 2017 as per repayment schedules, having interest rate from 11.50% p.a. to 14.00 % p.a. which are reset periodically.

**Subsidiaries**

Term loan are repayable in equal monthly installment last installment due on March 2015, having interest rate from 10.57% to 15.45% which are reset periodically.

Term loan are repayable in equal monthly installment last installment due on January, 2016, having interest rate at 4.75%.

**Share in JV**

Term loans are repayable in equal monthly installment last installment due on December 2016, having interest rate from 12.60% p.a. to 12.85% p.a. which are reset periodically.

**(ii) Foreign Currency loan**

Foreign Currency loan is repayable in equal quarterly/half yearly installments, last installments due on March, 2018 as per repayment schedules, having interest rate from 3 /6 month LIBOR + 1.50% to 2.50 % which are reset periodically.

**(B)** Maximum balance outstanding during the year by way of issue of Commercial papers ₹ 3,000 lacs (Previous year ₹ 5,000 lacs).

**32. Cross Currency Interest Rate Swap:**

The Company has transacted a cross currency interest rate swap (CCIRS) agreement with banks to hedge the principal and interest of the ECB Loan of USD 9.40 Million (Previous year USD 5.10 Million). The Company has designated this ECB loan and the CCIRS in a cash flow hedge accounting relationship. The change in the fair value of the CCIRS, to the extent considered effective, is taken to the 'Cash flow hedge reserve account' under Reserves & Surplus under Note 2. Of this, during current year ₹ 322.22 lacs has been debited to statement of profit and loss to offset the loss on restatement of this ECB (previous year, credit of ₹ 77.21 lacs). The net effect on restatement of ECB amounts to ₹ 245.01 lacs (previous year ₹ 45.59 lacs). The net balance amounting to ₹ 94.81 lacs (previous year ₹ 45.59 lacs) represents the balance effective portion of cash flow hedge. Had the Company not exercised such option, the net profit after tax for the year ended on 31<sup>st</sup> March, 2014 would have been higher by ₹49.22 lacs (Previous Year ₹ 45.59 lacs ).

**33.** The foreign exchange fluctuation on outstanding foreign currency loan has been accounted for as per Accounting Standard (AS 11) as amended wide Notification dated 29<sup>th</sup> December, 2011 with further clarification note dated 9<sup>th</sup> August, 2012 issued by the Ministry of Corporate Affairs Government of India. Consequently, an amount of ₹ 474.84 lacs (Previous year ₹ 327.06 lacs) is capitalized as cost of fixed assets. The Company has provided additional amount of depreciation of ₹ 197.01 lacs (Previous year ₹ 97.90 lacs) on such costs. Had the Company not exercised the said option, the net profit after tax for the year ended on 31<sup>st</sup> March, 2014 would have been lower by ₹183.40 lacs (Previous year ₹ 154.81 lacs).

**34. Related Party Disclosures:**

(1) Names of related parties and description of relationship

- |                                                                                                                                       |                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Key Management Personnel                                                                                                          | Shri Vamanrai V. Parekh, Chairman<br>Shri Sharad V. Parekh, Managing Director<br>Shri Hiten V. Parekh, Executive Director<br>Shri Manish V. Parekh, Executive Director<br>Shri Nayan S. Parekh, Executive Director |
| (ii) Enterprise owned or significantly Influenced by key Management personnel or their relatives, where transactions have taken place | Nilkamal Crates & Containers<br>Mrs. Dhruvi Nakul Kumar<br>Miss Priyanka H. Parekh                                                                                                                                 |

(₹ 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
	2013 – 2014	2013 – 2014	2012 – 2013	2012 – 2013
<b>Paid for Services</b>		<b>67.69</b>		62.43
Nilkamal Crates & Containers		67.69		62.43
<b>Rent Paid</b>		<b>201.79</b>		193.57
Nilkamal Crates & Containers		185.34		178.20
Dhruvi Nakul Kumar		16.45		15.37
<b>Remuneration paid</b>	<b>466.79</b>		474.37	
Shri Sharad V. Parekh	123.69		127.66	
Shri Hiten V. Parekh	126.29		126.17	
Mr. Manish V. Parekh	118.20		118.08	
Mr. Nayan S. Parekh	98.61		102.46	
Salary Paid		<b>2.35</b>		0.82
Ms. Priyanka H. Parekh		2.35		0.82
Other receivable / (Payables) (Net) :		-		(5.17)
Nilkamal Crates & Containers				(4.00)
Dhruvi Nakul Kumar				(1.17)
Deposits receivable		<b>720.00</b>		724.56

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

**35. (a) (i) Operating Lease in respect of Property taken on Lease:**

The Company has taken several warehouses, showrooms, offices under operating leases. The agreements are executed for the period of 36 to 240 months with a non cancelable period upto 60 months having a Renewable Clause. For certain properties taken on Lease, contingent rent payable as a percentage of revenue from the respective stores, subject to a minimum rent.

(₹ in lacs)

Particulars	2013-14	2012-13
(a) Lease payments recognised in the Statement of Profit and Loss (includes contingent rent of ₹ 205.72 lacs (Previous year 139.97 lacs))	<b>4,084.36</b>	4,140.35
(b) Future minimum Lease Payments under non cancelable agreements.		
(i) Not later than one year	<b>1,583.26</b>	876.97
(ii) Later than one year and not later than 5 years	<b>4,397.09</b>	1,362.27
(iii) Later than 5 years	<b>1,339.29</b>	-

(₹ in lacs)

**(ii) Operating Lease in respect of Other Asset taken on Lease:**

Particulars		2013-14	2012-13
(a)	Lease payments recognised in the Statement of Profit and Loss	49.20	25.68
(b)	Future minimum Lease Payments under non cancelable agreements.		
(i)	Not later than one year	60.33	25.68
(ii)	Later than one year and not later than 5 years	100.79	19.26
(iii)	Later than 5 years	-	-

The agreement is executed with a cancelable period upto 48 months.

**(b) Asset given on Operating Lease:**

(₹ in lacs)

Particulars		2013-14	2012-13
(a)	(i) Gross Carrying Amount	318.46	277.87
	(ii) Depreciation for the Year	55.17	12.82
	(iii) Accumulated Depreciation	68.00	12.82
	The Total future Minimum rentals receivable at the Balance Sheet Date Is as Under		
(b)	(i) For a period not later than one year.	119.12	141.17
	(ii) For a period more than one year but not later than 5 years	56.50	175.62
	(iii) For a period Later than 5 years.	-	-

**(c) Assets acquired under finance lease arrangement:**

(₹ in lacs)

Particulars		2013-14	2012-13
Future minimum Lease Payments under agreements.			
(i)	Not later than one year	3.44	3.11
(ii)	Later than one year and not later than 5 years	2.87	5.71
(iii)	Later than 5 years	-	-
Present Value of Minimum Lease Payment		5.83	7.82
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value			
Total Minimum Lease Payments		6.30	8.82
Less : Interest		0.47	1.00
Present Value of Minimum Lease Payment		5.83	7.82

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

(a) The Company recognised ₹ 330.67 lacs (Previous Year ₹ 317.28 lacs) for provident fund contribution in the Statement of Profit and Loss.

**(b) Defined Benefit Plan Disclosures:**

Sr. No.	Particulars	2013-14	2012-13
		Gratuity	Gratuity
1	<b>Components to employer Expense</b>		
	(a) Current Service Cost	101.67	117.44
	(b) Interest Cost	67.28	47.43
	(c) Expected return of plan assets	(25.33)	(18.12)
	(d) Past Service Cost	-	-
	(e) Actuarial (Gain)/Loss	46.83	34.79
	(f) Total expense recognised in the Statement of Profit and Loss	96.79	181.54
2	<b>Net (Asset)/Liability recognised in Balance Sheet</b>		
	(a) Present Value of Obligation	898.87	820.42
	(b) Fair Value of Plan Assets	(355.47)	(221.43)

(₹ in lacs)

Sr. No.	Particulars	2013-14	2012-13
		Gratuity	Gratuity
	(c) (Asset)/Liability recognised in the Balance Sheet	<b>543.40</b>	598.99
	(i) Current	<b>458.44</b>	525.48
	(ii) Non-Current	<b>84.96</b>	73.51
<b>3</b>	<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
	(a) Present Value of Obligation as at beginning of the year	<b>820.42</b>	574.86
	(b) Current Service cost	<b>114.75</b>	190.21
	(c) Interest Cost	<b>67.28</b>	47.43
	(d) Past Service Cost	-	-
	(e) Acturial (Gain)/Loss	<b>(58.13)</b>	36.75
	(f) Benefits paid	<b>(45.45)</b>	(28.83)
	(g) Present Value of Obligation as at the close of the year	<b>898.87</b>	820.42
<b>4</b>	<b>Changes in the Fair Value of Plan Assets</b>		
	(a) Present Value of Plan Assets as at beginning of the year	<b>221.43</b>	201.35
	(b) Contribution to the fund	<b>120.00</b>	-
	(c) Expected return of plan assets	<b>25.33</b>	18.12
	(d) Acturial Gain/(Loss)	<b>(11.29)</b>	1.96
	(e) Fair Value of Plan Assets as at the close of the year	<b>355.47</b>	221.43
	(f) Actual return on plan assets	<b>14.04</b>	20.08
<b>5</b>	<b>Actuarial Assumptions</b>		
	(a) Discount Rate (per annum)	<b>9.00%</b>	8.25%
	(b) Expected Rate of Return on Assets (per annum)	<b>9.00%</b>	9.00%
	(c) Salary Escalation Rate (per annum)	<b>7.00%</b>	7.00%
	(d) Mortality	<b>Indian Assured Life Mortality (2006-08) Ult.</b>	Indian Assured Life Mortality (2006-08) Ult.
<b>6</b>	<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets</b>		
	Insurer Managed Funds	<b>100%</b>	100%

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

Experience Adjustment

(₹ in lacs)

Sr. No.	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
1	Present Value of the defined benefit obligation	<b>898.87</b>	820.42	574.86	480.72	313.09
2	Fair value of the plan assets	<b>355.47</b>	221.43	201.35	143.91	85.01
3	Surplus / (deficit) in the plan	<b>(457.56)</b>	(526.21)	(373.51)	(336.81)	(228.08)
4	Experience adjustment on plan assets	<b>(11.29)</b>	1.96	(5.22)	0.65	8.55
5	Experience adjustment on plan liabilities	<b>(0.04)</b>	(14.64)	(11.48)	(1.35)	12.14
6	The estimated contribution to be paid to the plan during the annual period beginning after balance sheet date is ₹ 84.66 lacs (Previous Year ₹73.28 lacs)					

## (c) Compensated Absences

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated absences debited to Statement of Profit and Loss during the year amounts to ₹ 148.15 lacs (Previous Year ₹ 186.99 lacs) and is included in Note 24 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 458.44 lacs (Previous Year ₹ 526.49 lacs) and current provision aggregates ₹ 309.17 lacs (Previous Year ₹ 326.44 lacs).

**37. Segment Information****Notes:**

- (a) 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.
- (b) 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)	Others	Storage System of Metal, Mass Housing, Mattresses, 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.
- (e) Inter segment transactions are carried out at arm's length price.

**SEGMENT INFORMATION**

Segment Wise Revenue, Results and Other Information

**A. Business Segment:**

(₹ in lacs)

Particulars	2013-14				2012-13			
	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total
1 <b>Revenue from Operations</b>	144,110.83	21,881.30	10,644.67	176,636.80	142,371.61	20,393.29	9,110.60	171,875.50
Less: Inter Segment Revenue	1,411.98			1,411.98	1,656.84			1,656.84
Net Revenue from Operations	142,698.85	21,881.30	10,644.67	175,224.82	140,714.77	20,393.29	9,110.60	170,218.66
2 <b>Segment Result before Tax &amp; interest</b>	11,907.50	191.82	115.05	12,214.37	11,404.07	(749.30)	(177.72)	10,477.05
Add/(Less): Minority Interest	52.86			52.86	72.35			72.35
	11,854.64	191.82	115.05	12,161.51	11,331.72	(749.30)	(177.72)	10,404.70
Less: Unallocated expense(Net of Unallocated Income)				1,373.55				1,225.87
Operating Profit				10,787.96				9,178.83
Less: Finance Costs				4,250.77				4,493.25
Add: Exceptional Income				-				-
Add/(Less): Prior Period Adjustment				-				-
Profit Before Tax				6,537.19				4,685.58
Less: Provision for Taxes(Net)				1,832.69				971.67
<b>Net Profit After Tax</b>				4,704.50				3,713.91
3 <b>Other Information</b>								
Segment Assets	80,892.98	13,182.95	6,125.86	100,201.79	85,456.65	11,905.43	6,210.74	103,572.82
Add: Unallocated Assets				3,923.77				3,689.75
<b>Total Assets</b>				104,125.56				107,262.57
Segment Liabilities	13,481.99	3,880.84	1,703.19	19,066.02	13,433.11	3,514.94	1,358.71	18,306.76
Add: Minority Interest	538.46	-	-	538.46	465.66	-	-	465.66
	14,020.45	3,880.84	1,703.19	19,604.48	13,898.77	3,514.94	1,358.71	18,772.42
Add: Unallocated Liabilities								
Loan Liabilities				32,401.48				40,814.29
Others				3,443.62				3,187.69
Total liabilities				55,449.58				62,774.40
Capital Expenditure	3,162.56	1,208.97	103.68	4,475.21	4,732.50	494.25	486.95	5,713.70
Depreciation and Amortisation	4,479.46	496.59	247.23	5,223.28	4,168.66	366.55	222.79	4,758.00
Significant Non Cash Expenses other than Depreciation and Amortisation	215.44	-	35.51	250.95	123.59	169.46	10.08	303.13

(₹ in lacs)

**B Geographical Segment:**

Sr. No.	Particulars	Year Ended 31st March, 2014			Year Ended 31st March, 2013		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue (Net Sales)	163,963.52	11,261.30	175,224.82	159,245.06	10,973.60	170,218.66
2	Carrying cost of Segment Assets	99,652.41	549.38	100,201.79	99,952.82	3,620.00	103,572.82
3	Addition to Fixed Assets and -Intangible Assets	4,387.60	87.61	4,475.21	5,527.64	186.06	5,713.70

**38. Statement of Subsidiaries:**

(₹ in lacs)

Sr. No.	Particulars	Nilkamal Eswaran Plastics Private Limited, Sri Lanka	Nilkamal Eswaran Marketing Private Limited, Sri Lanka	Nilkamal Crates and Bins - FZE (Ajman - UAE)
1	Share Capital	68.60	-	30.19
2	Reserve and Surplus	1,646.15	28.42	1,050.21
3	Total Assets	3,119.90	100.68	1,391.83
4	Total Liabilities (Excluding Minority interest)	863.64	63.29	311.43
5	Investment other than investment in Subsidiary	-	-	-
6	Turnover and Other Income	3,996.08	179.13	2,843.76
7	Profit Before Taxation	176.11	13.54	176.51
8	Provision for Taxation (incl Deferred Tax)	(26.16)	-	-
9	Profit after Tax	202.28	13.54	176.51
10	Dividend	3.43	2.49	8.16

**39. Earnings per share:**

	2013-14	2012-13
Profit for the year after tax (₹ In lacs)	4,704.50	3,713.91
Nominal Value per Share in Rupees	10.00	10.00
Weighted average number of equity shares Outstanding during the year	14,922,525	14,922,525
Basic and diluted earnings per share (₹)	31.53	24.89

40. Previous figures have been regrouped / recasted wherever necessary.

**AS PER OUR REPORT OF EVEN DATE**

For **B S R & Associates LLP**  
Firm's Registration No: 116231W  
Chartered Accountants

**N Sampath Ganesh**  
Partner  
Membership No: 042554

For **VORA & ASSOCIATES**  
Firm Registration No. : 111612W  
Chartered Accountants

**Bharat B. Chovatia**  
Partner  
Membership No. : 031756

Place: Mumbai  
Date: May 14, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LTD.**

**Sharad V. Parekh**  
Managing Director

**Hiten V. Parekh**  
Executive Director

**Pareesh B. Mehta**  
Financial Controller

**Priti P. Dave**  
Company Secretary

Place: Mumbai  
Date: May 14, 2014

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**NILKAMAL LIMITED**

CIN: L25209DN1985PLC000162

Regd. Office:- Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli.

**ATTENDANCE SLIP**

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Name and Address of the shareholder: \_\_\_\_\_

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company, to be held on Saturday, September 6, 2014 at 12.00 noon at Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli.

\*Applicable to shareholders holding shares in electronic form.

Signature of Shareholder



**NILKAMAL LIMITED**

CIN: L25209DN1985PLC000162

Regd. Office:- Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli.

**PROXY FORM**

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): _____
Registered Address: _____
_____
E-mail ID: _____
Folio No. / Client ID/ DP ID: _____

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company, to be held on Saturday, September 6, 2014 at 12.00 noon at Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Particular of Resolution(s)	For	Against
1.	Consideration and adoption of the Audited Financial Statements for the year ended March 31, 2014, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Declaration of Dividend on Equity Shares for the year ended March 31, 2014.		
3.	Re-appointment of Mr. Manish V. Parekh, who retires by rotation.		
4.	Appointment of Joint Statutory Auditors of the Company and fixing their remuneration.		
5.	Appointment of Mr. Mahendra V. Doshi as an Independent Director.		
6.	Appointment of Mr. Mufazzal S. Federal as an Independent Director.		
7.	Appointment of Mr. K. R. Ramamoorthy as an Independent Director.		
8.	Appointment of Mr. Dadi B. Engineer as an Independent Director.		
9.	Appointment of Mr. S. K. Palekar as an Independent Director.		
10.	Appointment and ratification of remuneration payable to the Cost Auditor.		
11.	Approval for borrowing limits.		
12.	Approval for creation of mortgage/ charge on Company's assets.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Signature of shareholder: \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:**

**This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



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## MOULDED FURNITURE



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## MATTRESS

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3. It can be utilized only for a one-time purchase, irrespective of quantity and value of products.
4. Discount will be provided only on the stocks available.
5. This coupon is valid at all @home stores.
6. It cannot be exchanged/ encashed.
7. It cannot be utilized along with any other Promotional Schemes, Best Buy, As Is & Promo Products.
8. Discount applicable only on @home products & not on other brands.

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30TH JUNE 2015

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**AHMEDABAD:** Next to Grand Bhagwati Hotel, S.G. Highway. Tel: (079) 26855536/37 **BANGALORE:** • **KORAMANGALA:** Near Forum Mall, Towards Christ College. Tel: (080) 25501012/13 • **MARATHAHALLI:** Ring Road. Tel: (080) 42197133/34 • **RAJAJINAGAR:** Opp. Brigade Gateway Towers. Tel: (080) 23571635/45 **CHENNAI:** • **AMINJIKARAI:** Nelson Manickam Road, Tel: (044) 23741531/32 • **ADYAR:** 1st Main Road, Next to Odyssey Showroom, Gandhi Nagar Tel: (044) 24411069/70 **COIMBATORE:** D.B. Road, R.S. Puram. Tel: (0422) 2473975/76 **GHAZIABAD:** Sahibabad, Link Road Highway, Next to Bikanerwala. Tel: (0120) 4163632/33 **HYDERABAD:** • **BANJARA HILLS:** Next to Taj Krishna. Tel: (040) 23316015/16 • **MADHAPUR:** Opp. Cyber Tower. Tel: (040) 64623051/52/53 **KOCHI:** Opp. Lulu Mall, Edappally Junction, Tel: (0484) 2541864/65 **MUMBAI:** • **GHATKOPAR (W):** R-City Mall, L.B.S. Marg. Tel: (022) 25186023/24 **MYSORE:** 2nd Floor, Mall of Mysore. Tel: (0821) 4521694/ 9916999424 **PUNE:** • **YERWADA:** Ishanya, Off Airport Road. Tel: (020) 66405726/27 • **SHIVAJINAGAR:** Next to Shopper's Stop. Tel: (020) 25520401/11 • **HADAPSAR:** Amanora Mall. Tel: (020) 67260152/53 **SURAT:** Crossway Mall, Ramchowk, Ghoddod Road. Tel: (0261) 2235702/04 **THANE:** 2nd Floor, Korum Mall, Near Cadbury Compound, Off E.E. Highway. Tel: (022) 25376513/14 **VADODARA:** Centre Square Mall, Near Sarabhai Circle. Tel: (0265) 3926662/66

**CORPORATE OFFICE :** Nilkamal Ltd., Nilkamal House, 14th Street, MIDC, Andheri (East), Mumbai - 400 093.  
Tel: 2681 8888 • Fax: 2837 2787 • Email: [connect@at-home.co.in](mailto:connect@at-home.co.in) • [www.at-home.co.in](http://www.at-home.co.in)

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