

**Board of Directors** (In alphabetical order)

Shri D.B. Engineer	-	Director
Shri Hamid A. Moochhala	-	Director (upto 25-09-2006)
Shri Hiten V. Parekh	-	Executive Director
Shri K. R. Ramamoorthy	-	Director
Shri Mahendra V. Doshi	-	Director
Shri Manish V. Parekh	-	Whole-time Director
Shri Nayan S. Parekh	-	Whole-time Director
Shri R. P. Goyal	-	Director
Shri Rajesh G. Kapadia	-	Director
Shri Sharad V. Parekh	-	Managing Director
Shri Vamanrai V. Parekh	-	Chairman

Financial Controller

Mr. Paresh B. Mehta

Company Secretary

Mr. Manoj Gagvani

Bankers

State Bank of India
Corporation Bank
Citi Bank N.A.

Auditors

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

Registrar and Transfer Agents

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

**Registered Office and
Vasona Factory**

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

Barjora Factory

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

Noida Factory

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

Pondicherry Factory

21/6, Olaivaikkal Village
Koodapakam Villianoor Road
Villianoor Taluk, Pondicherry 605 110.

Sinnar Factory

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

Corporate Office

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

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NOTICE

NOTICE is hereby given that the **21st ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli on Saturday, **the 18th day of August, 2007 at 11.30 am** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2007 and Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2007.
3. To appoint a Director in place of Shri K. R. Ramamoorthy, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place Shri Dadi B. Engineer, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri Rajesh Kapadia, who retires by rotation and being eligible, offers himself for re-election
6. To appoint Statutory Auditors and fix their remuneration for the financial year 2007-08.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 11th August,2007 to 18th August,2007 (both days inclusive) for the purpose of determining eligibility of Members entitled to Dividend. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid after 18th August,2007.
3. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
4. Pursuant to provision of section 205A of the Companies Act, 1956, dividend remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly all unclaimed and unpaid dividends for the financial year 1999-2000 (interim) have been transferred to "Investor Education and Protection Fund" established by the Central Government, in terms of Section 205C of the Companies Act, 1956. Members, who have not yet encashed their dividend warrant(s) for the financial years 2001-2002 onwards, are requested to write to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078 accordingly. **It may be noted that once such unclaimed dividends are transferred on expiry on seven years, to the Investor Education and Protection Fund as state herein no claim shall lie in respect thereof.**
5. The Company has applied to the Central Government for exemption from attaching the accounts and reports of all its subsidiaries under section 212 of The Companies Act, 1956. Shareholders requiring the same may write to the Company.
6. 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.

7. All intimation regarding change of address, merging of folios, request for making nominations, from shareholders holding shares in physical form and request for revalidation of dividend warrant may be directed to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078.
8. Members/ Proxies should bring the attendance slips filled in for attending the meeting.

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

Place : Mumbai
Date : June 28, 2007

Manoj Gagvani
Company Secretary

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri K. R. Ramamoorthy	Shri Rajesh Kapadia	Shri Dadi B. Engineer
Date of birth	08-07-1940	02-11-1956	02-05-1933
Date of appointment	21-10-2003	29-1-2004	21-10-2003
Qualifications	B.A.,B.L., F.C.S	B.Com(Hons), F.C.A	Advocate and Attorney
Expertise in specific area	Banking and Finance	Taxation, Joint Venture & Collaborations and Civil Areas of Law.	Indirect Taxation, Corporate
Directorship in other public Limited Companies	<ol style="list-style-type: none"> 1. ING Vysya Bank Ltd. 2. Clearing Corporation of India Ltd. 3. Subros Limited 4. Amrit Banaspati Ltd. 5. GMR Infrastructure Ltd. 	<ol style="list-style-type: none"> 1. Asianet Satellite Communications Ltd. 2. Exide Industries Ltd. 3. Goldiam International Ltd. 4. H & R Johnson (India) Ltd. 5. Prism Cement Ltd. 6. Boruka Power Corporation Ltd. 7. Innovassynth Technologies India Ltd 8. Diagold Design Ltd. 9. Foodworld Supermarkets Ltd. 10. ING Vysya Life Insurance Company Ltd. 	<ol style="list-style-type: none"> 1. Atlas Copco Limited 2. Bayer Diagnostics (India) Limited 3. Forvol International Services Limited 4. Fiora Services Limited 5. Foods & Inns Limited 6. Forbes Gokak Limited 7. Prudential ICICI Asset Management Company Limited 8. PCS Industries Limited 9. Tata Tea Limited 10. Welspun India Limited 11. Zuari Industries Limited
Membership of Committees in other Public Limited Companies	<ol style="list-style-type: none"> 1. Clearing Corporation of India Ltd <ul style="list-style-type: none"> - Audit Committee 2. ING Vysya Bank Ltd. <ul style="list-style-type: none"> - Audit Committee 3. Subros Limited <ul style="list-style-type: none"> - Audit Committee 4. GMR Infrastructure Ltd. <ul style="list-style-type: none"> - Audit Committee - Remuneration Committee 	<ol style="list-style-type: none"> 1. Prism Cement Ltd <ul style="list-style-type: none"> - Audit Committee - Shareholders'/Investors' Grievance Committee - Remuneration Committee - Share Transfer Committee 2. Exide Industries Ltd. <ul style="list-style-type: none"> - Audit Committee - Remuneration Committee 3. H & R Johnson (India) Ltd. <ul style="list-style-type: none"> - Audit Committee 4. Goldiam International Ltd. <ul style="list-style-type: none"> - Audit Committee 5. Asianet Satellite Communications Ltd. <ul style="list-style-type: none"> - Audit Committee - Remuneration Committee 6. Bhoruka Power Corporation Ltd. <ul style="list-style-type: none"> - Audit Committee 	<ol style="list-style-type: none"> 1. Tata Tea Ltd. <ul style="list-style-type: none"> - Shareholders'/Investors' Grievance Committee - Remuneration Committee 2. Zuari Industries Ltd. <ul style="list-style-type: none"> - Audit Committee - Shareholders' /Investors Grievance Committee and Share Transfer Committee 3. Atlas Copco Ltd. <ul style="list-style-type: none"> - Shareholders' Investors' Grievance Committee - Audit Committee - Remuneration Committee 4. Forbes Gokak Ltd. <ul style="list-style-type: none"> - Audit Committee 5. Bayer Diagnostics India Ltd <ul style="list-style-type: none"> - Audit Committee
Number of Shares Held	NIL	NIL	NIL

DIRECTORS REPORT**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2007.**

Dear Members,

Your Directors have pleasure to present this **21st ANNUAL REPORT** of the Company together with the Audited Accounts for the financial year ended 31st March, 2007.

FINANCIAL HIGHLIGHTS:

(Rs.in Lacs)

	2006-2007	2005-2006
Gross Turnover and Other Income	49,937.67	40,012.28
Turnover, net of Excise and Other Income	46,197.29	36,594.21
Profit before Depreciation and Tax	2,278.41	2,633.67
Less: Depreciation on Fixed Assets	1,538.72	1,671.46
Profit before Tax	739.69	962.21
Less: Provision for Taxes	44.87	177.59
Profit after Tax	694.82	784.62
Amount Available for Appropriations	2,675.93	2,774.43
Less: Appropriations:		
i) Proposed Final Dividend	257.24	257.24
ii) Total Tax on Dividend	43.72	36.08
iii) Transfer to General Reserves	200.00	500.00
Leaving a Balance to be carried forward	2,174.97	1,981.11
Earnings Per Share Rs.	8.10	9.15
Cash Earnings Per Share Rs.	26.05	28.64
Book Value per Share Rs.	152.45	147.86

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 3/- per equity share which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company. The requisite amount of Rs 300.96 Lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

RESERVES

Your Directors have proposed to carry a sum of Rs. 200 Lacs to the General Reserve Account out of the profits available.

YEAR IN RETROSPECT

The year under review was indeed a challenging year for the Company. Persistent efforts have been made by the Company to maintain higher sales volume. Net Sales were Rs. 46,072.68 Lacs as against Rs. 36,236.08 Lacs in the previous year. Operational figures were affected due to steep increase in raw material prices and volatile market scenario. Net profit after tax was Rs. 694.82 Lacs as compared to Rs. 784.62 Lacs in the previous year.

The Company has endeavoured to bring out unique moulded furniture, material handling crates and mark its presence in the market thereby maintaining a leadership position. The Company is heading to be a one-stop-shop for material handling business.

The Company has already commenced operations for its seven retail stores of lifestyle furniture, furnishings, décor items and accessories under its trademark '@home' at various locations across India. The eighth '@home' store has been opened at Vashi (Mumbai) in the first quarter. The retail business has achieved a turnover of Rs. 2,582 Lacs as compared to last year of Rs. 484 Lacs; resulting into the growth of 433%. During this year the retail business has made a loss (before charge of interest) of Rs. 700 Lacs as compared to last year of Rs. 615 Lacs.

CAPITAL EXPENDITURE

Your Company has incurred Capital Expenditure (including advances & capital work in progress) of Rs. 2,658.94 Lacs during the year under review as compared to Rs. 1,511 Lacs in the preceding financial year.

The Company is setting up a plant at Jammu at an estimated cost of Rs. 2,000 Lacs for the manufacture of moulded plastic articles. The project is currently under progress and the Company has expended a sum of Rs. 767 Lacs towards the same.

SUBSIDIARIES & JOINT VENTURE

Total net income of Sri Lanka subsidiary was SLR 9,307 Lacs as compared to SLR 9,132.75 Lacs in the previous financial year, thereby resulting into increase by 3%. There has been a decline in the Net profit from SLR 369.61 Lacs in previous year to SLR 190 Lacs in the current year. Reasons for such decrease in profitability was due to increase in input cost, volume de-growth due to increase competition and political instability, increase in interest cost and effective devaluation of SLR by 11% during the year.

The Bangladesh subsidiary performance was under pressure during the year under review. The reason for continued adverse performance was increase in input cost and continuous business disruption because of political instability. Accumulated losses has increased from BDT 765.64 Lacs to BDT 1,107.38 Lacs During the year the company has made further investment of Rs. 228 Lacs towards equity contribution in the said subsidiary.

With the experience of Indian and Sri Lankan market, introduction of various new products, expected stability of raw material prices and acceptability of increase in end product price by the market will enable to revive the performance of the subsidiaries in near future.

Nilkamal Bhoomi Developers Pvt. Ltd has acquired property at Mumbai for real estate development, which is expected to be completed within a period of eighteen months.

The business of Indo German joint venture company viz. Nilkamal Bito Storage Systems Private Limited is on move and manufacturing unit adhering German standards has been set up at Jammu, India. The trial run production for the said subsidiary has commenced during April, 2007 and expected to stabilise its operations shortly.

EXPORTS

Company's Exports during the year were Rs. 664.38 Lacs as compared to Rs. 473.07 Lacs in the previous year.

PROSPECTS

For its retail business, the Company has plans to start nine such '@home' stores across India during this year. The plastics business is also likely to increase during current year.

The consolidation of group entities Nilkamal Crates and Bins Private Limited and Stackwell Marketing Services Private Limited with the Company is also expected to be completed during this year. By such consolidation the Company seeks to enhance shareholders value.

The Company has signed Business Transfer Agreement (BTA) to acquire for a total consideration of Rs. 2,500 Lacs, the Material handling business of Prince Containers Pvt. Ltd. and Prince Multiplast Pvt. Ltd. They were one of the prominent players in the material handling business. This acquisition will help the company to further consolidate its position in the plastic processing Industry.

With such developments and new business avenues, the Company foresees a better performance during the current financial year.

FIXED DEPOSITS

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

AUDITORS AND AUDITORS' REPORT

The Joint Auditors M/s Dalal & Shah, Chartered Accountants and M/s. Vora & Associates, Chartered Accountants retire at the ensuing Annual General Meeting.

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

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

DIRECTORS

Shri K.R Ramamoorthy, Shri Dadi B. Engineer and Shri Rajesh Kapadia, Directors of the Company retire by rotation at the ensuing Annual General Meeting. The retiring Directors being eligible, have offered themselves for re-election.

Disclosures as required under provisions of the listing agreement forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same ;
- II. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- III. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER INFORMATION

The information required under the Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and as amended and forming part of the Directors' Report for the year ended 31st March, 2007 is given in the Annexure to this Report.

Information as per the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is annexed 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 its Bankers, State Government Authorities, Local Authorities, and its Employees during the year.

For and on behalf of the Board

Place : Mumbai
Date : June 28, 2007

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

- (a) Energy Conservation measures implemented in recent past:

In the previous year all the plants have completed installation of new generation modular cooling towers and invertors in the machine motors which has resulted in energy conservation.

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

Orders have been placed for new machines with hire energy efficiency, which will reduce energy requirement per kg. of polymer processed.

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

The impact of the above will result in savings in terms of energy cost reducing the cost of production.

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

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

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

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

- a) RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D has been carried out by the Company.

The Company implements and embarks on the policy to create and develop new and innovative designs for its products through its in-house design department. Modifications are made to the injection moulding machines to manufacture varied products.

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

This results into launch of new products regularly and retain the leadership position in the market.

3. Future Plan of Action.

The Company is in discussion with design institute to carry out joint projects of new product designs as per customer requirement.

4. Expenditure on R & D. – Not Significant.

- b) TECHNOLOGY ABSORPTION

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

The Company relentlessly strives to adapt new technology at all its plants for carrying out manufacturing operations in a better manner. The machines and moulds used for manufacturing products are regularly upgraded to manufacture of novel products in line with the market trend and demand.

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

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

3. The Company has not imported any technology or process knowhow.

FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

Export of Company's products have gone up marginally. Company's efforts to endeavour export of its products on an ongoing basis is expected to yield reasonable export market for its products.

- 2) Total foreign Exchange used and earned

(Rs. in lacs)

	2006-2007	2005-06
Foreign Exchange Earned	779.22	1,049.82
Foreign Exchange Used	2,047.91	1,338.37

For and on behalf of the Board

Place : Mumbai
Date : June 28, 2007

Vamanrai V. Parekh
Chairman

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

1.	Name of the Subsidiary	Nilkamal Eswaran Plastics Private Limited	Nilkamal Eswaran Marketing Private Limited	Nilkamal Padma Plastics Private Limited	Nilkamal Bhoomi Developers Pvt. Ltd
2.	Financial Year of the Subsidiary Company ended on	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
3.	Number of shares held by Nilkamal Limited with its nominees in the subsidiary at the end of the financial year of the subsidiary company.	15,20,000 equity shares of SLR 10 each fully paid-up	Being a wholly owned subsidiary of Nilkamal Eswaran Plastics Pvt. Ltd., Nilkamal Limited holds 76% of the equity share capital through its subsidiary.	1, 31,45,942 Equity Shares of Taka 10 each fully paid up.	5,001 equity shares of Rs 10 each fully paid up
4	Holding Company's Interest	76%	76%	97.23%	50.01%
5	The net aggregate amount of the subsidiary company's Profit/ (Loss) so far it concerns the members of the holding Company. a. Not dealt with in the holding Company Accounts – 1. For the Financial year ended March 31, 2007 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary b. Dealt with in the holding Company Accounts – 1. For the Financial year ended March 31, 2007 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary.	SLR 11,88,963 SLR 2,96,24,062 Nil SLR 60,80,000	SLR 1,47,666 (Loss) SLR 14,01,784 (Loss) NIL NIL	BDT 3,08,09,900 (Loss) BDT 3,45,75,345 (Loss) NIL NIL	Rs. 13,91,254 (Loss) Nil NIL NIL

For and on behalf of the Board

Vamanrai V. Parekh
Chairman

Sharad V. Parekh
Managing Director

Pareesh B. Mehta
Finance Controller

Manoj Gagvani
Company Secretary

Place : Mumbai
Date : June 28, 2007

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956 for the year ended 31st March, 2007.

Name	Designation	Qualification	Total Working Experience years	Date of commencement of employment	Remuneration including perquisites (Rs)	Age years	Previous Employment held
Shri Sharad V. Parekh	Managing Director	Inter Commerce	40	14-6-1990	45,00,000	63	-
Shri Hiten V. Parekh	Executive Director	B.Com., Diploma in Quality System and Management	21	9-12-1985	44,18,520	44	-
Shri Manish V.Parekh	Whole Time Director	B.Com.	12	1-10-1999	35,18,520	38	-
Shri Nayan S.Parekh	Whole Time Director	B.S. Plastics Engineering - U.S.A.	11	1-4-2000	25,18,183	35	-

Note:

1. The conditions of employment of the above mentioned employees are contractual for the period of five years.
2. The above employees are related interse to Shri Vamanrai V. Parekh, Chairman & Director of the Company.

For and on behalf of the Board

Place : Mumbai
Date : June 28, 2007

Vamanrai V. Parekh
Chairman

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance has become an integral part of the business aligning the organisation to the best practices of good governance. The Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore, is on adding value to its shareholders, investors, employees, suppliers, customers and the community.

COMPOSITION OF THE BOARD

The present Board consists of Ten Directors; Six amongst them being Non-Executive Directors and Five Independent Directors with a Non-executive Chairman. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law, and public enterprises.

The composition of the Board and the number of outside Directorships and Committee position as held by each of the Directors as on March 31, 2007 is as follows:

Director	Category	No. of other Directorship in Public Limited Companies*	Committee membership in other Companies#	Chairmanship in committees in which they are members#
D.B.Engineer	Independent, Non-executive	11	7	2
Hamid A. Moochhala **	Independent, Non-executive	—	—	—
Hiten V. Parekh	Promoter, Executive	—	—	—
K. R. Ramamoorthy	Independent, Non-executive	5	4	1
Mahendra V. Doshi	Independent, Non-executive	6	2	1
Manish V. Parekh	Executive, Non-independent	—	—	—
Nayan S. Parekh	Executive, Non-independent	—	—	—
R. P. Goyal	Independent, Non-executive	3	3	3
Rajesh G. Kapadia	Independent, Non-executive	10	7	5
Sharad V. Parekh	Promoter, Executive	—	—	—
Vamanrai V. Parekh	Promoter, Non Executive	—	—	—

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

Audit Committee and Shareholders' Grievance Committee are only included.

** Shri. Hamid A. Moochhala ceased to be a Director of the Company wef 25-9-2006.

Attendance of Directors at Board Meetings and the Last Annual General Meeting.

There were four Board Meetings of the Company held during the financial year 2006-2007, on the following dates: 30th June 2006, 28th July 2006, 30th October 2006 and 27th January 2007.

The attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of the Director	Attendance	
	Board Meetings	AGM held on 25-09-2006
Vamanrai V. Parekh	4	Yes
Sharad V. Parekh	4	Yes
Hiten V. Parekh	2	No
Manish V. Parekh	4	Yes
Nayan S. Parekh	4	Yes
R.P. Goyal	4	No
Mahendra V. Doshi	3	No
Hamid A. Moochhala*	2	No
K.R. Ramamoorthy	4	Yes
Dadi.B. Engineer	2	No
Rajesh G.Kapadia	1	No

* Ceased to be the Director wef 25-9-2006.

Audit Committee

The Company has constituted the Audit Committee as required under section 292A of the Companies Act, 1956 and under Clause 49 of the listing agreements with the Stock Exchanges. The scope of activities and

powers of the Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

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

Name of Director	Category	25 th May, 2006	30 th June, 2006	28 th July, 2006	30 th October, 2006	27 th January, 2007
Hamid A. Moochhala*	Independent, Non-Executive	Present	Present	Present	*	*
K.R.Ramamoorthy	Independent, Non- Executive Chairman	Present	Present	Present	Present	Present
Mahendra V.Doshi	Independent, Non-Executive	Absent	Absent	Present	Present	Present
Vamanrai V.Parekh	Promoter, Non-Executive	Present	Present	Present	Present	Present

* Ceased to be the Director wef 25-9-2006.

The Chairman of the Audit Committee, Shri K. R. Ramamoorthy, was present at the last Annual General Meeting held on 25th September, 2006.

The Company Secretary acts as the Secretary to the Committee.

The Managing Director and Whole Time Directors were invited to attend the Audit Committee meetings held during the year 2006-2007. Senior Executives representing Finance, Accounts and Internal Audit functions were also invited to attend and participate at the Audit Committee Meetings. Representatives of Statutory Auditors and Internal Auditors also attended the Audit Committee meetings.

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

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

Remuneration of Directors

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

Remuneration of Directors for the Financial Year 2006-2007.**(Sitting fees include fees for attending the Board Meetings and Audit Committee Meetings)**

Name of Director	Salary & perquisites (Rs.)#	Sitting fees (Rs.)*	Commission (Rs.)	Total (Rs.)	No. of Shares held as on 31-3-2007
D.B. Engineer	Nil	16,000	Nil	16,000	Nil
Hamid A. Moochhala	Nil	31,000	Nil	31,000	**
Hiten V. Parekh	44,18,520	Nil	Nil	44,18,520	2,13,489
K.R. Ramamoorthy	Nil	57,000	Nil	57,000	Nil
Mahendra V. Doshi	Nil	39,000	Nil	39,000	29,800
Manish V. Parekh	35,18,520	Nil	Nil	35,18,520	2,16,150
Nayan S. Parekh	25,18,183	Nil	Nil	25,18,183	4,77,113
R.P. Goyal	Nil	32,000	Nil	32,000	100
Rajesh G.Kapadia	Nil	8,000	Nil	8,000	Nil
Sharad V. Parekh	45,00,000	Nil	Nil	45,00,000	5,31,004
Vamanrai V. Parekh	Nil	57,000	Nil	57,000	9,68,102

includes payments in terms of contract appointing each such Director.

* includes sitting fees paid for attending Committee Meetings.

** Ceased to be director w.e.f. 25-9-06

CODE OF CONDUCT: As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a code of conduct for the Board Members and Senior Management which was approved and adopted by the Board of Directors at their meeting held on 29th October, 2005. The Code of Conduct has been posted on the website of the Company (<http://www.nilkamal.com>). The Code has been circulated to all members of the Board and Senior Management of the Company. A declaration signed by the Managing Director is given below.

I hereby confirm that the Company has obtained from the Members of the Board and Senior Management affirming compliance by them with the Code of Conduct as on March 31, 2007.

Place : Mumbai

Date : June 28, 2007

Sharad V. Parekh

Managing Director

Shareholders'/ Investors Grievance Committee

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

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

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

Report on complaints received from the Investors during the period 1st April, 2006 to 31st March, 2007.

Opening Balance	No. of complaints/letters received during the Year	No. of complaints/letters attended	Closing Balance
Nil	13	13	Nil

The Company has assigned its share transfer and dematerialisation work to Intime Spectrum Registry Limited, Registrar and Transfer Agents. As on 31st March, 2007 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

GENERAL BODY MEETINGS.

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

Annual General Meeting (AGM)	Date	Time	Venue
20 th AGM	25-9-2006	2.00 p.m.	Survey No. .354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
19 th AGM	10-9-2005	2.00 p.m.	Survey No. .354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
18 th AGM	25-9-2004	2.00 p.m.	Survey No. .354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli

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

Date of AGM	Details of Special Resolution
25-9-2006	Change in the name of the Company
10-9-2005	No special resolutions passed
25-9-2004	Alteration of object clause of Memorandum of Association (through postal ballot)

POSTAL BALLOTS

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

DISCLOSURES**a) RELATED PARTY TRANSACTIONS:**

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

b) COMPLIANCE WITH REGULATIONS:

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

c) RISK MANAGEMENT:

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

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date & Time	: 18th August, 2007 at 11.30 a.m.
Venue	: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Village Vasona, Union Territory of Dadra & Nagar Haveli
Financial Calendar	: For Quarter ending June 30, 2007 – Before end of July, 2007 For Quarter ending September 30, 2007 – Before end of October, 2007 For Quarter ending December 31, 2007 – Before end of January, 2008 For Quarter/Year ending March 31, 2008 – Before end of June, 2008 Annual General Meeting for year ending March 31, 2008 – before end of September, 2008
Date of Book Closure	: From 11th August, 2007 to 18th August, 2007 (both days inclusive)
Dividend Payment Date	: A Final dividend of Rs. 3/- per share has been recommended by the Board of Directors, which is subject to approval from the Shareholders at the ensuing Annual General Meeting, which if approved will be paid on or after 18th August, 2007.
Listing on Stock Exchanges	: The Company's equity shares are listed on the following two Stock Exchanges in India.
Name of the Stock Exchange	Stock Code
1. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	523385
2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	NILKAMAL

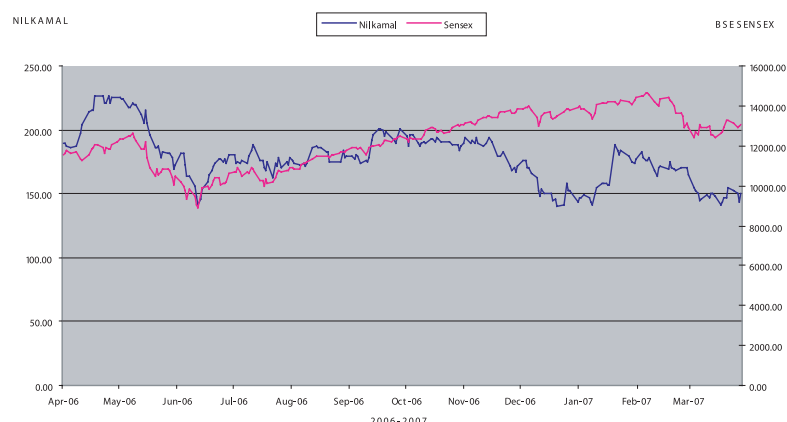
Demat ISIN in NSDL and CDSL for Equity Shares: INE310A01015

The Company has paid the Annual Listing fees to each of the above Stock Exchanges, for the financial year 2007-2008.

Market Price Data

Month	The Stock Exchange, Mumbai		National Stock Exchange of India Ltd.		
	High	Low	Month	High	Low
April, 2006	237.15	182.05	April, 2006	229.00	179.00
May, 2006	229.40	174.00	May, 2006	226.95	172.50
June, 2006	190.30	133.70	June, 2006	183.60	132.00
July, 2006	197.60	160.00	July, 2006	199.00	161.60
August, 2006	198.95	168.05	August, 2006	195.00	168.65
September, 2006	206.00	163.25	September, 2006	212.00	171.05
October, 2006	200.00	180.00	October, 2006	204.00	181.00
November, 2006	199.00	165.05	November, 2006	200.00	165.15
December, 2006	181.00	138.50	December, 2006	183.90	139.05
January, 2007	197.70	140.00	January, 2007	197.40	140.10
February, 2007	190.00	155.00	February, 2007	192.00	158.00
March, 2007	175.75	136.20	March, 2007	171.00	138.00

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement



Registrar and Transfer Agent

M/s Intime Spectrum Shares Registry Limited (Intime), C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai-78. Tel: 022-25946970 - 77, Fax: 022- 2596 2691, Email: rnt.helpdesk@intimespectrum.com are the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2007

Slab of Shareholding (Rs.)	No of Shareholders	% of Shareholders	Amount in Rs.	% of Shareholding
0-5000	5,542	90.24	74,40,280	8.67
5001 to 10000	300	4.89	23,80,540	2.78
10001 to 20000	143	2.33	22,33,070	2.60
20001 to 30000	43	0.70	10,59,500	1.24
30001 to 40000	22	0.36	7,89,400	0.92
40001 to 50000	18	0.29	8,44,900	0.99
50001 to 100000	36	0.59	24,86,880	2.90
100001 and above	37	0.60	6,85,12,430	79.90
Total	6,141	100	8,57,47,000	100

Categories of Shareholders as per Clause 35 of the Listing Agreement

Category	No. of Shareholders	Voting Strength%	No. of shares
Promoters	24	57.39	49,21,361
Mutual Funds & UTI	5	6.19	5,30,969
Banks, Financial Institutions, Insurance Companies	1	0.001	300
FII	4	10.85	9,30,006
Bodies Corporate	204	3.86	3,31,078
Individuals	5,861	21.28	18,24,429
NRIs & OCB	42	0.43	36,557
Total	6,141	100	85,74,700

Dematerialisation of Shares and liquidity:

95.63% of the Company's Share Capital is dematerialised as on March 31, 2007. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and The National Stock Exchange of India Ltd.

Plant Locations:

Vasona Unit	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
Noida Unit	Plot No. 26 B & C, Sector 31, Surajpur Kasna Road, Behind HPCL LPG Bottling Plant, Dist. Gautam Buddha Nagar, Greater Noida, U.P. 203207.
Pondicherry Unit	26/6, Pit-Olaivaikkal, Villanoor-Pathakkannu Road, Vazhudavoor Post, Villanoor Taluk, Pondicherry 605502.
Barjora Unit	Plot No. 2613, WBIDC Industrial Complex, Barjora-Mehjia Road, PO & PS, Barjora 722202.
Sinnar Unit	Sinnar Taluka Industrial Co-op Estate, Plot No. 971-1A, Sinnar-Shirdi Road, Sinnar 422103. Dist. Nashik.
Jammu Unit [under construction]	Industrial Growth Centre, Phase II, SAMBA, Jammu and Kashmir – 184121.
Registered Office	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
Corporate Office	77/78, Nilkamal House, Street No. 13/14, MIDC, Andheri (East), Mumbai 400093.

Address for Correspondence:

Investors can communicate at the following addresses:-

1. **Nilkamal Limited**
77/78, Nilkamal House,
Street No. 13/14, MIDC,
Andheri-East, Mumbai 400 093
E-mail:- investor@nilkamal.com
Tel:- 022-28618888 Fax:- 022-28361923
2. **Intime Spectrum Registry Limited**
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W),
Mumbai 400 078.
Tel: 022-25946970-77
Fax: 022-2596 2691
Email: rnt.helpdesk@intimespectrum.com

Non-Mandatory Requirements.

1. The Board:
 - a. An office for the use of the Chairman is made available whenever required.
 - b. At present the Company has no policy fixing the tenure of Independent Directors.
2. Remuneration Committee:
There is no remuneration Committee formed to determine remuneration of Directors. The remuneration to the Executive Directors is fixed in terms of the resolution passed by the Shareholders.
3. Shareholder Rights
At present the Company does not send half yearly financial results including summary of significant events for that period to the Shareholders.
4. Audit Qualifications
There are no qualifications in the Auditors Report on the financial statements to the Shareholders of the Company.
5. Training of Board Members
There is no formal policy at present to train the Board members of the Company as they are highly experienced and professional persons.
6. Mechanism for evaluating non executive Board Members
At present the Company does not have any such mechanism.
7. Whistle Blower Policy
The Company does not have any formal whistle blower policy.

To

The Members

Nilkamal Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2007.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

Membership No.48513

Place : Mumbai

Date : June 28, 2007

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Membership No.31756

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

The Company mainly operates in two segments; a) Manufacturing and trading of Injection Moulded Plastic Articles and b) Retailing in Lifestyle home furniture, furnishings, home decor and accessories.

Plastics Business:

The Company's business of Injection Moulded Plastic articles consists mainly of material handling crates and furniture. In both the product segments, the Company is an undisputed market leader.

In the **Furniture Segment** the Company is the world's largest moulded furniture company producing more than a million chairs a month and enjoying an Indian market share of around 33%. The moulded furniture market comprises of two national players and around Forty five regional players spread over the country.

For the year under review, the Company has witnessed volume growth of approx. 8% and value growth of 11% against industry value growth of 3% and no volume growth. The Company has achieved a turnover in excess of Rs. 30,100 Lacs, which is almost twice the turnover of closest competitor. The continued volatility in raw material price movement made it very difficult for the Industry & Company to pass on increased input cost to the customers.

During the year under review the Company's emphasis was on introduction of value added products, opening of depots to ensure proximity to customers and innovative promotional initiatives, which has helped in triggering the growth.

The Company has invested Rs. 500 Lacs in various new designs and products and is envisaged to further spend approx. Rs. 1,500 Lacs over a period of two years.

The Company's focus on introduction of value added products, catering to the modern trade, expansion of existing market and going rural along with strong brand value and customer centric approach will lead to high growth with improved financial performance.

The Material Handling division has witnessed a 2% volume growth while in value terms it has achieved a growth of 12%. This increase is not only due to increase in input costs but also due to improved sales realization.

The Company has envisaged a journey to become One Stop Material Handling Solution Provider for the Indian and international market.

With this aim and to consolidate its position, your Company has acquired material handling business of Prince Containers Private Limited and Prince Multi Plast Private Limited, with this acquisition, the Company with its existing strong marketing network, wide range of material handling solution products and other resources will be able to grow rapidly and further consolidate its position in the plastics processing industry.

Your Company has also proposed the amalgamation of group Companies. The proposed amalgamating companies namely Nilkamal Crates and Bins Private Limited ("NCBPL") and Stackwell Marketing Services Private Limited ("SMSPL") have clocked turnover of Rs. 15,500 Lacs for the financial year 2006-07 resulting in a growth of 46% viz a viz previous year. Your Company will be immensely benefited on account of integrations of operations, concentration of core activity under single entity and further rationalization of administrative, operating and marketing costs. This will eventually result in enhancement of financial strength and flexibility.

LIFESTYLE FURNITURE, FURNISHING, HOME DECOR AND ACCESSORIES

The Company carries on the business of readymade furniture, furnishing, lights, flooring & accessories under the brand '@home' which is a chain of retail stores.

With growing disposable Income, changing consumer patterns, growing nuclear family and time poverty setting in, the demand for lifestyle readymade furniture is spiraling. The Indian home furniture, furnishings and accessories market is set to boom on the back of growing new home market as well as latent demand from an existing million of homes. '@home' is a specialty store and being the first organized mover in this business is better equipped and placed to create it's own identity in the market. At present eight stores across six cities, have become operational and have achieved an aggregate turnover of Rs. 2,582 Lacs against Rs. 484 Lacs in the previous year. Gestation period of lifestyle readymade furniture retail chain is time intensive. This segment had incurred a loss before charge of interest of Rs. 700 Lacs against Rs. 615 Lacs in the previous year. The Company will be putting up another nine stores during the financial year 2007-08 and twelve stores in 2008-09. This will result in to operation of having more than four Lacs Sq. Ft. of carpet area across pan India.

The Company has successfully implemented IS Retail – SAP software connecting all stores, distribution centers, local warehouses and head office. The Company has also initiated the process of ISO 9001 across all the stores. This initiatives will further help '@home' to serve it's customers in far more efficient and effective manner.

The Company has also established representative office in China for procurement of contemporary and qualitative products from South East Asia region. At present the Company offers more than 9,500 SKU's and has a repertoire of more than 120 exclusive designs in contemporary styles with approx 39 suppliers of which

11 are exclusively catering to '@home' requirement. The Company has also entered into shop-in-shop arrangement with over 15 reputed national and international brands with diverse product categories and has initiated a process of establishing a robust institutional sales network at national level. It has more than 200 dedicated staff and the same is growing continuously to offer customer, products and services at affordable price.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK

Continuous introduction of various value added products, expansion of rural market, evolution of organized retail market and consolidation of businesses will provide tremendous opportunities for Plastics business. Low capital investment and standard technology which attracts more players in the industry, unfair and unethical practice by regional players, volatility of input cost are concern area. This concern can be mitigated by reinforcement of brand, customer centric approach and wide spread & deep market penetration with range of products & increase in modern trade who are willing to only sell branded products.

Robust economic growth, higher disposable income, non availability of skilled labour and carpenters for making furniture, evolution of organized retail market across product segment and acceptability of the said format, entry of large business houses with long term vision and availability of quality product at affordable prices are some of the key growth driver for life style furniture, furnishing and accessories business.

For any sun rising industry (including retail sector), the competition amongst the player within the industry is inevitable. Amongst other known reason, mismatch in demand and supply has resulted into steep increase in lease rent with an added burden of service tax. The high initial brand establishment expenditure, logistic costs coupled with high learning cost in evolution of customer friendly formats, sourcing of quality products, retention of skilled, dedicated human resources etc, are some of the factors which the industry and the Company is required to address on an ongoing basis.

Hands on approach, capitalization of manufacturing and engineering experience to design and deliver long lasting aesthetic products, Consultative selling with a focus to become the most preferred destination for Home Décor solutions will lead the Company to create it's own space in this market.

FINANCIAL PERFORMANCE:

Description	Year ended 31/03/2007	Year ended 31/03/2006
Gross Turnover and Other Income	49,937.67	40,012.28
Turnover, net of Excise and Other Income	46,197.28	36,594.21
Earning Before Interest / Depreciation / Tax and extra ordinary item	3,132.27	3,244.87
Depreciation	1,538.72	1,671.46
Interest	853.86	611.20
Profit Before Tax	739.69	962.21
Provision for Taxation (including Deferred Tax & write back)	44.87	177.59
Profit After Tax	694.82	784.62
Increase in Fixed Assets	1,982.24	1,511.12
Availment / (Repayment) of Term Loans	2,998.04	(544.13)
EPS (Rs.)	8.10	9.15
Cash EPS (Rs.)	26.05	28.65

SUBSIDIARY AND JOINT VENTURE PERFORMANCE:

Steep increase in input cost coupled with intense competition and political instability has adversely affected operations and performance of Company's foreign subsidiaries situated in Sri Lanka and Bangladesh. The Sri Lankan Subsidiary has achieved turnover of SLR 9,307 Lacs and Net Profit of SLR 190 Lacs. Bangladesh Subsidiary has achieved turnover of BDT 1,306 Lacs and Net Loss of BDT 317 Lacs. The devaluation of Sri Lankan currency by more than 11% and increase in interest cost has further contributed to the adverse performance of the Sri Lankan subsidiary.

During the year under review, the Company has received towards Export of Services of Rs. 115 Lacs (previous year Rs. 120.76 Lacs) from its Sri Lankan subsidiary.

The Company has further contributed Rs. 228 Lacs towards Equity contribution for strengthening operations at Bangladesh.

The Company is optimistic on the turn around for both the subsidiaries. Nilkamal Bhoomi Developers Private Limited has completed acquisition of property at Mumbai for commercial exploitation. The property development is expected to be completed within a period of eighteen months.

The Joint Venture Company, Nilkamal Bito Storage Systems Private Limited, has set up manufacturing facilities at Jammu to manufacture storage systems of metal for providing intra logistic solution to the national and international market. It has commenced trial run production in April 2007 and is expected to stabilize its operations shortly. The Company has contributed Rs. 925 Lacs towards Equity for the said Joint Venture.

CAPITAL EXPENDITURE

The Company spent Rs. 2,658.94 Lacs on capital expenditure (including advances and Capital Work in Progress) of which Rs.1,024 Lacs was spent on plant and machineries and moulds. A sum of Rs. 325 Lacs has been spent on interiors at '@home' stores.

The Company is setting up a plant at Jammu at an estimated cost of Rs. 2,000 Lacs for the manufacture of moulded plastic articles. The project is currently under progress.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems and checks to ensure that all assets are safeguarded and protected against all losses. Professional firms are carrying regular internal audit across all plants, depots and offices. Reports of the internal auditors are regularly placed and reviewed by the Audit Committee in light of the management response to audit observations. The Committee also meets the Statutory Auditors to ascertain their views on adequacy of internal controls and their observations on financial reports.

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

The Company firmly believes that quality people are the prime movers of the business. In this pursuit company attracts talents and retain the best talents in the industry through various HR processes. Company has also implemented a well designed performance management system to leverage the people performance in order to achieve organizational goals and move forward to build a culture of excellence. Periodic training provided by the HR department aims at higher competency development and preparing the workforce for future challenges ahead.

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

During the period under review, total standalone manpower increased to 956 from 786 in the current Financial Year.

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 preferences, governing and applicable laws and other economical and political factors. The Management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed and implied therein.

To

The Members

Nilkamal Limited

We have audited the attached Balance Sheet of NILKAMAL LIMITED, as at 31st March, 2007, the annexed Profit and Loss Account for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2007, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
4. In our opinion and to the best of our information and explanations given and Management representations made to us, the said financial statements, read together with the notes thereon, present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Kuntal Dave
Partner
Membership No.48513

For and on behalf of
VORA & ASSOCIATES
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No.31756

Place : Mumbai
Date : June 28, 2007

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NILKAMAL LIMITED FOR THE YEAR ENDED 31st MARCH, 2007.

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

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

Nature of Dues	Rs. in lacs	Forum where dispute is pending
Sales tax	5.75	Deputy Commissioner (Appeals)
	2.59	Departmental Authorities
Excise duty	12.52	Deputy Commissioner of Central Excise
	45.26	Central Excise and Service Tax Appellate Tribunal.
	3.13	Commissioner of Central Excise (Appeals)

- x. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year;
- xi. On the basis of the records examined by us and the information and explanations given to us, we have to state that the Company has not defaulted in repayment of dues to banks. There were no dues to any financial institution or debenture holder;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. According to the information and explanations given to us, the Company has given guarantee for loans taken by its Subsidiary from a bank. In our opinion, the terms and conditions of the guarantee, is not prima facie, prejudicial to the interest of the Company;
- xiv. According to the information and explanations given to us and the representations made by the Management, term loans obtained by the Company during the year have been applied for the purpose for which they were obtained;
- xv. According to the information and explanations given to us, and on an overall examination of the Financial Statements of the Company, we have to state that, prima-facie, short term funds have not been utilised for long term investments;
- xvi. The Company has not made any preferential allotment of shares during the year;
- xvii. The Company has not raised any money by way of issue of debentures during the year;
- xviii. The Company has not raised any money by way of public issue during the year;
- xix. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year; Looking to the nature of activities being carried on at present by the Company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditors' Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, clauses (iii) (b), (iii) (c), (iii) (d), (iii) (f), (iii) (g), (xiii) and (xiv) of paragraph 4 of the aforesaid Order, are, in our opinion, not applicable to the Company.

For and on behalf of
DALAL & SHAH
Chartered Accountants

For and on behalf of
VORA & ASSOCIATES
Chartered Accountants

Kuntal Dave
Partner
Membership No.48513

Bharat B. Chovatia
Partner
Membership No.31756

Place : Mumbai
Date : June 28, 2007

Balance Sheet

Nilkamal Limited

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
I SOURCES OF FUNDS			
1. SHAREHOLDERS' FUND			
(a) Share Capital	A	857.47	857.47
(b) Reserves and Surplus	B	12,214.68	11,820.82
		13,072.15	12,678.29
2. LOAN FUNDS			
(a) Secured Loans	C	10,220.34	7,130.61
(b) Unsecured Loans	D	4,525.98	500.00
		14,746.32	7,630.61
3. DEFERRRED TAX LIABILITY (NET) [Refer Note 18]		718.17	792.67
TOTAL		28,536.64	21,101.57
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	E	22,477.79	20,716.86
Less: Depreciation and Amortisation		12,877.04	11,500.80
Net Block		9,600.75	9,216.06
(b) Capital Work In Progress [Refer Note 7]		1,376.14	478.13
		10,976.89	9,694.19
2. INVESTMENTS	F	1,978.30	828.26
3. CURRENT ASSETS, LOANS & ADVANCES	G		
(a) Inventories		6,353.67	4,494.70
(b) Sundry Debtors		6,326.43	5,500.99
(c) Cash and Bank Balances		782.89	533.39
(d) Loans and Advances		6,224.02	3,786.27
		19,687.01	14,315.35
LESS:CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	H	3,660.71	3,335.32
(b) Provisions	I	444.85	400.91
		4,105.56	3,736.23
NET CURRENT ASSETS		15,581.45	10,579.12
TOTAL		28,536.64	21,101.57
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial controller

Manoj Gagvani
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2007

	SCHEDULE	Year Ended on 31.03.2007 Rs. in Lacs	Year Ended on 31.03.2006 Rs. in Lacs
I INCOME			
Gross Sales	J	49,813.06	39,654.15
Less : Excise Duty		3,740.39	3,418.07
NET SALES		46,072.67	36,236.08
Other Income	K	124.62	358.13
TOTAL		46,197.29	36,594.21
II EXPENDITURE			
Materials consumed / Cost of goods traded / Variation in stocks	L	34,574.57	27,054.68
Employees' Remuneration and Benefits	M	1,774.36	1,310.11
Operating and other expenses	N	6,716.09	4,984.55
Financial Expenses	O	853.86	611.20
Depreciation/Amortisation		1,538.72	1,671.46
TOTAL		45,457.60	35,632.00
Profit before Taxation		739.69	962.21
Less: Provision for Taxation			
Current		175.00	310.00
Deferred		(74.50)	(101.89)
Fringe Benefit Tax		38.00	50.00
Taxation for earlier years written back		(93.63)	(80.52)
NET PROFIT AFTER TAX		694.82	784.62
BALANCE OF PROFIT BROUGHT FORWARD		1,981.11	1,989.81
PROFIT AVAILABLE FOR APPROPRIATION		2,675.93	2,774.43
III APPROPRIATIONS			
Proposed Dividend		257.24	257.24
Tax on Proposed Dividend		43.72	36.08
Transfer to General Reserve		200.00	500.00
Balance carried to Balance Sheet		2,174.97	1,981.11
		2,675.93	2,774.43

Earning per Equity Share of Rs.10/- Each

(Note 22 on Schedule-Q)

BASIC AND DILUTED		8.10	9.15
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

Cash Flow Statement
Nilkamal Limited
Cash Flow Statement for the year ended 31st March, 2007

	2006 - 2007		2005 - 2006	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		739.69		962.21
Adjustments for :				
Depreciation/Amortisation	1,538.72		1,671.46	
Bad Debts Written Off	14.47		1.58	
Provision for doubtful debts written back	(8.93)		-	
Provision for Wealth Tax	1.90		1.50	
Provision for Gratuity and Leave Salary	54.73		38.68	
(Profit)/Loss on sale of Fixed Assets	(5.96)		6.51	
Premium on redemption of capital by subsidiary company	-		(169.41)	
Financial Expenses	853.86		611.20	
Dividend from Subsidiary company	-	2,448.79	(26.75)	2,134.77
Operating Profit before Working Capital changes		3,188.48		3,096.98
Adjustments for :				
Trade and Other Receivables	(171.39)		(64.19)	
Inventories	(1,858.97)		275.81	
Trade Payable and Other Liabilities	370.01		132.45	
Direct Taxes Paid (Net of Refund)	(259.43)		(61.66)	
		(1,919.78)		282.41
Net Cash from Operating Activities A		1,268.70		3,379.39
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets (including CWIP)	(2,930.55)		(1,617.37)	
Sale of Fixed Assets	68.67		77.99	
Redemption of capital by subsidiary company	-		43.72	
Equity Contributions in Subsidiary Companies	(224.54)		(196.87)	
Equity Contribution in a Joint Venture Company	(925.50)		-	
Advance for proposed Joint Venture Project	-		(497.00)	
Loans advanced to a Subsidiary company (net)	(2,814.50)		-	
Dividend received from subsidiary company	-		26.75	
Investment in NSC	-		0.06	
Net Cash used in Investing Activities B		(6,826.42)		(2,162.72)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds / (Repayments) of Long Term Borrowings (net)	2,995.78		(543.29)	
Proceeds / (Repayments) of Unsecured Loans (net)	4,000.00		(500.00)	
Proceeds from working capital loans (net)	97.37		782.73	
Interest Paid (net)	(965.98)		(585.29)	
Dividend paid (including tax on dividend)	(295.83)		(292.88)	
Net Cash from Financing Activities C		5,831.34		(1,138.73)
Net Increase in Cash and Cash Equivalents (A + B + C)		273.62		77.94
Cash and Cash Equivalents as at 01.04.2006	413.94		336.00	
Cash and Cash Equivalents as at 31.03.2007	687.56		413.94	
		273.62		77.94
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balances		782.89		533.39
<u>Less:</u>				
Balances in Fixed Deposit accounts pledged with various - government authorities	16.77		11.35	
Balances in Fixed Deposit accounts kept as margin money with - the bankers	78.56	95.33	108.10	119.45
Cash and Cash Equivalents as at the year end		687.56		413.94

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

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD
Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Pareesh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2007 Rs. in Lacs	As at 31.03.2006 Rs. in Lacs
SCHEDULE : 'A'		
SHARE CAPITAL		
AUTHORISED:		
90,00,000 Equity Shares of Rs.10/-each	900.00	900.00
30,00,000 Preference Shares of Rs.10/-each	300.00	300.00
	<u>1,200.00</u>	<u>1,200.00</u>
ISSUED, SUBSCRIBED AND PAID UP:		
85,74,700 Equity Shares of Rs.10/- each	857.47	857.47
TOTAL	<u>857.47</u>	<u>857.47</u>

SCHEDULE : 'B'		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Account	1,085.16	1,085.16
SECURITIES PREMIUM ACCOUNT		
As per last Account	754.55	754.55
GENERAL RESERVE		
As per last Account	8,000.00	7,500.00
Add: Transfer from Profit and Loss Account	200.00	500.00
	<u>8,200.00</u>	<u>8,000.00</u>
PROFIT AND LOSS ACCOUNT		
Surplus as per Annexed Account	2,174.97	1,981.11
TOTAL	<u>12,214.68</u>	<u>11,820.82</u>

SCHEDULE : 'C'		
SECURED LOANS		
(A) Working Capital Loans From Banks [Refer Note 6 (a)]		
(i) Rupee Loans	6,013.29	5,428.14
Interest accrued and due on Loans	3.02	-
(ii) Foreign Currency Loan	-	496.47
(B) Term Loans From Banks [Refer Note 6 (b)]		
(i) Rupee Loans	3,625.00	412.75
(ii) Foreign Currency Loan	579.03	793.25
(under external commercial borrowings scheme)		
TOTAL	<u>10,220.34</u>	<u>7,130.61</u>

NOTES : (1) Loans repayable within one year Rs. 1,193 Lacs (Previous year Rs. 615 Lacs).

SCHEDULE : 'D'		
UNSECURED LOANS:		
From Banks :-		
Rupee Loans -	4,500.00	500.00
Interest accrued and due on Loans	25.98	-
TOTAL	<u>4,525.98</u>	<u>500.00</u>

SCHEDULE 'E'
FIXED ASSETS

(Rs. in Lacs)

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.2006	Additions During the Year	Dedu/Adj During the Year	As on 31.03.2007	As on 01.04.2006	For the Year	Dedu/Adj During the Year	As on 31.03.2007	As on 31.03.2007	As on 31.03.2006
1 FREEHOLD LAND	103.46	-	-	103.46	-	-	-	-	103.46	103.46
2 LEASEHOLD LAND [a and b]	100.91	94.92	-	195.83	9.97	1.44	-	11.41	184.42	90.94
3 BUILDING	4,628.56	24.20	11.82	4,640.94	944.68	145.77	1.05	1,089.40	3,551.54	3,683.88
4 PLANT & MACHINERY	13,748.63	1,024.15	135.16	14,637.62	9,821.71	1,177.49	133.86	10,865.34	3,772.28	3,926.92
5 FURNITURE FIXTURES & OFFICE EQUIPMENTS	1,406.98	380.28	7.96	1,779.30	637.53	130.53	6.39	761.67	1,017.63	769.45
6 VEHICLES	352.10	133.47	66.37	419.20	75.91	37.21	21.51	91.61	327.59	276.19
7 INTERIORS AT SHOWROOM	376.22	325.22	-	701.44	11.00	46.62	0.01	57.61	643.83	365.22
GRAND TOTAL	20,716.86	1,982.24	221.31	22,477.79	11,500.80 @	1,539.06	162.82	12,877.04	9,600.75	9,216.06
PREVIOUS YEAR	19,552.43	1,511.13	346.70	20,716.86	10,065.75	1,671.46	236.41	11,500.80	9,216.06	

- a) Leasehold Land value includes Rs. 0.01 Lac (Previous year Rs. 0.01 Lac) paid by way of subscription of shares for membership of co-operative housing society.
- b) Addition during the year includes interest capitalised amounting to Rs. 4.61 Lacs (Previous year Rs. 7.45 Lacs).
- @ Amortisation during the year includes Rs. 0.34 Lacs (Previous year Rs. Nil), in respect of new project being set-up.

As at	As at
31.03.2007	31.03.2006
Rs. in Lacs	Rs. in Lacs

SCHEDULE : 'F'
INVESTMENTS

(Long Term Unquoted unless otherwise stated)

Investments in Government Securities at cost

National Savings Certificate

0.04

0.04

Investments in Subsidiary Companies :

15,20,000 (15,20,000) Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Pvt. Ltd., Sri Lanka.

93.62

93.62

1,31,45,942 (96,25,000) Equity Shares of BDT 10/- each of Nilkamal Padma Plastics Pvt. Ltd., Bangladesh. (Refer Note 8)

958.64

730.30

5,001 (Nil) Equity Shares of Rs. 10/- each of Nilkamal Bhoomi Developers Private Limited

0.50

-

Share Application Money Pending Allotment

-

4.30

Investments in Joint Venture :

930,000 (Nil) Equity Shares of Rs. 10/- each

of Nilkamal Bito Storage Systems Private Limited

925.50

-

TOTAL**1,978.30****828.26**
SCHEDULE : 'G'
INVENTORIES

(As verified, valued and certified by the Management)

Stores and Spare parts

454.40

273.26

Stock in Trade

Raw Materials

1,516.59

1,147.88

Packing Materials

76.18

77.17

Semi-Finished Goods / Work in Process

440.92

347.45

Finished Goods and Traded Goods

3,865.58

2,648.94

TOTAL**6,353.67****4,494.70**
SUNDRY DEBTORS [Refer Note 10]

Unsecured

i) Outstanding for a period exceeding Six months

a) Considered Good

593.59

323.84

b) Considered Doubtful

214.83**223.76****808.42**

547.60

ii) Other Debts (Considered Good)

5,732.84

5,177.15

6,541.26

5,724.75

Less: Provision for Doubtful Debts

214.83

223.76

TOTAL**6,326.43****5,500.99**

	As at 31.03.2007 Rs. in Lacs	As at 31.03.2006 Rs. in Lacs
CASH AND BANK BALANCES		
Cash on hand (including cheques on hand Rs. 19.31 Lacs (Previous year Rs. 7.42 Lacs)	71.03	44.42
Balance with Scheduled Banks		
i) Current Accounts (Includes Book - Over Draft)	616.53	369.52
ii) On Fixed Deposit Accounts [Includes Rs.16.77 Lacs pledged with various government authorities (Previous year Rs. 11.35 Lacs) and Rs. 78.56 Lacs kept as margin money with the bankers (Previous - year Rs. 108.10 Lacs)]	95.33	119.45
TOTAL	782.89	533.39
LOANS AND ADVANCES (Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for the value to be received [Refer Note 11]	4,499.78	2,534.61
Employee Loans	130.84	75.70
Balance with Excise Department	391.74	273.10
Taxes paid in Advance (Net of Provisions)	113.53	-
Deposits [Refer Note 9]	1,088.13	902.86
TOTAL	6,224.02	3,786.27
SCHEDULE : 'H'		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 12)	1,281.14	1,252.41
Unclaimed Dividend	13.52	16.03
Other Liabilities	2,358.93	2,058.07
Interest Accrued but not due on loans	7.12	8.81
TOTAL	3,660.71	3,335.32
SCHEDULE : 'I'		
PROVISIONS		
For Wealth Tax	1.90	1.58
Proposed Dividend	257.24	257.24
Tax on Proposed Dividend	43.72	36.08
For Retirement Benefits	141.99	87.26
Provision for taxation (Net of Advance tax)	-	18.75
TOTAL	444.85	400.91
SCHEDULE : 'J'		
SALES AND INCOME FROM OPERATIONS		
Local [Refer Note 14]	49,098.41	39,155.58
Exports	714.65	498.57
TOTAL	49,813.06	39,654.15
SCHEDULE : 'K'		
OTHER INCOME		
Dividend received from a subsidiary company	-	26.75
Received from subsidiary company towards Export of Services	114.84	120.76
Premium on Redemption of Capital by subsidiary company	-	169.41
Miscellaneous Receipts	3.82	35.84
Claims Received	-	5.37
Surplus on Sale of Fixed Assets (Net)	5.96	-
TOTAL	124.62	358.13
SCHEDULE : 'L'		
a) Opening Stock of Raw Materials	1,147.88	1,446.82
b) Purchases	20,870.10	15,828.83
c) Total of (a) & (b)	22,017.98	17,275.65

Schedules forming part of the Accounts

Nilkamal Limited

	Year ended on 31.03.2007 Rs. in Lacs	Year ended on 31.03.2006 Rs. in Lacs
SCHEDULE : 'L' (Contd...)		
LESS:		
d) Closing Stock of Raw Materials	1,516.59	1,147.88
I RAW MATERIALS CONSUMED	20,501.39	16,127.77
II TRADING PURCHASES	15,383.29	10,939.85
III VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS		
Opening Stock	2,996.39	2,983.45
Closing Stock	4,306.50	2,996.39
	(1,310.11)	(12.94)
TOTAL (I+II+III)	34,574.57	27,054.68
SCHEDULE : 'M'		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salary, Wages and Bonus	1,505.40	1,100.07
Contribution to Provident and Other funds	59.69	40.68
Workmen and Staff Welfare Expenses	209.27	169.36
TOTAL	1,774.36	1,310.11
SCHEDULE : 'N'		
OPERATING AND OTHER EXPENSES		
Stores and Spare Parts Consumed	360.31	253.19
Power and Fuel	1,004.50	908.93
Repairs :		
Building	9.17	19.16
Machinery	55.68	37.65
Others	108.64	71.33
Excise Duty Paid (Net)	24.96	(145.64)
Labour Charges Paid (Net)	545.61	341.26
Rent	798.72	299.62
Rates and Taxes	39.67	17.44
Insurance	116.53	119.72
Postage and Telephone Expenses	204.93	190.16
Loss on sale of Fixed Assets (Net)	-	6.51
Packing Material Consumed	394.02	335.94
Travelling Expenses	277.20	252.23
Commission	131.15	112.35
Advertisements and Publicity Expenses	316.31	358.99
Selling Expenses	89.91	92.80
Computer Expenses	22.20	17.84
Carriage Outward	1,236.62	981.82
Sales Tax Paid	61.12	68.87
Land Lease Rent	1.60	1.60
Loss by Flood	-	6.54
Board Meeting Fees	2.40	3.87
Provision for Wealth Tax	1.90	1.50
Bad Debts written off	14.47	1.58
Provision/ Write back for Doubtful Debts	(8.93)	-
Payment to Auditors		
- Audit Fees	9.00	6.00
- In Other Capacity	0.90	0.90
Sundry Expenses	897.50	622.39
TOTAL	6,716.09	4,984.55
SCHEDULE : 'O'		
FINANCIAL EXPENSES		
Interest -		
On Term Loans	259.61	45.26
Other Interest	758.34	531.90
	1,017.95	577.16
Less:		
Interest Received (TDS Rs. 42.46 Lacs, Previous year Rs. 4.26 Lacs)	243.53	39.41
Interest Capitalised	10.66	7.45
	763.76	530.30
Bank Charges	78.42	80.90
Processing and other charges on Loans	11.68	-
TOTAL	853.86	611.20

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

The financial statements of the Company have been prepared under historical cost convention, on an accrual basis and comply with Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

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

c) Fixed Assets:

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

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

d) Impairment of Assets:

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

e) Depreciation and Amortization:

- i) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are being depreciated on straight line basis over the total period of lease,(including the renewal periods).
- ii) Cost of Leasehold land is amortized over the period of lease.
- iii) Depreciation on additions / deletions is calculated on a pro-rata basis.
- iv) Individual low cost assets like mobile phones, telephone instruments, etc. are depreciated @ 100% in the year of purchase / acquisition.

f) Valuation of Inventories:

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

g) Investments:

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

h) Retirement Benefits:

Provision for payment of gratuity and leave entitlement benefits are made on the basis of an actuarial valuation carried out at the close of the year.

i) Foreign Currency Translations:

- i) Transactions in foreign currency are normally recorded at the exchange rates prevailing on the date of the transactions.
- ii) Foreign currency monetary assets and liabilities are translated at the appropriate exchange rates prevailing at the close of the year. Gains/Losses on conversion/ translation are recognised in the Profit and Loss Account or adjusted to the value of fixed assets, as applicable.

j) Borrowing Costs:

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

k) Recognition of Income and Expenditure:

- i) Sale of Goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Gross sales are inclusive of excise duty, VAT collected under remission scheme, but are net of trade discounts and sales returns.
- ii) Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.
- iii) 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 realization.
- iv) Liability for Excise duty and Customs duty payable on goods in bond at the year-end is provided for.
- v) In respect of operating leases, rentals are charged to Profit and Loss Account with reference to lease terms and conditions.
- vi) Dividend income is recognised when the right to receive the same is established.
- vii) Interest income is accrued over the period of loan / deposit / investment.
- viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

l) Taxation:

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

m) Financial Derivatives and Hedging Transaction:

Financial derivatives and hedging transactions are accounted on the date of their settlement and realised gain/loss in respect of settled contracts are recognised in the Profit and Loss Account.

n) Expenditure During Construction and Expenditure on New Projects:

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

SCHEDULE: 'Q'**NOTES TO THE ACCOUNTS:**

1. Contingent Liabilities not provided for in respect of:

(Rs.in Lacs)

	31st March, 2007	31 st March, 2006
i) Disputed Excise matters	60.91	93.09
ii) Sales Tax matters in appeal.	8.34	12.50
iii) Guarantees given by Company's bankers	32.74	-
iv) Corporate Guarantee given on behalf of Subsidiary Company, Bangladesh Taka (BDT) 525.45 Lacs. (Previous year (BDT) 583.96 Lacs).	326.36	361.02
v) Un-expired letters of Credits.	304.04	176.56

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 209.59 Lacs (Previous year Rs.184.09 Lacs).
3. Remuneration to Directors: (A) Remuneration Rs. 134.10 Lacs (Previous year Rs. 139.55 Lacs) and (B) Other Perquisites Rs. 15.45 Lacs (Previous year Rs.0.50 Lacs).

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

Gain on revenue items included in profit and loss account for the year Rs. 4.24 Lacs. (Previous year Rs. 24.74 Lacs).

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

(Rs.in Lacs)

	2006-07	2005-06
Opening Balance	113.67	2.84
Additions	112.81	155.06
Utilisations	120.00	44.23
Closing Balance	106.48	113.67

6. Secured Loans :

- The Working Capital Facilities from Banks are secured on first pari passu basis by way of hypothecation of current assets of the Company and second pari passu charge by way of equitable mortgage on the Company's immoveable property.
- Term Loans from 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), Silvassa (UT of D & NH), Pondicherry (UT), together with all building and structures thereon and all Plant & Machinery and second pari passu charge by way of hypothecation of current assets of the Company.

7. Capital Work in Progress includes:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Advances for Capital Expenditure	133.45
2	Pre-operative expenditure incurred during construction period for a new project to be set up in the State of Jammu and Kashmir:	
	Power and Fuel	0.69
	Salaries, Wages, etc.	6.62
	Contribution to Provident Fund	0.20
	Workmen and Staff Welfare Expenses	0.89
	Insurance	0.42
	Rent	2.47
	Travel and Conveyance	9.51
	Legal and Professional	18.40
	Amortisation of Leasehold Land	0.34
	Interest Capitalised	6.05
	Others	17.94
	Provision for Fringe Benefit Tax	0.21
	Total	63.74

- The Company has an investment of Rs. 958.64 Lacs (including Rs. 228.34 Lacs invested during the year) in the shares of Nilkamal Padma Plastics Pvt. Ltd., Bangladesh, (NPPPL), a Subsidiary Company. Further the Company has other receivables amounting to Rs.10.94 Lacs from NPPPL. The networth of NPPPL has substantially eroded due to operational losses. Considering the fact that the investment is of a strategic nature, and the steps being taken by the Company to improve NPPPL's performance, no provision is considered necessary by the Management at present, for any diminution in the value of investments and also in respect of losses that may arise in respect of other receivables from NPPPL.
- Deposits include Security Deposit of Rs. 408.58 Lacs (Previous year Rs. 406.09 Lacs), Maximum balance during the year Rs. 408.58 Lacs (Previous year Rs.406.09 Lacs) being amounts paid to Companies/Firms in which the Directors of the Company are interested.

10. Sundry Debtors includes:
- a) Rs. 0.09 Lacs (Previous year Rs. 8.55 Lacs), Maximum balance during the year Rs. 11.36 Lacs (Previous year Rs. 12.62 Lacs) due from Nilkamal Eswaran Plastics Pvt. Ltd., Sri Lanka, a Subsidiary Company.
 - b) Rs. 18.01 Lacs (Previous year Rs. Nil), Maximum balance during the year Rs. 18.61 Lacs (Previous year Rs. Nil) due from Nilkamal Eswaran Marketing Pvt. Ltd., Sri Lanka, a Subsidiary Company.
 - c) Rs. 10.94 Lacs (Previous year Rs. 40.18 Lacs); Maximum balance during the year Rs. 81.31 Lacs (Previous year Rs. 40.18 Lacs) due from Nilkamal Padma Plastics Pvt. Ltd., Bangladesh, a Subsidiary Company.
 - d) Rs. 9.56 Lacs (Previous year Rs.5.56 Lacs), Maximum balance during the year Rs. 43.21 Lacs (Previous year Rs.18.19 Lacs), due from Nilkamal Crates and Bins Pvt. Ltd., a company in which directors are interested.
 - e) Rs. 124.39 Lacs (Previous year Rs.10.94 Lacs), Maximum balance during the year Rs. 383.74 Lacs (Previous year Rs.110.42 Lacs) due from Stackwell Marketing Services Pvt. Ltd., a company in which directors are interested.
11. Advances recoverable in cash or in kind includes:
- a) Due from Nilkamal Eswaran Plastics Pvt. Ltd., Sri Lanka, a subsidiary company, Rs. 83.87 Lacs (Previous year Rs. 384.78 Lacs), of which Rs. 83.87 Lacs is towards Export of Services (Previous year Rs. 120.76 Lacs) and Rs. Nil (Previous year Rs. 263.02 Lacs) towards reduction of capital; Maximum balance during the year Rs. 416.47 Lacs (Previous year Rs. 384.78 Lacs).
 - b) Due from Nilkamal Padma Plastics Pvt. Ltd., Bangladesh, a Subsidiary Company; Expenditure recoverable Rs. Nil (Previous year Rs. 38.76 Lacs); Maximum balance during the year Rs. 38.76 Lacs (Previous year Rs. 49.39 Lacs).
 - c) Due from Nilkamal Bhoomi Developers Pvt. Ltd., a Subsidiary Company; on account of loans advanced of Rs. 2,953.53 Lacs including interest receivable Rs. 139.03 Lacs (Previous year Rs. Nil); Maximum balance during the year Rs. 2,953.53 Lacs (Previous year Rs. Nil).
 - d) Due from Nilkamal Crates and Bins Pvt. Ltd., a Company in which the directors are interested; Expenditure recoverable Rs. 8.76 Lacs (Previous year Rs. Nil); Maximum balance during the year Rs. 11.18 Lacs (Previous year Rs. Nil)
 - e) Due from Stackwell Marketing Services Pvt. Ltd., a Company in which the directors are interested; Expenditure recoverable of Rs. 0.07 Lacs (Previous year Rs. 0.03 Lacs); Maximum balance during the year Rs. 0.32 Lacs (Previous year Rs. 1.52 Lacs)
12. Sundry Creditors in Schedule 'H' to the accounts include (i) Rs. 52.01 Lacs (Previous year Rs. 146.39 Lacs) due to Small Scale Industrial Undertakings, (ii) Rs. 1,229.13 Lacs (Previous year Rs. 1,106.02 Lacs) due to other creditors.

The disclosure is based on the information available with the Company regarding the status of suppliers under the "Industries (Development and Regulation) Act, 1951"

The names of Small-Scale Industrial Undertakings to whom any amount was payable and outstanding for more than 30 days.

Mixwel Polymers

M Colour Concentrates

In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

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

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

Particulars		2006-07			2005-06		
Installed Capacity **		48,730 TPA			43,996 TPA		
Product Manufactured		Injection Moulding Items			Injection Moulding Items		
	Opening Stock		Production	Turnover		Closing Stock	
	Quantity (pcs. in Lacs)	Amount (Rs. in Lacs)	Quantity (pcs. in Lacs)	Quantity* (pcs. in Lacs)	Amount (Rs. in Lacs)	Quantity (pcs in Lacs)	Amount (Rs. in Lacs)
2006 - 07	11.22	1,572.41	186.91	185.04	31,964.03	13.09	1,804.27
2005 - 06	18.45	2,133.60	168.67	175.90	27,365.90	11.22	1,572.41

* Including samples

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

- b) Purchase for Resale:-

	Opening Stock		Purchase		Turnover		Closing Stock	
	Quantity (in Lacs)	Amount (Rs. in Lacs)	Quantity (in Lacs)	Amount (Rs. in Lacs)	Quantity * (in Lacs)	Amount (Rs. in Lacs)	Quantity (in Lacs)	Amount (Rs. in Lacs)
2006-07								
Injection Moulded Plastic Articles—pcs	2.31	473.89	49.04	8,421.57	48.19	9,852.10	3.16	630.67
Polymers (MT) & Others	1.56	68.28	96.44	4,832.98	97.45	5,353.98	0.55	34.10
Readymade Home furniture, Furnishing, Accessories & Others—pcs	1.00	534.36	4.32	2,128.74	3.04	2,581.38	2.28	1,396.54
2005-06								
Injection Moulded Plastic Articles—pcs	1.94	335.23	46.36	7,573.16	45.99	8,755.19	2.31	473.89
Polymers (MT) & Others	0.87	102.50	48.76	2,623.87	48.07	3,019.88	1.56	68.28
Readymade Home furniture, Furnishing, Accessories & Others—pcs	-	-	1.42	742.82	0.42	484.83	1.00	534.36

* Including Samples.

- c) Sale of Process Scrap Rs. 61.57 Lacs (Previous Year Rs. 28.35 Lacs)

- d) Details of Raw Material Consumed:-

Particulars	2006-07		2005-06	
	Qty. (Tonnes)	Value (Rs. in Lacs)	Qty. (Tonnes)	Value (Rs. in Lacs)
Polyethylene	11,847	7,300.10	10,804	5,712.88
Polypropylene	20,312	12,469.44	18,597	10,084.14
Others		731.85		330.75
TOTAL		20,501.39		16,127.77

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

Particulars	2006-07		2005-06	
	Value (Rs. in Lacs)	%	Value (Rs. in Lacs)	%
Imported	437.53	2.13	109.24	0.68
Indigenous	20,063.86	97.87	16,018.53	99.32
TOTAL	20,501.39	100.00	16,127.77	100.00

f) Earnings in Foreign Exchange :-

- i) FOB Value of exports made during the year Rs. 664.38 Lacs (Previous year Rs. 473.07 lacs).
- ii) Dividend received from a foreign Subsidiary Company Rs. Nil (Previous year Rs. 26.75 lacs).
- iii) Export of Services of Rs. 114.84 Lacs (Previous year Rs. 143.49 Lacs), and reduction in capital by subsidiary Rs. Nil (Previous year Rs. 406.51 lacs).

g) CIF Value of Imports:-

Particulars	2006-07 Rs. in Lacs	2005-06 Rs. in Lacs
Capital Goods	549.04	463.66
Raw Material	388.93	218.97
Traded Goods	961.69	583.13
Stores, Spares & Others	46.76	0.22
TOTAL	1,946.42	1,265.98

h) Expenditure in Foreign Currency:-

Particulars	2006-07 Rs. in Lacs	2005-06 Rs. in Lacs
Travelling Expenses	29.57	22.85
Interest Paid on Foreign Currency Loan	45.28	38.83
Others	26.64	10.71
TOTAL	101.49	72.39

i) Investment in a foreign subsidiary Rs. 228.34 Lacs (Previous year Rs. 196.87 Lacs).

14. Sales are net of cash discounts Rs. 133.40 Lacs (Previous year Rs. 112.50 Lacs).

15. Disclosure in respect of derivative instruments :-

a) Derivatives contracts entered by the Company and outstanding as on March 31, 2007.

(In Lacs)

Particulars	Currency	2006-07		2005-06	
		Forward	Swap	Forward	Swap
Loan Taken - Principal	USD	1.25	-	11.17	-
Loan Taken - Interest Rate	USD	-	13.33	-	17.78

b) All derivative and financial instruments acquired by the Company are for hedging purpose only.

c) Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2007.

(In Lacs)

Particulars	Currency	2006-07	2005-06
Receivables	USD	5.48	12.44
	EURO	0.24	0.59
Payables	USD	0.55	1.24
Loan Taken	USD	12.08	6.61

16. Related Party Disclosures:

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Key Management Personnel (Managing Director, Whole time Director, Manager and other Managerial Personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2006-07	2006-07	2006-07	2006-07	2006-07	2005-06	2005-06	2005-06	2005-06
Sales	178.55	1.67	-	1,709.73	1,889.96	78.10	-	949.86	1,027.96
Purchases of raw materials, intermediaries and finished goods	-	-	-	108.60	108.60	-	-	60.40	60.40
Purchases Others	-	-	-	-	-	-	-	16.01	16.01
Paid for services & labour charges	-	-	-	22.72	22.72	-	-	21.12	21.12
Received for services & labour charges	-	-	-	38.50	38.50	-	-	24.87	24.87
Purchase of fixed assets	-	-	-	355.93	355.93	-	-	0.13	0.13
Sales of fixed assets	-	1.91	-	-	1.91	40.71	-	1.62	42.33
Rent paid -	-	-	41.82	41.82	-	-	39.46	39.46	-
Remuneration to Directors	-	-	Refer Note No. 3	-	-	-	Refer Note No. 3	-	-
Rent recovered	-	1.38	-	0.66	2.04	-	-	0.66	0.66
Deposit paid	-	-	-	2.49	2.49	-	-	5.25	5.25
Loan Given	3,931.00	-	-	-	3,931.00	-	-	-	-
Re-payment of Loans	1,116.50	-	-	-	1,116.50	-	-	-	-
Interest Income on Loans given	179.25	-	-	-	179.25	-	-	-	-
Dividend received from subsidiary	-	-	-	-	-	26.75	-	-	26.75
Export of Services	114.84	-	-	-	114.84	120.76	-	-	120.76
Equity contribution	228.34	925.00	0.50	-	1,153.84	196.87	-	-	196.87
Amount received on account of capital reduction	-	-	-	-	-	263.02	-	-	263.02
Management fees received	-	-	-	-	-	22.73	-	-	22.73
Reimbursement of Expenses (net of recovery)	10.70	18.37	-	63.34	92.41	3.90	-	(15.62)	(11.72)
Balances Outstanding at the year end:									
Fixed Deposit (kept as Lien with bank)	75.00	-	-	-	75.00	100.00	-	-	100.00
Corporate Guarantee Outstanding	326.36	-	-	-	326.36	361.02	-	-	361.02
Loan Receivable	2,814.50	-	-	-	2,814.50	-	-	-	-
Interest Receivable	139.03	-	-	-	139.03	-	-	-	-
Deposits Receivable	-	-	-	408.58	408.58	-	-	406.09	406.09
Other Receivables/ (Payables) (Net)	112.91	3.51	-	129.28	245.70	209.27	-	(15.10)	194.17

NOTES:

Names of related parties and description of relationship

i	Subsidiaries	Nilkamal Eswaran Plastics Pvt Ltd. Nilkamal Eswaran Marketing Pvt.Ltd. Nilkamal Padma Plastics Pvt. Ltd. Nilkamal Bhoomi Developers Pvt. Ltd
ii	Joint Venture	Nilkamal Bito Storage Systems Pvt Ltd.
iii	Key Management Personnel	Shri Vamanrai V. Parekh Shri Sharad V. Parekh Shri Hiten V. Parekh Shri Manish V. Parekh Shri Nayan S. Parekh
iv	Enterprise owned or significantly influenced by key Management personnel or their relatives	1. Nilkamal Crates & Containers 2. Nilkamal Plastics & Allied Industries 3. Nilkamal Crates and Bins Pvt. Ltd. 4. Stackwell Marketing Services Pvt. Ltd. 5. Realm Exports Pvt. Ltd. 6. Nilkamal Industrial Crates

Note:

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

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

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

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

18. Deferred Tax Asset / Liabilities;

The Company has been recognising in the financial statements the deferred tax assets/liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year Company has credited the Profit and Loss account with the deferred tax assets of Rs. 74.50 Lacs (Previous year Rs.101.89 Lacs).

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

(Rs. in Lacs)

Particulars	2006-07		2005-06	
	Assets	Liabilities	Assets	Liabilities
Depreciation	-	822.16	-	867.67
Provision for Doubtful Debts	44.27	-	41.70	-
Others	59.72	-	33.30	-
TOTAL	103.99	822.16	75.00	867.67

19. Operating Lease in respect of Property taken on Lease:

Particulars	2006-07 Rs. in Lacs	2005-06 Rs. in Lacs
a. Lease payments recognised in the Profit and Loss Accounts	630.47	155.07
b. Future minimum Lease Payments under non cancelable agreements.		
i) Not later than one year	711.47	410.67
ii) Later than one year and not later than 5 years	3168.79	1771.64
iii) Later than 5 years	9642.72	6613.25

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

20. Segment Information:

Segment-wise Revenue, Results and Other Information: -**A. BUSINESS SEGMENT:**

(Rs. in lacs)

Sr.No.	Particulars	Year Ended 31st March, 2007			Year Ended 31st March, 2006		
		Plastics	Lifestyle Furniture, Furnishing, Home Decor & Accessories	Total	Plastics	Lifestyle Furniture, Furnishing, Home Decor & Accessories	Total
1.	Segment Revenue (Net Sales)	43,490.46	2,582.21	46,072.67	35,751.25	484.83	36,236.08
2.	Segment Result:	2,530.52	(700.16)	1,830.36	2,137.22	(615.14)	1,522.08
	Less: Unallocated Expenses (Net of -Unallocated income)			236.81			(51.33)
	Operating Profit			1,593.55			1,573.41
	Less: Interest (Net)			853.86			611.20
	Net Profit Before Tax			739.69			962.21
	Less: Current Tax			175.00			310.00
	Fringe Benefit Tax			38.00			50.00
	Deferred tax			(74.50)			(101.89)
	Taxation for Earlier years written back			(93.63)			(80.52)
	Net Profit After Tax			694.82			784.62
3.	Other Information:						
	Segment Assets	23,420.01	3,295.47	26,715.48	20,817.82	1,754.82	22,572.64
	Add: Unallocated Common Assets			5,926.72			2,265.16
	Total Assets			32,642.20			24,837.80
	Segment Liabilities	3,241.98	540.08	3,782.06	3,150.20	247.54	3,397.74
	Add: Unallocated Common Liabilities			15,787.99			8,761.77
	Total Liabilities			19,570.05			12,159.51
	Capital Expenditure	2,388.73	491.52	2,880.25	850.26	776.83	1,627.09
	Depreciation	1,463.34	75.38	1,538.72	1,648.95	22.51	1,671.46
	Significant Non Cash Expenses other than Depreciation	-	-	-	-	-	-

B. GEOGRAPHICAL SEGMENT:

(Rs. in lacs)

Sr.No.	Particulars	Year Ended 31st March, 2007			Year Ended 31st March, 2006		
		India	Rest of the World	Total	India	Rest of the World	Total
1.	Segment Revenue	45,358.02	714.65	46,072.67	35,737.51	498.57	36,236.08
2.	Carrying cost of Segment - Assets	26,586.52	128.96	26,715.48	22,415.29	157.35	22,572.64
3.	Addition to Fixed Assets and - Intangible Assets	2,880.25	-	2,880.25	1,627.09	-	1,627.09

Notes:

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

Sr.No.	Business Segment	Types of Products and Services
a.	Plastics.	Injection moulded plastic articles, Polymers and others.
b.	Life Style Furniture, Furnishing Home Decor and Accessories	Home Furniture, Home Furnishing and Accessories.

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

21. Information on Joint Ventures :

- a) Jointly Controlled Entity :

Sr. No.	Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest
1	Nilkamal Bito Storage Systems Pvt. Ltd.	India	50

- b) Capital Commitment in respect of the Joint Venture :

Particulars	2006-07 (Rs. In Lacs)
Share of the Company in Capital Commitments of the Jointly Controlled Entity	107.57

- c) Interest in the Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entity :

	2006-07 (Rs. In Lacs)
A) Assets :	
a) Fixed Assets (Net Block)	57.59
Capital Work-in-Progress	1,128.19
b) Current Assets, Loans and Advances	
Inventories	71.05
Cash and Bank Balances	43.29
Loans and Advances	90.55
Other Current Assets	60.87
B) Liabilities :	
a) Loan Funds :	
Secured Loans	390.07
b) Current Liabilities and Provisions :	
Current Liabilities	130.94
Provisions	3.38
C) Income:	-
D) Expenditure:	
Share Issue Expenses	0.94
Preliminary Expenses Written off	1.24

22. Earning per share has been computed as under:

	2006-07	2005-06
Net Profit (Rupees in lacs)	694.82	784.62
Weighted average number of equity shares	85,74,700	85,74,700
Earning per share basic and diluted (Rupees) (face value of Rs.10/- each)	8.10	9.15

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

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

FOR AND ON BEHALF OF THE BOARD

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Pareesh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

Place : Mumbai

Date: June 28, 2007

DETAILS OF BALANCE SHEET AS AT 31ST MARCH 2007 AND INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2007 OF SUBSIDIARY COMPANIES

(Rs. In Lacs)

Particulars	Foreign Subsidiary			
	Nilkamal Eswaran Plastics Private Limited (Sri Lanka)	Nilkamal Eswaran Marketing Private Limited (Sri Lanka)	Nilkamal Padma Plastics Private Limited (Bangladesh)	Nilkamal Bhoomi Developers Private Limited (Indian Subsidiary)
1. Share Capital	77.95	-	839.81	1.00
2. Reserves and Surplus	663.94	(19.79)	(665.40)	(37.00)
3. Total Assets	1,997.79	38.35	781.87	3,887.99
4. Total Liabilities @	1,255.90	58.14	607.46	3,923.98
5. Turnover and Other Income	3,890.22	63.27	928.83	295.00
6. Profit Before Taxation	37.14	(3.34)	(183.10)	(37.00)
7. Provision for Taxation (including Deferred Tax)	37.00	-	-	-
8. Profit After Taxation	0.14	(3.34)	(183.10)	(37.00)

@ Includes Deferred Tax Assets (net)

Note - In respect of Foreign Subsidiaries

- Item Nos. 1 to 4 are translated at exchange rate as on March 31, 2007 as follows: **1 US \$** (United State Dollar) = **INR 42.92** (Indian Rupee).
- Item No. 5 to 8 are translated at monthly closing rate.

Balance Sheet Abstract
Nilkamal Limited

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

I. Registration Details

 Registration No.

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

 State Code

5	4
---	---

 Balance Sheet Date

3	1	-	0	3	-	2	0	0	7
---	---	---	---	---	---	---	---	---	---

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

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

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

Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>8</td><td>5</td><td>3</td><td>7</td></tr></table>			2	8	5	3	7	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>8</td><td>5</td><td>3</td><td>7</td></tr></table>			2	8	5	3	7
		2	8	5	3	7											
		2	8	5	3	7											

Source of Funds

Paid Up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>8</td><td>5</td><td>7</td></tr></table>					8	5	7	Reserves and Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>2</td><td>2</td><td>1</td><td>5</td></tr></table>			1	2	2	1	5
				8	5	7											
		1	2	2	1	5											
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>0</td><td>2</td><td>2</td><td>1</td></tr></table>			1	0	2	2	1	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>4</td><td>5</td><td>2</td><td>6</td></tr></table>				4	5	2	6
		1	0	2	2	1											
			4	5	2	6											
Deferred Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>7</td><td>1</td><td>8</td></tr></table>					7	1	8									
				7	1	8											

Application of Funds

Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>0</td><td>9</td><td>7</td><td>7</td></tr></table>			1	0	9	7	7	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>9</td><td>7</td><td>8</td></tr></table>				1	9	7	8
		1	0	9	7	7											
			1	9	7	8											
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>5</td><td>5</td><td>8</td><td>2</td></tr></table>			1	5	5	8	2									
		1	5	5	8	2											
Misc. Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>						-	-	Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>						-	-
					-	-											
					-	-											

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

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

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

Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>3</td><td>.</td><td>9</td><td>0</td></tr></table>	3	9	2	3	.	9	0	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Material Handling Crates</td></tr></table>	Material Handling Crates
3	9	2	3	.	9	0					
Material Handling Crates											
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>1</td><td>.</td><td>0</td><td>0</td></tr></table>	9	4	0	1	.	0	0	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Plastic Moulded Chairs</td></tr></table>	Plastic Moulded Chairs
9	4	0	1	.	0	0					
Plastic Moulded Chairs											
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>3</td><td>.</td><td>0</td><td>0</td></tr></table>	9	4	0	3	.	0	0	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Plastic Moulded Trolleys and Tables</td></tr></table>	Plastic Moulded Trolleys and Tables
9	4	0	3	.	0	0					
Plastic Moulded Trolleys and Tables											

FOR AND ON BEHALF OF THE BOARD
Sharad V. Parekh
 Managing Director

Hiten V. Parekh
 Executive Director

Paresh B. Mehta
 Financial controller

Manoj Gagvani
 Company Secretary

 Place : Mumbai
 Date: June 28, 2007

Auditors' Report to the Board of Directors of Nilkamal Limited on the Consolidated Financial Statements of Nilkamal Limited and its Subsidiaries.

To,
The Board of Directors,
Nilkamal Limited,
Mumbai.

We have examined the attached consolidated Balance Sheet of Nilkamal Limited, its subsidiaries and its joint ventures as at 31st March, 2007 and also the consolidated Profit and Loss account and the consolidated Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the foreign subsidiary companies Nilkamal Eswaran Plastics Pvt. Ltd., Nilkamal Eswaran Marketing Pvt. Ltd and Nilkamal Padma Plastics Pvt. Ltd., whose financial statements reflect total assets of Rs. 1,957.54 Lacs as at 31st March, 2007 and total revenues of Rs. 4,882.32 Lacs for the year then ended. Other auditors, whose reports have been furnished to us, have audited these financial statements, and our opinion, in so far as it relates to the amounts included in respect of these subsidiary companies, is based solely on the report of the other auditors.

One of the joint auditors of the Company has audited the financial statements of the Indian subsidiary company Nilkamal Bhoomi Developers Pvt. Ltd., whose financial statements reflect total assets of Rs. 3,569.00 Lacs as at 31st March, 2007, and total revenues of Rs. 295.00 Lacs for the year then ended.

The consolidated financial statements include unaudited financial statements of the Indian joint venture company, Nilkamal Bito Storage Systems Pvt. Ltd., (NBSS). These financial statements have been compiled and certified by the management of (NBSS) and reflect total assets of Rs. 2,634.43 Lacs as at 31st March, 2007 and total revenue of Rs. Nil for the year then ended.

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

On the basis of the information and explanations given to us, we are of the opinion that, except for the consequential effect, if any, on account of possible adjustment in respect of the unaudited joint venture company:

- (a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Nilkamal Limited, its subsidiaries and its joint ventures as at 31st March, 2007;
- (b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Nilkamal Limited, its subsidiaries and its joint ventures for the year then ended, and
- (c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Nilkamal Limited, its subsidiaries and its joint ventures for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Kuntal Dave
Partner
Membership No.48513

For and on behalf of
VORA & ASSOCIATES
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No.31756

Place : Mumbai
Date : June 28, 2007

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
I SOURCES OF FUNDS					
1. SHAREHOLDERS' FUND					
(a) Share Capital	A	857.47	-	857.47	857.47
(b) Reserves and Surplus	B	11,758.34	1.65	11,759.99	11,606.62
Joint Venture Control Account		(925.50)	925.50	-	-
		11,690.31	927.15	12,617.46	12,464.09
MINORITY INTEREST		139.74	-	139.74	163.20
2. LOAN FUNDS					
(a) Secured Loans	C	11,182.02	390.07	11,572.09	7,822.62
(b) Unsecured Loans	D	5,316.48	-	5,316.48	500.00
		16,498.50	390.07	16,888.57	8,322.62
3. DEFERREX TAX LIABILITY (NET) (Refer Note 8)		806.89	-	806.89	926.39
TOTAL		29,135.44	1,317.22	30,452.66	21,876.30
II APPLICATION OF FUNDS					
1. FIXED ASSETS					
(a) Gross Block	E	25,360.79	59.87	25,420.66	23,736.91
Less: Depreciation and Amortisation		14,534.67	2.28	14,536.95	13,171.49
Net Block		10,826.12	57.59	10,883.71	10,565.42
(b) Capital Work In Progress (including advances on capital account)		1,376.19	1,128.19	2,504.38	479.72
		12,202.31	1,185.78	13,388.09	11,045.14
2. INVESTMENTS	F	0.04	-	0.04	0.04
3. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories		11,106.80	71.05	11,177.85	5,388.55
(b) Sundry Debtors		6,551.23	-	6,551.23	5,763.70
(c) Cash and Bank Balances		807.70	43.29	850.99	540.51
(d) Loans And Advances		3,478.71	151.42	3,630.13	3,388.95
		21,944.44	265.76	22,210.20	15,081.71
LESS:CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilites	H	4,554.27	132.10	4,686.37	3,809.55
(b) Provisions	I	457.08	2.22	459.30	441.04
		5,011.35	134.32	5,145.67	4,250.59
NET CURRENT ASSETS		16,933.09	131.44	17,064.53	10,831.12
TOTAL		29,135.44	1,317.22	30,452.66	21,876.30
SIGNIFICANT ACCOUNTING POLICIES	P				
NOTES TO ACCOUNTS	Q				

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2007

	SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended on 31.03.2007 Rs. in Lacs	Year Ended on 31.03.2006 Rs. in Lacs
I INCOME					
Gross Sales	J	54,778.92	-	54,778.92	44,654.41
Less : Excise Duty		3,740.39	-	3,740.39	3,418.07
NET SALES		51,038.53	-	51,038.53	41,236.34
Other Income	K	43.75	-	43.75	20.93
TOTAL		51,082.28	-	51,082.28	41,257.27
II EXPENDITURE					
Materials consumed / Cost of goods traded / Work in Progress (Land)	L	37,749.89	-	37,749.89	30,473.65
Purchase of Flat		294.95	-	294.95	-
Employees Remuneration and Benefits	M	2,051.37	-	2,051.37	1,552.11
Operating and other expenses	N	7,409.92	2.18	7,412.10	5,693.62
Financial Expenses	O	1,246.96	-	1,246.96	725.97
Depreciation/Amortisation		1,726.25	-	1,726.25	1,971.39
TOTAL		50,479.34	2.18	50,481.52	40,416.74
CONSOLIDATED PROFIT BEFORE TAXATION		602.94	(2.18)	600.76	840.53
Less: Provision for Taxation					
Current		241.33	-	241.33	462.92
Deferred		(103.84)	-	(103.84)	(147.10)
Fringe Benefit Tax		38.00	-	38.00	50.00
Taxation for earlier years written back		(93.63)	-	(93.63)	(76.38)
CONSOLIDATED NET PROFIT AFTER TAX BEFORE PRIOR PERIOD ADJUSTMENTS AND MINORITY INTEREST		521.08	(2.18)	518.90	551.09
Prior Period Adjustments		(15.44)	-	(15.44)	-
Minority Interest		20.03	-	20.03	(33.47)
NET CONSOLIDATED PROFIT FOR THE YEAR		525.67	(2.18)	523.49	517.62
BALANCE OF PROFIT BROUGHT FORWARD		1,766.91	-	1,766.91	2,089.78
PROFIT AVAILABLE FOR APPROPRIATION		2,292.58	(2.18)	2,290.40	2,607.40
III APPROPRIATIONS					
Proposed Dividend		257.24	-	257.24	257.24
Tax on Proposed Dividend		43.72	-	43.72	36.08
Translation Difference adjusted		66.49	-	66.49	42.91
Transfer to General Reserve		200.00	-	200.00	500.00
Balance carried to Balance Sheet		1,725.13	(2.18)	1,722.95	1,771.17
TOTAL		2,292.58	(2.18)	2,290.40	2,607.40
Earning per Equity Share of Rs.10/- Each (Note 10 on Schedule-Q)					
BASIC AND DILUTED				5.25	5.49
SIGNIFICANTS ACCOUNTING POLICIES	P				
NOTES TO ACCOUNTS	Q				

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007.

	2006 - 2007		2005 - 2006	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		600.76		840.53
Adjustments for :				
Depreciation	1,726.25		1,971.39	
(Profit)/Loss on sale of Fixed Assets	(26.52)		0.75	
Interest Payments (Net)	1,246.96		725.97	
Provision for doubtful debts written back	(8.93)		-	
Bad Debts Written Off	17.79		7.42	
Provision for Gratuity & Leave Salary	59.79		40.23	
Income from Investment	(1.94)		(0.06)	
Preliminary Expenses	1.37		-	
Share issue Expenses	0.94		-	
Exchange Fluctuation (Gain)/Loss on Transalation of Assets & Liabilities	(4.85)		(23.66)	
Provision for Wealth Tax	1.90		1.50	
Operating Profit before Working Capital changes		3,012.76		2,723.54
Adjustments for :				
Trade and Other Receivables	(284.73)		26.21	
Inventories	(5,853.09)		(44.21)	
Trade Payable & Other Liabilities	305.50		88.44	
Direct Tax Paid (Net of Refund)	(407.10)		(220.25)	
		(6,239.42)		(149.81)
Net Cash Flow from Operating Activities.....A		(2,625.90)		3,414.26
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets & CWIP	(4,290.14)		(1,732.18)	
Sale of Fixed Assets	95.47		91.96	
Advance for proposed Joint Venture Project	-		(497.00)	
Interest Received	1.94		-	
Share of exchange gain on receipt of share premium	3.83		-	
Investment / (Redemption) of Investment in NSC	-		0.06	
Net Cash Flow from Investing Activities.....B		(4,188.90)		(2,137.16)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds / (Repayment) of Long Term Borrowings (Net)	3,434.24		(558.21)	
Proceeds / (Repayment) of Unsecured Loans (Net)	4,790.50		(500.00)	
Proceeds from Working Capital Loans (net)	291.44		757.34	
Interest Paid (including Int Capitalised)	(1,097.97)		(699.74)	
Dividend paid to Minority.	-		(8.31)	
Translation Adjustments	8.12		-	
Increase / (Decrease) in Advance against Share Capital	(4.16)		4.14	
Dividend paid (including tax on dividend)	(295.83)		(292.88)	
Preliminary Expenditure	(1.37)		-	
Share Issue Expenses	(0.94)		-	
Net Cash Flow from Financing Activities.....C		7,124.03		(1,297.66)
Net Increase in Cash and Cash Equivalents (A + B + C)		309.23		(20.56)
Cash and Cash Equivalents as at 01.04.2006	421.06		441.62	
Cash and Cash Equivalents as at 31.03.2007	730.29	309.23	421.06	(20.56)
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balances		850.99		540.51
Less: Balances in Fixed Deposit accounts pledged with various Government authorities	16.77		11.35	
Balances in Fixed Deposit accounts kept as margin money with the bankers	103.93		108.10	
		120.70		119.45
Cash and Cash Equivalents as at the year end		730.29		421.06

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

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Consolidated Subsidiaries Rs. in Lacs	Share of Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
SCHEDULE : 'A'				
SHARE CAPITAL				
AUTHORISED:				
90,00,000 Equity Shares of Rs.10/- each	900.00	-	900.00	900.00
30,00,000 Preference Shares of Rs.10/- each	300.00	-	300.00	300.00
	<u>1,200.00</u>	-	<u>1,200.00</u>	<u>1,200.00</u>
ISSUED, SUBSCRIBED AND PAID UP:				
85,74,700 Equity Shares of Rs.10/- each	857.47	-	857.47	857.47
TOTAL	<u>857.47</u>	-	<u>857.47</u>	<u>857.47</u>
SCHEDULE : 'B'				
RESERVES AND SURPLUS				
CAPITAL RESERVE				
As per last Account	1,085.16	-	1,085.16	1,085.16
SECURITIES PREMIUM ACCOUNT				
As per last Account	754.55	-	754.55	754.55
Add: Received during the year	-	3.83	3.83	-
	<u>754.55</u>	<u>3.83</u>	<u>758.38</u>	<u>754.55</u>
GENERAL RESERVE				
As per last Account	8,000.00	-	8,000.00	7,500.00
Add: Transfer from Profit and Loss Account	200.00	-	200.00	500.00
	<u>8,200.00</u>	-	<u>8,200.00</u>	<u>8,000.00</u>
PROFIT AND LOSS ACCOUNT				
Surplus / (Deficit) as per Annexed Account	1,725.13	(2.18)	1,722.95	1,771.17
Less: Loss on Capital Restructure	6.50	-	6.50	4.26
	<u>1,718.63</u>	<u>(2.18)</u>	<u>1,716.45</u>	<u>1,766.91</u>
TOTAL	<u>11,758.34</u>	<u>1.65</u>	<u>11,759.99</u>	<u>11,606.62</u>
SCHEDULE : 'C'				
SECURED LOANS				
(A) Working Capital Loans From Banks				
(i) Rupee Loans	6,974.97	-	6,974.97	6,109.34
Interest accrued and due on Loans	3.02	-	3.02	-
(ii) Foreign Currency Loans	-	-	-	496.47
(B) Term Loans From Banks				
(i) Rupee Loans	3,625.00	387.50	4,012.50	423.57
Interest accrued and due on loans	-	2.57	2.57	-
(ii) Foreign Currency Loan (Under External Commercial Borrowing Scheme)	579.03	-	579.03	793.24
TOTAL	<u>11,182.02</u>	<u>390.07</u>	<u>11,572.09</u>	<u>7,822.62</u>
SCHEDULE : 'D'				
UNSECURED LOANS				
From Banks				
Rupee Loans	4,500.00	-	4,500.00	500.00
Interest accrued and due on Loans	25.98	-	25.98	-
From Others	790.50	-	790.50	-
TOTAL	<u>5,316.48</u>	-	<u>5,316.48</u>	<u>500.00</u>

SCHEDULE 'E'

FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION	NET BLOCK
	As on 01.04.2006	Addition during year	Dedu./Adju during year	As on 31.03.2007	As on 31.03.2007	As on 31.03.2007
Consolidated with Subsidiaries:						
Freehold Land	217.54	-	11.30	206.24	-	206.24
Leasehold Land	100.91	94.92	-	195.83	11.41	184.42
Buildings	5,182.65	266.25	306.77	5,142.13	1,189.93	3,952.20
Plant and Machinery	16,001.08	1,056.48	242.42	16,815.14	12,382.89	4,432.25
Furniture, Fixtures and Office Equipments	1,466.72	378.73	8.92	1,836.53	788.17	1,048.36
Vehicles	391.79	141.58	69.89	463.48	104.66	358.82
Interiors at Showroom	376.22	325.22	-	701.44	57.61	643.83
	23,736.91	2,263.18	639.30	25,360.79	14,534.67	10,826.12
Add : Share in Joint Venture	-	59.87	-	59.87	2.28	57.59
TOTAL	23,736.91	2,323.05	639.30	25,420.66	14,536.95	10,883.71
Previous Year	22,573.64	1,549.93	386.66	23,736.91	13,171.49	10,565.42

	Consolidated Subsidiaries Rs. in Lacs	Share of Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
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SCHEDULE : 'F'

INVESTMENTS

(Long Term Unquoted unless otherwise stated)

Investments in Government Securities at cost

National Savings Certificate

	0.04	-	0.04	0.04
TOTAL	0.04	-	0.04	0.04

SCHEDULE : 'G'

INVENTORIES

(As verified, valued and certified by the Management)

Stores and Spare parts

Stock in Trade

Raw Materials

Packing Materials

Semi-Finished Goods / Work in Process

Finished Goods and Traded Goods

Work in Progress (Land)

	454.40	3.25	457.65	273.26
	2,133.79	67.80	2,201.59	1,604.55
	87.68	-	87.68	81.90
	440.92	-	440.92	348.20
	4,133.50	-	4,133.50	3,080.64
	3,856.51	-	3,856.51	-
TOTAL	11,106.80	71.05	11,177.85	5,388.55

SUNDRY DEBTORS

Unsecured

i) Outstanding for a period exceeding Six months

a) Considered Good

b) Considered Doubtful

ii) Other Debts (Considered Good)

Less: Provision for Doubtful Debts

	593.59	-	593.59	323.84
	215.56	-	215.56	223.76
	809.15	-	809.15	547.60
	5,957.64	-	5,957.64	5,439.86
	6,766.79	-	6,766.79	5,987.46
	215.56	-	215.56	223.76
TOTAL	6,551.23	-	6,551.23	5,763.70

CASH AND BANK BALANCES

Cash on hand (including cheques on hand
Rs. 19.31 Lacs (Previous year Rs. 7.42 Lacs))

Balance with Scheduled Banks

i) On Current Accounts
(Includes Book - Over Draft)

ii) On Fixed Deposit Accounts

	72.41	0.76	73.17	38.58
	639.96	17.16	657.12	382.48
	95.33	25.37	120.70	119.45
TOTAL	807.70	43.29	850.99	540.51

	Consolidated Subsidiaries Rs. in Lacs	Share of Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
LOANS AND ADVANCES				
(Unsecured, considered good)				
Advances Recoverable in Cash or in kind or for the value to be received	1,696.67	26.31	1,722.98	2,110.88
Employee Loans	135.26	-	135.26	78.93
Balance with Excise Department	391.74	124.11	515.85	273.10
Taxes paid in Advance (Net of Provisions)	166.91	1.00	167.91	-
Deposits	1,088.13	-	1,088.13	926.04
TOTAL	3,478.71	151.42	3,630.13	3,388.95
SCHEDULE : 'H'				
CURRENT LIABILITIES				
Sundry Creditors	1,935.55	128.54	2,064.09	1,618.76
Unclaimed Dividend	13.52	-	13.52	16.03
Other Liabilities	2,542.32	3.56	2,545.88	2,165.95
Interest Accrued but not due on loans	62.88	-	62.88	8.81
TOTAL	4,554.27	132.10	4,686.37	3,809.55
SCHEDULE : 'I'				
PROVISIONS				
Provision for Taxation (Net of Advance Tax)	-	1.31	1.31	49.86
Provision for Wealth Tax	1.90	-	1.90	1.58
Proposed Dividend	257.24	-	257.24	257.24
Tax on Proposed Dividend	43.72	-	43.72	36.08
For Retirement Benefits	154.22	0.91	155.13	96.28
TOTAL	457.08	2.22	459.30	441.04
SCHEDULE : 'J'				
SALES AND INCOME FROM OPERATIONS				
Sales of Manufactured / Traded Goods				
Local	53,769.27	-	53,769.27	44,155.83
Exports	714.65	-	714.65	498.58
Sale of Flat	295.00	-	295.00	-
TOTAL	54,778.92	-	54,778.92	44,654.41
SCHEDULE : 'K'				
OTHER INCOME				
Miscellaneous Receipts	17.23	-	17.23	15.56
Claims Received	-	-	-	5.37
Surplus on Sale of Fixed Assets (Net)	26.52	-	26.52	-
TOTAL	43.75	-	43.75	20.93
SCHEDULE : 'L'				
I. RAW MATERIALS CONSUMED				
Opening Stock of Raw Materials	1,604.55	-	1,604.55	1,641.89
Add: Purchases	24,181.59	67.80	24,249.39	19,535.31
	25,786.14	67.80	25,853.94	21,177.20
Less: Closing Stock of Raw Materials	2,133.79	67.80	2,201.59	1,604.55
	23,652.35	-	23,652.35	19,572.65
II. TRADING PURCHASES	15,480.14	-	15,480.14	10,953.01
III. PURCHASE OF LAND	3,619.49	-	3,619.49	-
IV. VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS				
Opening Stock	3,428.84	-	3,428.84	3,376.83
Closing Stock	4,574.42	-	4,574.42	3,428.84
	(1,145.59)	-	(1,145.59)	(52.01)
V. CLOSING WORK IN PROGRESS (LAND)	3,856.51	-	3,856.51	-
TOTAL (I + II + III + IV + V)	37,749.89	-	37,749.89	30,473.65

Schedules forming part of the Consolidated Accounts

Nilkamal Limited

	Consolidated Subsidiaries Rs. in Lacs	Share of Venture Rs. in Lacs	AS AT 31.03.2007 Rs. in Lacs	AS AT 31.03.2006 Rs. in Lacs
SCHEDULE : 'M'				
EMPLOYEES' REMUNERATION AND BENEFITS				
Salary, Wages and Bonus	1,759.96	-	1,759.96	1,324.30
Cont. to Provident and Other funds	76.44	-	76.44	53.10
Workmen and Staff Welfare Expenses	214.97	-	214.97	174.71
TOTAL	2,051.37	-	2,051.37	1,552.11
SCHEDULE : 'N'				
OPERATING AND OTHER EXPENSES				
Stores and Spare Parts Consumed	362.77	-	362.77	243.16
Power and Fuel	1,175.67	-	1,175.67	1,088.51
Repairs :				
Building	10.80	-	10.80	23.30
Machinery	86.03	-	86.03	56.64
Others	109.71	-	109.71	71.33
Excise Duty Paid (Net)	24.96	-	24.96	(145.65)
Labour Charges Paid	545.61	-	545.61	341.26
Rent	813.98	-	813.98	332.90
Rates and Taxes	40.98	-	40.98	17.44
Insurance	127.29	-	127.29	128.62
Postage and Telephone Expenses	211.47	-	211.47	191.13
Loss on sale of Fixed Assets (Net)	-	-	-	0.75
Packing Materials Consumed	450.57	-	450.57	420.81
Travelling Expenses	296.94	-	296.94	271.12
Commission	179.02	-	179.02	171.46
Advertisements and Publicity Expenses	365.89	-	365.89	410.91
Selling Expenses	89.91	-	89.91	92.80
Computer Expenses	22.31	-	22.31	17.84
Carriage Outward	1,354.52	-	1,354.52	1,112.44
Sales Tax Paid	61.84	-	61.84	82.97
Land Lease Rent	19.03	-	19.03	1.60
Loss by Flood	-	-	-	6.54
Directors' Fees	2.40	-	2.40	3.87
Provision for Wealth Tax	1.90	-	1.90	1.50
Bad Debts written off	17.79	-	17.79	7.42
Provision/(Write back) for Doubtful Debts	(8.93)	-	(8.93)	-
Payment to Auditors				
Audit Fees	14.65	-	14.65	9.29
In Other Capacity	0.90	-	0.90	0.90
Preliminary Expenses Written Off	0.13	1.24	1.37	-
Sundry Expenses	1,031.78	0.94	1,032.72	732.76
TOTAL	7,409.92	2.18	7,412.10	5,693.62
SCHEDULE : 'O'				
FINANCIAL EXPENSES				
INTEREST				
On Term Loans	267.82	-	267.82	147.09
Other Interest	955.43	-	955.43	536.41
	1,223.25	-	1,223.25	683.50
Less :-				
Interest Received	65.57	-	65.57	39.41
Interest Capitalised	10.66	-	10.66	7.45
	1,147.02	-	1,147.02	636.64
Bank Charges	88.26	-	88.26	89.33
Processing and Other Charges on Loans	11.68	-	11.68	-
TOTAL	1,246.96	-	1,246.96	725.97

SCHEDULE – ‘P’**SIGNIFICANT ACCOUNTING POLICIES****A) Basis of preparation of Financial Statements:**

- The financial statement of the Subsidiary Companies and Joint Venture Company used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended 31st March 2007.
- The financial statements of the Company, one of the Subsidiary Company and Joint Venture Company have been prepared under historical cost convention on an accrual basis and comply with Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statement of the foreign Subsidiary Companies have been prepared in accordance with the local laws and the applicable accounting standards / generally accepted accounting principles.

B) Principles of Consolidation:

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

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

Name of the Company	Country of Incorporation	% Ownership held as at 31st March, 2007
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%
Nilkamal Padma Plastics Private Limited	Bangladesh	97.23%
Nilkamal Bhoomi Developers Private Limited	India	50.01%

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

Name of the Company	Country of Incorporation	% Ownership held as at 31st March, 2007
Nilkamal Bito Storage Systems Private Limited	India	50.00%

C) Exchange Translation:

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

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

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

D) Use of Estimate:

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

E) Fixed Assets:

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

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

F) Impairment of Assets:

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

G) Depreciation and Amortization:

- (i) Depreciation on fixed assets are provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are being depreciated on straight line basis over the total period of lease, (including the renewal periods).
- (ii) Cost of Leasehold land is amortized over the period of lease.
- (iii) Depreciation on additions / deletions is calculated on a pro-rata basis.
- (iv) Individual low cost assets like mobile phones, telephone instruments, etc. are depreciated @ 100% in the year of purchase / acquisition.

H) Valuation of Inventories:

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

I) Investments:

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

J) Retirement Benefits:

Provision for payments of gratuity and leave entitlement benefits are made on the basis of an actuarial valuation carried out at the close of the year.

K) Foreign Currency Translations:

- (i) Transactions in foreign currency are normally recorded at the exchange rates prevailing on the date of the transactions.
- (ii) Foreign currency monetary assets and liabilities are translated at the appropriate exchange rates prevailing at the close of the year. Gains/Losses on conversion/translation are recognised in the Profit and Loss Account or adjusted to the value of fixed assets, as applicable.

L) Borrowing Costs:

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

M) Recognition of Income and Expenditure:

- i) Sale of goods 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, VAT collected under remission scheme, and are net of trade discounts and sales returns.
- ii) Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.
- iii) 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.
- iv) Liability for Excise duty and Customs duty payable on goods in bond at the year end is provided for.
- v) In respect of operating leases, rentals are charged to Profit and Loss Account with reference to lease terms and conditions.
- vi) Dividend income is recognized when the right to receive the same is established.
- vii) Interest income is accrued over the period of loan / deposit / investment.
- viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

N) Taxation:

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

O) Financial Derivatives and Hedging Transaction:

Financial derivatives and hedging transactions are accounted on the date of their settlement and realised gain/loss in respect of settled contracts are recognised in the Profit and Loss Account.

P) Expenditure During Construction and Expenditure on New Projects:

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

SCHEDULE: 'Q'**NOTES TO THE ACCOUNTS:**

1. Contingent Liabilities not provided for in respect of:

(Rs. in Lacs)

	31 st March, 2007	31 st March, 2006
i) Disputed Excise matters	60.91	93.09
ii) Sales Tax matters in appeal.	8.34	12.50
iii) Guarantee	32.74	-
iv) Un-expired letters of Credits.	304.04	176.56

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 209.59 Lacs (Previous year Rs. 184.09 Lacs).
3. Remuneration to Directors: (A) Remuneration Rs. 134.10 Lacs (Previous year Rs.141.08 Lacs) and (B) Other Perquisites Rs. 15.45 Lacs (Previous year Rs. 0.50 Lacs).
4. Disclosure relating to provisions in respect of Product Warranty as follows:

(Rs. in Lacs)

	2006-07 (Rs. in Lacs)	2005-06 (Rs. in Lacs)
Opening Balance	113.67	2.84
Additions	112.81	155.06
Utilisations	120.00	44.23
Closing Balance	106.48	113.67

5. Aggregated Related Party Disclosures:

	Enterprises owned or significantly influenced by key management personnel or their relatives 2006 – 2007 (Rs. in Lacs)	Enterprises owned or significantly influenced by key management personnel or their relatives 2005 – 2006 (Rs. in Lacs)
Sales	1,709.73	949.86
Purchase of raw materials intermediaries and finished goods	108.60	60.40
Purchases of other items	-	16.01
Paid for Services and Labour Charges	22.72	21.12
Received for Services and Labour Charges	38.50	24.87
Purchase of Fixed Assets	355.93	0.13
Sales of Fixed Assets	-	1.62
Rent Paid	41.82	39.46
Rent Recovered	0.66	0.66
Deposit Paid	2.48	5.25
Balance outstanding at the year end:		
1. Other Receivable / (Payables) (Net)	129.28	(15.10)
2. Reimbursement of Expenses (Net of recovery)	63.34	(15.62)
3. Deposits Receivable	408.58	406.09

NOTES:

(1) Names of related parties and description of relationship

- a) Key Management Personnel
- Shri Vamanrai V. Parekh
Shri Sharad V. Parekh
Shri Hiten V. Parekh
Shri. Manish V. Parekh
Shri Nayan S. Parekh
- b) Enterprises owned or significantly influenced by Key Management personnel or their relatives
- Nilkamal Crates & Containers
Nilkamal Plastics & Allied Industries
Nilkamal Crates & Bins Pvt. Ltd
Stackwell Marketing Services Pvt. Ltd.
Realm Exports Pvt. Ltd.
Nilkamal Industrial Crates

Note:

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

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

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

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

7. Operating Lease in respect of property taken on Lease during the year:

(Rs. in Lacs)

	2006 – 07	2005 – 06
a. Lease payments recognised in the Profit and Loss Accounts	630.47	155.07
b. Future minimum Lease payments under non cancellable agreements		
(i) Not later than one year	711.47	410.67
(ii) Later than one year and not later than 5 years	3,168.79	1,771.64
(iii) Later than 5 years	9,642.72	6,613.25

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

8. Deferred Tax Asset / Liabilities:

The Company has been recognising in the financial statements the Deferred Tax assets/liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

During the year, the Company has credited the Profit and Loss account with Deferred Tax asset of Rs. 103.84 Lacs (Net of exchange fluctuation on currency translation Rs. 15.66 Lacs) (Previous year Rs. 147.10 Lacs).

Major components of Deferred Tax assets and liabilities arising on account of timing differences are;

(Rs. in Lacs)

	2006 – 2007		2005 – 2006	
	Assets	Liabilities	Assets	Liabilities
Depreciation	-	920.83	-	1,001.39
Provision for Doubtful Debts	44.27	-	41.70	-
Others	69.67	-	33.30	-
Total	113.94	920.83	75.00	1,001.39

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

9. The Company is operating in two business segments

1. Plastics.
2. Life style furniture, furnishing, home decor & accessories

SEGMENT-WISE REVENUE, RESULTS AND OTHER INFORMATION: -**A. BUSINESS SEGMENT:**

(Rs. in lacs)

Sr. No.	Particulars	Year Ended 31 st March, 2007				Year Ended 31 st March, 2006		
		Plastics	Life style furniture, furnishing, home decor & accessories	Others	Total	Plastics	Life style furniture, furnishing, home decor & accessories	Total
1.	Segment Revenue (Net Sales)	48,161.32	2,582.21	295.00	51,038.53	40,751.51	484.83	41,236.34
2.	Segment Result:	2,849.39	(700.16)	32.93	2,182.16	2,474.78	(615.14)	1,859.64
	Less: Unallocated Expenses (Net of Unallocated Income)				334.44			293.14
	Operating Profit				1,847.72			1,566.50
	Less: Interest (Net)				1,246.96			725.97
	Net Profit Before Tax				600.76			840.53
	Less: Current Tax				241.33			462.92
	Fringe Benefit Tax				38.00			50.00
	Deferred Tax				(103.84)			(147.10)
	Taxation for Earlier years written back				(93.63)			(76.38)
	Net Profit After Tax				518.90			551.09

(Rs. in lacs)

Sr. No.	Particulars	Year Ended 31 st March, 2007				Year Ended 31 st March, 2006		
		Plastics	Life style furniture, furnishing, home decor & accessories	Others	Total	Plastics	Life style furniture, furnishing, home decor & accessories	Total
3.	Other Information:							
	Segment Assets	26,004.59	3,295.47	5,277.55	34,577.61	23,334.52	1,754.82	25,089.34
	Add: Unallocated Common Assets				1,020.72			1,037.55
	Total Assets				35,598.33			26,126.89
	Segment Liabilities	3,911.21	540.08	312.06	4,763.35	3,633.45	247.54	3,880.99
	Add: Unallocated Common Liabilities				18,077.78			9,618.61
	Add: Minority Interest				139.74			163.20
	Total Liabilities				22,980.87			13,662.80
	Capital Expenditure	2,670.41	491.52	1,185.78	4,347.71	890.59	776.83	1,667.42
	Depreciation	1,650.87	75.38	-	1,726.25	1,948.88	22.51	1,971.39
	Significant Non Cash Expenses other than Depreciation	-	-	-	-	-	-	-

B. GEOGRAPHICAL SEGMENT:

Sr. No.	Particulars	Year Ended 31 st March, 2007			Year Ended 31 st March, 2006		
		India	Rest of the World	Total	India	Rest of the World	Total
1.	Segment Revenue	45,658.87	5,379.66	51,038.53	35,737.51	5,498.83	41,236.34
2.	Carrying cost of Segment -Assets	31,861.32	2,716.29	34,577.61	22,415.29	2,674.05	25,089.34
3.	Addition to Fixed Assets and - Intangible Assets	4,077.34	270.37	4,347.71	1,627.09	40.33	1,667.42

Notes:

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

Sr. No.	Business Segment	Types of Products and Services
(a)	Plastics	Injection moulded plastic articles, Polymers and others
(b)	Life style furniture, furnishing, home decor & accessories	Home Furniture, Home Furnishing and Accessories
(c)	Others	Real Estate Development and manufacturing of Storage Systems of Metal

- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- In the Previous year, there was no activity related to business segment 'Others'.

10. Earning per share has been computed as under:

(Rs. In Lacs)

	2006 – 07	2005 – 06
Net Profit as per Profit and Loss Account	523.49	517.62
Less: Loss on Capital Restructure	(6.50)	(4.26)
Translation Difference	(66.49)	(42.91)
Net Profit considered for EPS	450.50	470.45
Weighted average number of Equity shares	85,74,700	85,74,700
Earnings per share basic and diluted (Rs.) (Face value of Rs.10/- each)	5.25	5.49

11. In the Previous year, there was no Joint Venture to be consolidated.

12. The Previous year figures have been regrouped/rearranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Kuntal Dave

Partner

For and on behalf of

VORA & ASSOCIATES

Chartered Accountants

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Bharat B. Chovatia

Partner

Place : Mumbai

Date: June 28, 2007

Paresh B. Mehta

Financial controller

Manoj Gagvani

Company Secretary

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

PARTICULARS	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Gross Sales	28,089.72	29,947.71	34,575.59	35,436.28	39,654.15	49,813.06
Non Manufacturing Income	354.73	154.60	211.50	248.41	358.13	124.62
Raw Material	14,942.26	17,989.71	21,454.10	23,858.49	27,054.68	34,574.57
Overheads	9,375.88	5,674.18	6,160.45	5,108.01	6,294.66	8,490.45
Pre-Interest Profit	4,126.31	3,593.16	3,998.44	3,414.83	3,244.87	3,132.27
Interest	1,286.57	749.38	591.16	555.94	611.20	853.86
Gross Profit	2,839.74	2,843.78	3,407.28	2,858.89	2,633.67	2,278.41
Depreciation	1,595.36	1,580.40	1,714.07	1,596.21	1,671.46	1,538.72
Impairment of Assets	(150.00)	0.00	0.00	49.30	0.00	0.00
Prior Period adjustment	0.00	0.00	0.00	0.86	0.00	0.00
Pre-tax profit	1,094.38	1,263.38	1,693.21	1,312.84	962.21	739.69
Tax (Current)	90.00	180.00	300.00	195.00	360.00	213.00
Less :- Excess Provision of Taxation of earlier years	0.00	0.00	0.00	0.00	(80.52)	(93.63)
	90.00	180.00	300.00	195.00	279.48	119.37
Deferred tax	29.43	(51.79)	(153.02)	(171.43)	(101.89)	(74.50)
Post-tax profit	974.95	1,135.17	1,546.23	1,289.27	784.62	694.82
Equity	857.47	857.47	857.47	857.47	857.47	857.47
Average capital employed in ordinary business	19,620.83	19,190.60	19,646.98	20,638.07	21,023.43	24,819.10
Gross Fixed Assets	16,564.03	17,287.73	18,723.37	19,914.60	21,194.99	23,853.92
Net Fixed Assets	10,816.49	10,097.01	10,221.30	9,848.85	9,694.19	10,976.89
Earning Per Share	11.37	13.24	18.17	15.11	9.15	8.10
Dividend Per Share (Rs.)	1.80	2.20	3.00	3.00	3.00	3.00
RATIO						
Financial Performance %	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Domestic Turnover/ Total Turnover	97.76	98.34	98.42	98.31	97.86	98.32
Exports/Total Turnover	1.00	1.16	0.96	1.00	1.25	1.43
Other Income/Total Turnover	1.25	0.51	0.62	0.69	0.90	0.25
Raw Material/Total Turnover	52.53	59.77	61.67	65.30	67.62	69.24
Excise/Total Turnover	11.49	9.88	9.12	9.12	8.54	7.49
Overheads/Total Turnover	22.02	18.17	16.79	14.74	13.62	14.54
Adv & Sales Exps/Total Sales	2.90	2.31	1.25	0.69	1.14	0.81
Interest/Total Turnover	4.52	2.49	1.70	1.53	1.53	1.71
Pre Interest Profit/Total Turnover	8.90	6.68	6.57	5.02	3.93	3.19
Post Interest Profit/Total Turnover	4.37	4.19	4.87	3.49	2.40	1.48
Depreciation//Total Turnover	5.61	5.25	4.93	4.41	4.18	3.08
Tax/Total Turnover	0.42	0.43	0.42	(0.07)	0.44	0.09
Net Profit/Total Turnover	3.43	3.77	4.44	3.56	1.96	1.39
Cash Flow/Total Turnover	9.04	9.02	9.37	7.97	6.14	4.47
Return on Capital Employed	13.14	11.35	11.87	9.07	7.74	5.73
Return on Net Worth	10.60	11.21	13.59	10.58	6.18	5.32
Balance Sheet Ratios						
Debt-Equity	0.97	0.75	0.52	0.56	0.56	0.76
Debtors Turnover (days)	68	47	46	64	55	50
Inventory Turnover	40	48	46	48	41	46
Current Ratio	4.49	3.93	4.65	3.94	3.83	4.80
Quick Ratio	3.15	2.55	2.92	2.59	2.63	3.25
Depreciation/Gross Block (%)	9.65	9.19	9.32	8.16	8.07	6.85
Asset Turnover	1.33	1.40	1.58	1.53	1.67	1.63
Per Share Data - Rs.						
EPS	11.37	13.22	18.03	15.04	9.15	8.10
CEPS	29.97	31.65	38.02	33.65	28.64	26.05
Book Value	107.25	117.89	132.67	142.13	147.86	152.45
Shareholder Statistics						
DPS	1.80	2.20	3.00	3.00	3.00	3.00
Dividend (%)	18	22	30	30	30	30
Dividend Payout (Rs)	1.54	1.89	2.93	2.93	2.93	3.01
Dividend Payout (%)	15.83	16.62	18.75	22.75	37.32	43.31



Nilkamal Limited

Entrance Pass

(To be presented at the entrance)
21st Annual General Meeting on 18th August, 2007, at Survey No. 354/2 & 354/3,
Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona,
Union Territory of Dadra & Nagar Haveli.

Folio No. DPID No. Client ID No.

Name of the Shareholder :

Signature

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



Nilkamal Limited

Proxy Form

I / Weof

in the district of being a member(s) of the above named Company, hereby appoint
Mr./Mrs..... of in the district
ofas my / our proxy to attend and vote for me / us and on my / our behalf at the Twenty first Annual General Meeting of Nilkamal Limited
to be held on Saturday, 18th day of August, 2007 and at any adjournment thereof.

Folio No. DPID No. Client ID No.

No of shares held

Signed this day of, 2007 Signature

affix Re 1
Revenue
Stamp

Bank Account Particulars / ECS Mandate Form

I/ We are holding shares against Folio No.

(Physical mode) and shares (Demat mode) against Client ID No. DPID No And
do hereby authorise Nilkamal Limited.

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

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

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

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

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

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

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

Signature of the Shareholder