

**IN ORDER TO SUCCEED,
YOUR DESIRE FOR SUCCESS
SHOULD BE GREATER THAN
YOUR FEAR OF FAILURE.**

GEORG WILHELM FRIEDRICH HEGEL

Nilkamal Limited
ANNUAL REPORT
2012-2013

Board of Directors

Mr. Dadi B. Engineer	- Director
Mr. K. R. Ramamoorthy	- Director
Mr. Mahendra V. Doshi	- Director
Mr. Mufazzal S. Federal	- Director
Mr. S. K. Palekar	- Director
Mr. Hiten V. Parekh	- Executive Director
Mr. Manish V. Parekh	- Executive Director
Mr. Nayan S. Parekh	- Executive Director
Mr. Sharad V. Parekh	- Managing Director
Mr. Vamanrai V. Parekh	- Chairman

Financial Controller

Mr. Paresh B. Mehta

Company Secretary

Ms. Priti P. Dave

Auditors

M/s. Dalal & Shah

M/s. Vora & Associates

Bankers

State Bank of India

Corporation Bank

IDBI Bank Limited

DBS Bank Limited

Barjora Factory

Plot No. 1498/2613, WBIDC Industrial Complex,
Barjora Mejia Road, P. O. & P. S. Barjora,
District: Bankura, Pincode - 722 202, West Bengal.

Hosur Factory

Part of Survey No. 149, 151 to 153, 227 and 299/1,
Next to GNB Factory, Nallaganakothapalli Village,
Koneripalli Post, Hosur Taluk, Krishnagiri District,
Tamilnadu - 635 117.

Hooghly Factory

Dayanidhan Compound, Godown No- 1A & 2,
Delhi High Road, Dankuni, Village: Monoharpur,
J. L. No. 98, Touzi No. 17, Police Station - Chanditala,
District - Hooghly, West Bengal - 712311.

Jammu Factory

Phase - II, Industrial Growth Centre, Samba - 184 121,
Jammu & Kashmir.

Kharadpada Factory

Survey No. 389, 391, 393, 396 & 401,
Naroli - Kharadpada Road, Village : Kharadpada,
Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.

Noida Factory

Plot No.26, B & C Sector No.31, Surajpur - Kasna Road,
Behind HPCL Gas Plant, Gautam Budha Nagar,
Greater Noida - 201 310, Uttar Pradesh.

Puducherry Factory

19/3-5, 18/1-B & 21/6, Olaivaikkal Village,
Villianoor - Pathukannu Road,
Villianoor Taluk, Puducherry - 605 502.

Sinnar Factory

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

Registered Office and Vasona Factory

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

Corporate Office

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

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NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at the Registered Office of the Company at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli, on **Monday, the 15th day of July, 2013 at 12.00 noon** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Dadi B. Engineer, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Hiten V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. BSR & Associates, Chartered Accountants having ICAI Registration No. 116231W be and are hereby appointed in place of retiring Auditors M/s. Dalal & Shah, as the Statutory Auditors of the Company jointly with existing Statutory Auditors, M/s. Vora & Associates, Chartered Accountants having ICAI Registration No. 111612W, to hold office from the conclusion of the Twenty Seventh Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the Board of Directors, in consultation with the Auditors for performance of their duties."

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of the Ordinary Business at Item No. 5 above is annexed hereto and forms a part of the Notice.
2. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3 and 4 of the Notice, are also annexed.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 6th day of July, 2013 to Monday, 15th day of July, 2013, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after fifth day from the conclusion of the Annual General Meeting of the Company as under:
 - (i) To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on 5th July, 2013;
 - (ii) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 5th July, 2013.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank details, NECS, mandates, nominations, power of attorney, change of address/ name, etc. to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents, M/s. Link Intime India Private Limited, to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise such changes to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

7. Shareholders holding shares in physical form can avail of nomination facility by filing Form 2B (available on request) with the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited and in case of shares held in demat form, the nomination has to be lodged with their Depository Participant.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.
9. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant.
10. Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) along with their Folio Number to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
11. Members, wishing to claim dividends, which remain unclaimed for the Financial Years 2005-2006 onwards, are requested to write to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the Investor Education and Protection Fund, no claim shall lie in respect thereof.
12. The Annual Report 2012-2013 of the Company, circulated to the members of the Company, will be made available on the Company's website at <http://www.nilkamal.com>.
13. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.
14. 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 Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
15. Members/Proxies should bring duly filled Attendance slips sent herewith to attend the meeting.
16. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

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

Place: Mumbai
Date: May 18, 2013

Priti P. Dave
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5**

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

M/s. Dalal & Shah have expressed their unwillingness to be re-appointed as the Joint Statutory Auditor of the Company due to their professional pre-occupation. The Board of Directors places on record its appreciation for the professional services rendered by M/s. Dalal & Shah during their association with the Company as its Statutory Auditors.

The Company has received a special notice from a shareholder in terms of provisions of Companies Act, 1956 signifying the intention to propose the appointment of M/s. BSR & Associates as the Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

Accordingly, the Board of Directors, based on the recommendations of the Audit Committee proposes the appointment of M/s. BSR & Associates in place of M/s. Dalal & Shah Chartered Accountants and re-appointment of M/s. Vora & Associates as the Joint Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Both, M/s. BSR & Associates and M/s. Vora & Associates have expressed their willingness to act as Statutory Auditors of the Company, if appointed / re-appointed and further the said appointment / re-appointment would be in pursuance to Section 224(1B) of the Companies Act, 1956.

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

The Directors recommend the resolution at Item No 5 of the Notice for approval of the members.

None of the Directors of the Company are concerned or interested in the said resolution.

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

Place: Mumbai
Date: May 18, 2013

Priti P. Dave
Company Secretary

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Dadi B. Engineer	Mr. Hiten V. Parekh
Date of birth	02-05-1933	27-05-1963
Date of appointment	31-10-2003	09-12-1985
Expertise in specific area	Experience of over 55 years of advising the Corporates on various facets of Indirect and Corporate Laws.	Industrialist having wide experience in business and industry.
Qualifications	BA, LLB	B.Com, Diploma in Quality System and Management
Directorship in other Public Limited Companies	1. Fiora Services Limited 2. Foods and Inns Limited 3. Forbes and Company Limited 4. Forvol International Services Limited 5. PCS Technology Limited 6. Welspun India Limited 7. Zuari Global Limited	NIL
Membership of Committees in other Public Limited Companies	1. Audit Committee (i) Foods and Inns Limited (ii) Forbes and Company Limited (iii) Welspun India Limited (iv) Zuari Global Limited 2. Shareholder's / Investors Grievance Committee (i) Zuari Global Limited	NIL
Number of Shares Held	NIL	1,139,455

Important Communication to Members

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

DIRECTORS' REPORT**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2013.**

Dear Members,

Your Directors have pleasure to present this 27th ANNUAL REPORT of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	2012-2013	2011-2012
Gross Turnover and Other Income	184,337	163,057
Net Turnover and Other Income	161,388	143,709
Profit before Depreciation and Tax	8,800	11,153
Less: Depreciation on Fixed Assets	4,297	4,048
Profit before Tax	4,365	7,105
Less: Provision for Taxes	1,246	1,545
Profit after Tax	3,119	5,560
Amount Available for Appropriations	18,407	16,557
Less: Appropriations:		
i) Proposed Final Dividend	597	597
ii) Total Tax on Dividend	101	97
iii) Transfer to General Reserves	400	575
Leaving a Balance to be carried forward	17,309	15,288
Earnings per share (₹)	21	37
Cash Earnings per share (₹)	51	64
Book Value per share (₹)	288	271

YEAR IN RETROSPECT

The year 2012-2013 was full of mixed grills across every sector of the Indian economy and had witnessed ups and downs in the socio-economic conditions of the Country. Deceleration in industrial output and exports weakened India's economic growth significantly. The manufacturing industry has also not remained untouched by the ups and downs of the volatility in the Indian economic scenario.

Nilkamal recorded a gross turnover of ₹ 184,015 Lacs from ₹ 162,809 Lacs in the previous Financial Year. The Operating Profit of the Company stood at ₹ 13,097 Lacs as compared to ₹ 15,168 Lacs in the previous year. The plastic business has achieved a volume growth of 1% and value growth of 14%.

During the year under review, the Company's retail business had 19 @home stores in 11 cities, the latest one being recently opened at Chennai. The gross turnover of @home division was ₹ 22,858 Lacs resulting into a growth of 7.35%. @home division has made a loss of ₹ 938 Lacs as compared to loss of ₹ 552 Lacs of the previous year.

DIVIDEND

The Board of Directors of your Company recommends a Final Dividend of ₹ 4/- per equity share (40%) which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company. The requisite amount of ₹ 698 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 ₹ 400 Lacs to the General Reserve Account out of the profits available.

AWARDS AND RECOGNITIONS

Your Company was awarded with 'Silver Certificate of Merit Award' by the Economic Times "Indian Manufacturing Excellence Award" in partnership with Frost and Sullivan for its Puducherry Unit for FY 2013.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

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

SUBSIDIARIES & JOINT VENTURE

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

The Company has obtained consent of the Board of Directors of the Company for not attaching the accounts and reports of all its subsidiaries under Section 212 of the Companies Act, 1956. Shareholders requiring the same may write to the Company.

The business of Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited in its sixth year of operation has performed satisfactorily during the year under review. The total turnover was ₹ 7,368 Lacs as compared to ₹ 4,882 Lacs for previous year and had earned Profit of ₹ 216 Lacs against Profit of ₹ 492 Lacs of the previous year.

The Company's other Joint Venture Company viz. Cambro Nilkamal Private Limited has also exhibited a positive performance, with a total turnover of ₹ 1,652 Lacs and Profit of ₹ 160 Lacs against turnover of ₹ 794 Lacs and Profit of ₹ 105 Lacs of the previous year.

EXPORTS

Company's Exports (including deemed exports) during the year were ₹ 7,068 Lacs as compared to ₹ 5,068 Lacs in the previous year.

FIXED DEPOSITS

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

AUDITORS AND AUDITORS' REPORT

The Joint Statutory Auditors M/s. Dalal & Shah and M/s. Vora & Associates, retires at the ensuing Annual General Meeting. M/s. Dalal & Shah have expressed their unwillingness to be appointed as the Statutory Auditor to hold office from the conclusion of the ensuing Annual General Meeting due to their professional pre-occupation.

Hence, the Board of Directors, based on the recommendations of the Audit Committee, propose the appointment of M/s. BSR & Associates, Chartered Accountants, as the Joint Statutory Auditors of the Company in place of M/s. Dalal & Shah, to hold office as such till the conclusion of the next Annual General Meeting of the Company.

M/s. Vora & Associates being eligible have expressed their willingness and offer themselves for re-appointment as Joint Statutory Auditors for the Financial Year 2013-2014. Both, M/s. Vora & Associates and M/s. BSR & Associates have confirmed that if appointed, then their 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.

COST AUDITOR

Mr. B. F. Modi, proprietor of M/s. B. F. Modi and Associates, Cost Auditor at Vapi was appointed as Cost Auditor for the Financial Year 2012-2013. Mr. B. F. Modi being eligible has expressed his willingness to be reappointed as Cost Auditors of the Company for the Financial Year 2013-2014.

DIRECTORS

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

Brief resume of the Directors proposed to be appointed/ reappointed, nature of the expertise in specific functional areas, name of the Companies in which they hold Directorships and Memberships/ Chairmanships of the Board Committees and shareholding, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India, forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS OF EMPLOYEES

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and as amended and forming part of the Directors' Report for the year ended 31st March, 2013 is given in the Annexure to this Report.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: May 18, 2013

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

In continuation to our commitment for improving the energy performance, the Company has established a recognised framework to manage the energy consumption throughout their production chain. Following energy saving measures were taken:

- Energy Audits were conducted by external agency to understand the EnMS-Energy Management Systems Requirements and Gap analysis to move forward in setting energy Objectives and Goals for conservation of energy as a scarce resource.
- Installed new Injection moulding machines with Innovative technology.

B. TECHNOLOGY ABSORPTION.

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

RESEARCH AND DEVELOPMENT (R & D):

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

Research and Development process being the very base for the development of any Company, it is the key activity carried out continuously by the Company which has helped the Company to reach to the top level. Some of the achievements are:

- Designed and developed various products for Plastic and @home Division.
- Developed new product solution for Fish Farming for which patent is pending.
- Developed suitable bottle crate for Beer Industry so as to take care of existing issues of conveying and bottle filling.

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

- Improvement in quality of products.
- Improvement in productivity & features.

3. Future Plan of Action.

The Company is in the process of extending the R&D department for the new category of Mattress and focussing on designed furniture and accessories for @home division as well as for material handling business.

4. Expenditure on R & D.

(₹ in Lacs)

a)	Capital	Nil
b)	Recurring	143.31
c)	Total	143.31
d)	Total R&D expenditure as a percentage of total turnover	0.09%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

- Your company has focussed on automation to reduce effort and improve manpower efficiency and reduce cost.
- Your company is trying to focus on inventory control and improve service level to the customer by installing SCM with a Pull system to bring better inventory turns and availability of SKU to service the customer in addition to lowering the inventory carrying cost.
- Innovative method of carrying out machine health check introduced by the Company has resulted in improved performance of the machine resulting in improved OEE and better consistency.
- The Company introduced several new products, which are new category of application in Furniture and Material handling business.

2. Benefits derived as a result of the above efforts.
 - Improvement in quality and productivity and reduction in cost.
 - Improved performance of machines.
 - Improvement in utilisation of plant capacities.
 - Advancement of basic knowledge and skills.
 - Development of new product, improvement in the product yield and quality.
3. The Company has not imported any technology or process know-how.

FOREIGN EXCHANGE EARNINGS AND OUTGO.

Total Foreign Exchange used and earned

(₹ in Lacs)

	2012-2013	2011-2012
Foreign Exchange Earned	4,041.75	3,403.82
Foreign Exchange Used	19,274.21	18,999.87

For and on behalf of the Board

Place: Mumbai
Date: May 18, 2013

Vamanrai V. Parekh
Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company is guided by the principles of fair business, trusted financial policies and ethical behaviour, and is committed to good Corporate Governance practices aimed at increasing value for all the stakeholders in general. Its philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to the shareholders and all other beneficiaries for their actions.

2. BOARD OF DIRECTORS

The Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirements of the Clause 49 of the Listing Agreement. The Board of Directors, alongwith its Committees, provide leadership and guidance to the Company's Management and directs, supervises and controls the performance of the Company. The Board currently comprises of Ten Directors, out of which Six are Non-Executive Directors which includes a Non-Executive Chairman. The Non-Executive Directors are eminent professionals and bring wealth of their professional expertise and experience to the Management of the Company.

Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies.

Name of Director	Category	Attendance at the Board Meetings during FY 2012-2013.	Attendance at the Last AGM held on 4 th August, 2012.	AS ON 31-03-2013*		
				No. of Directorships in other Public Co.	Committee membership in other Public Co. #	Chairmanship in committees in which they are members #
Dadi B. Engineer	Independent, Non-Executive Director	2	No	7	5	2
K. R. Ramamoorthy	Independent, Non-Executive Director	4	Yes	7	7	1
Mahendra V. Doshi	Independent, Non-Executive Director	4	No	5	3	1
Mufazzal S. Federal	Independent, Non-Executive Director	4	No	--	--	--
S. K. Palekar	Independent, Non-Executive Director	4	Yes	2	2	--
Hiten V. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Manish V. Parekh	Promoter, Executive Director	4	No	--	--	--
Nayan S. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Sharad V. Parekh	Promoter, Executive Director	4	Yes	--	--	--
Vamanrai V. Parekh	Promoter, Non-Executive Director	4	Yes	--	--	--

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

Includes Audit Committee and Shareholders' Grievance Committee only.

Number of Board Meetings held and the dates on which held

There were four Board Meetings of the Company held during the Financial Year 2012-2013 on the following dates: 11th May, 2012, 3rd August, 2012, 27th October, 2012, and 31st January 2013.

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

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

3. AUDIT COMMITTEE

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

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

Name of Director	Category	No. of Meetings	
		Held	Attended
K. R. Ramamoorthy	Independent, Non- Executive Chairman	4	4
Mahendra V. Doshi	Independent, Non-Executive	4	4
Dadi B. Engineer	Independent, Non-Executive	4	2
Vamanrai V. Parekh	Promoter, Non-Executive	4	4

The Company Secretary acts as the Secretary to the Committee.

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

Terms of Reference

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

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

4. REMUNERATION COMMITTEE

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

The Company Secretary acts as the Secretary to the Committee.

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

5. REMUNERATION OF DIRECTORS

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

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

The details of remuneration paid to the Directors during the Financial Year 2012-2013 are given below:

Name of Director	Salary & perquisites (₹)	*Sitting fees (₹)	Total (₹)	No. of Shares held as on 31-03-2013
Dadi B. Engineer	N.A.	70,000	70,000	Nil
K.R. Ramamoorthy	N.A.	140,000	140,000	Nil
Mahendra V. Doshi	N.A.	140,000	140,000	32,000
Mufazzal S. Federal	N.A.	80,000	80,000	Nil
S. K. Palekar	N.A.	80,000	80,000	Nil
Vamanrai V. Parekh	N.A.	140,000	140,000	1,795,462
Hiten V. Parekh	12,616,705	N.A.	12,616,705	1,139,455
Manish V. Parekh	11,807,998	N.A.	11,807,998	711,778
Nayan S. Parekh	10,245,938	N.A.	10,245,938	1,084,995
Sharad V. Parekh	12,766,313	N.A.	12,766,313	1,292,908

*Sitting fees include fees for attending the Board Meetings and Audit Committee Meetings.

Note: - No amount by way of commission was paid to any Directors during the Financial Year 2012-2013.

6. CODE OF CONDUCT

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

7. 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 of Director	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, 2012 to 31st March, 2013.

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

The Company has assigned its share transfer and dematerialisation work to M/s. Link Intime India Private Limited, Registrar and Transfer Agents. As on 31st March, 2013 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

8. GENERAL BODY MEETINGS

Details of the location of the last three Annual General Meetings (AGM) and details of the resolutions passed or to be passed by Postal Ballot:

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
26 th AGM	04-08-2012	12.00 noon	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.	NIL
25 th AGM	30-07-2011	11.30 a.m.	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.	NIL
24 th AGM	31-07-2010	11.00 a.m.	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.	1) Re-appointment of Mr. Sharad V. Parekh as the Managing Director of the Company alongwith the change in the terms of his remuneration. 2) Re-appointment of Mr. Hiten V. Parekh, Mr. Manish V. Parekh and Mr. Nayan S. Parekh as the Executive Directors of the Company alongwith the changes in the terms of their remuneration.

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

Postal Ballots

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

9. DISCLOSURES

- There were no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their relatives or subsidiaries etc. that may have potential conflict with the interest of the Company at large. The details of transactions with related parties are disclosed in the financial statements.
- There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last three years.
- The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and / or mitigation of the same is dealt with by the concerned operational heads under the overall supervision of the Managing and Executive Directors of the Company. The Management periodically reviews the adequacy and efficacy of overall risk management system.

10. MEANS OF COMMUNICATION

- The financial results are published in Financial Express (English) and Daman Ganga Times.

The Company's results, official news releases and presentations made to analyst and institutional investors are displayed on the Company's website www.nilkamal.com.

11. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

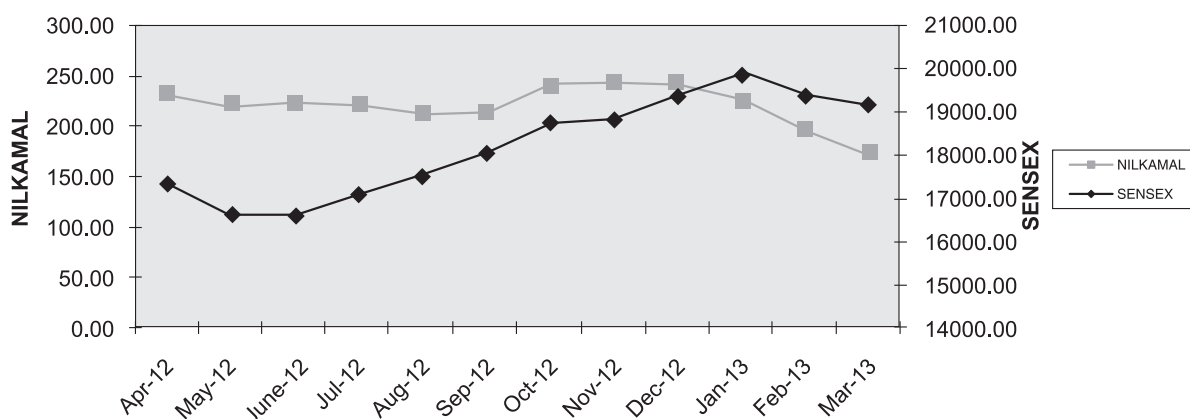
Date & Time	15 th July, 2013 at 12.00 noon.								
Venue	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.								
Financial Calendar	Financial Year : 1 st April, 2013 to 31 st March, 2014. Results for Quarter ending: <table border="1"> <tr> <td>30th June, 2013</td><td>– Before 14th August, 2013.</td></tr> <tr> <td>30th September, 2013</td><td>– Before 14th November, 2013.</td></tr> <tr> <td>31st December, 2013</td><td>– Before 14th February, 2014.</td></tr> <tr> <td>31st March, 2014</td><td>– Before 30th May, 2014.</td></tr> </table>	30 th June, 2013	– Before 14 th August, 2013.	30 th September, 2013	– Before 14 th November, 2013.	31 st December, 2013	– Before 14 th February, 2014.	31 st March, 2014	– Before 30 th May, 2014.
30 th June, 2013	– Before 14 th August, 2013.								
30 th September, 2013	– Before 14 th November, 2013.								
31 st December, 2013	– Before 14 th February, 2014.								
31 st March, 2014	– Before 30 th May, 2014.								
Date of Book Closure	From 6 th July, 2013 to 15 th July, 2013 (both days inclusive)								
Dividend Payment Date	Credit/ dispatch between 22 nd July, 2013 to 29 th July, 2013.								
Listing on Stock Exchanges	1. The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. 2. National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.								
Stock Code	1. The Bombay Stock Exchange Limited – 523385 2. National Stock Exchange of India Limited - 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 2012-2013.

Market Price Data

Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
Month	High	Low	Month	High	Low
April, 2012	251.50	213.05	April, 2012	251.55	211.05
May, 2012	236.85	207.00	May, 2012	236.25	207.80
June, 2012	245.00	208.00	June, 2012	242.00	206.05
July, 2012	239.15	208.00	July, 2012	239.90	207.00
August, 2012	228.00	200.20	August, 2012	238.00	201.00
September, 2012	231.50	201.15	September, 2012	232.40	200.55
October, 2012	274.95	213.00	October, 2012	275.00	212.40
November, 2012	266.10	227.90	November, 2012	265.80	222.30
December, 2012	259.80	228.10	December, 2012	261.00	226.00
January, 2013	252.00	209.00	January, 2013	251.95	209.05
February, 2013	214.00	180.00	February, 2013	215.00	179.00
March, 2013	189.70	158.00	March, 2013	195.95	158.00

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the Financial Year 2012-2013. *



* Sources www.bseindia.com.

Registrar and Transfer Agents

M/s. Link Intime India Private Limited (Link Intime), C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078; Tel: 022-25946970, Fax: 022-25946969, Email: rnt.helpdesk@linkintime.co.in are the Registrar and Share Transfer Agents for physical shares of the Company. Link Intime is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Distribution of Shareholding as on 31st March, 2013

Slab of Equity Shares	No. of Shareholders	% of Shareholders	Amount in ₹	% of Shareholding
1-5000	8,074	92.96	8,292,470	5.56
5001 to 10000	289	3.33	2,288,390	1.53
10001 to 20000	147	1.69	2,214,660	1.49
20001 to 30000	40	0.46	998,610	0.67
30001 to 40000	16	0.19	539,510	0.36
40001 to 50000	19	0.22	871,100	0.58
50001 to 100000	32	0.37	2,431,980	1.63
100001 and above	68	0.78	131,588,530	88.18
Total	8,685	100.00	149,225,250	100.00

Categories of Shareholders as per Clause 35 of the Listing Agreement

Category	No. of Shareholders	Voting Strength (%)	No. of shares
Promoter and Promoter Group	27	62.19	9,280,385
Mutual Funds & UTI	5	14.23	2,123,806
Banks, Financial Institutions, Insurance Companies	7	0.71	107,082
FII	2	0.00	200
Bodies Corporate	338	5.02	749,301
Individuals	8,204	16.23	2,422,325
NRIs & OCB	102	1.61	239,426
Total	8,685	100	14,922,525

Dematerialisation of shares and liquidity

98.41 % of the Company's Share Capital is dematerialised as on 31st March, 2013. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Plant Locations:

Barjora Unit	Plot No. 1498/2613, WBIDC Industrial Complex, Barjora Mejia Road, P. O. & P.S. Barjora, District: Bankura, Pincode – 722 202, West Bengal.
Hooghly Unit	Dayanidhan Compound Godown No - 1A & 2, Delhi High Road, Dankuni, Village: Monoharpur, J. L. No. 98, Touzi No. 17, Police Station-Chanditala, District - Hooghly, West Bengal - 712 311.
Hosur Unit	Part of Survey No. 149, 151 to 153, 227 and 299/1, Next to GNB Factory, Nallaganakothapalli Village, Koneripalli Post, Hosur Taluk, Krishnagiri District, Tamilnadu - 635 117.
Jammu Unit	Phase – II, Industrial Growth Centre, Samba – 184 121, Jammu & Kashmir.
Kharadapada Unit	Survey No. 389, 391, 393, 396 & 401 Naroli – Kharadpada Road, Village: Kharadpada, Silvassa -396 230, Union Territory of Dadra & Nagar Haveli.
Noida Unit	Plot No. 26, B & C Sector No.31, Surajpur – Kasna Road, Behind HPCL Gas Plant, Gautam Budha Nagar, Greater Noida – 201 310, Uttar Pradesh.
Puducherry Unit	19/3-5, 18/1-B & 21/6, Olaivaikkal Village, Villianoor- Pathukannu Road, Villianoor Taluk, Puducherry – 605 502.
Sinnar Unit	STICE, Plot No.971/1A, Sinnar Shirdi Road, Musalgaon, Sinnar-422 103, Dist. Nashik, Maharashtra.
Vasona Unit	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa- Khanvel Road, Vasona, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.

Registered Office and Corporate Office

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

Address for Correspondence

Investors can communicate at the following addresses:

- | | |
|--|---|
| <p>1. Ms. Priti P. Dave – Company Secretary
Nilkamal Limited
Nilkamal House,
77/78, Road No. 13/14, MIDC,
Andheri-East, Mumbai 400 093.
Tel:- 022-42358888 Fax:- 022-26818080
E-mail:- investor@nilkamal.com</p> | <p>2. M/s. Link Intime India Private Limited
Registrar and Transfer Agents
C-13, Kantilal Maganlal Estate,
Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai 400 078.
Tel: 022-25946970, Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in</p> |
|--|---|

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Nilkamal Limited

We have examined the compliance of conditions of Corporate Governance by Nilkamal Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Bharat B. Chovatia

Partner
Membership Number: 031756

Mumbai
May 18, 2013

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENT, OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:-**

The Indian economy went through a rough patch in 2012-13. Plagued with a deluge of problems, the Gross Domestic Product (GDP) growth rate in 2012-13 was lowest in a decade. All the three segments of the economy - agriculture, industry and services performed badly during the year.

Agriculture suffered due to erratic and delayed monsoons in 2012-13. The industrial activity in India lost momentum due to supply constraints in the mining and power sector, high interest rates, high inflation and stalled reforms. A depreciating rupee added to the woes of the economy, to increasing the input costs. Investment activity too slowed down due to rising pace of projects being shelved and reduction in growth rate of new project additions.

The Indian economy is expected to show stagnancy during the first half of the current Financial Year 2013-14. However, a slow recovery is likely to shape up due to mid course corrections such as reduced inflation, softening of interest rates, fast-tracking of investment projects, etc. Nonetheless, the economy is unlikely to get a relief on the external front, as global economic conditions remain subdued in 2013.

Plastic Division

The **Plastic Business** has achieved a volume growth of 1% and value growth of 14%. During the Financial Year 2012-13 it has achieved total turnover of ₹ 161,474 Lacs as compared to ₹ 141,761 Lacs in the previous year.

The **Furniture Business** witnessed a top line growth of 7% in revenue terms over the previous Financial Year. The growth was primarily from value added products in the traded segment. The moulded furniture segment did not register a growth because of the high volatility of raw material prices which affected the business volumes in this segment. This segment of the division however continues to enjoy a leadership position with a lead of two times to its closest competitor.

The furniture division has augmented its range in the last financial year by adding a variety of products in categories like office seating solution, living and bedroom furniture, computer table, dining, designer chairs etc thereby increasing the opportunity manifold to sell all types of furniture solutions to an already existing box of nearly 5 Crore satisfied households of moulded furniture. During the year your Company has introduced India's first poly carbonate chair "Crystal" which has been appreciated immensely by consumers & architects. This division has also introduced many models in the hybrid chairs suitable for cafeteria & household application.

The visibility equation has been accelerated by launching additional 12 "Nilkamal Home Ideas" stores ranging from 4000-8000 sq. ft. to serve 2/3 tier towns of India, thus taking the total of "Nilkamal Home Ideas" stores to 19 by the end of the Financial Year. These stores are a one stop furniture showroom for all Nilkamal products & offer various furniture solutions to the consumer. The strong network of 40 plus depots aided the Company to service these stores. The traded segment has grown exponentially in the last two years and we expect it to continue to grow rapidly with the help of "Nilkamal Home Ideas" and through our large network of 1000 plus distribution.

Going forward we believe that the stable GDP growth of our country would unfold a lot of opportunities for exponential growth as all the growing middle class would need quality furniture from reliable manufactures to meet their aspiration. The boom in the housing industry and the increasing job opportunities & disposable income would be the key drivers for the shift from unorganized sector to organized sector. The pan India penetration and the company's strength of servicing the consumers at arms length through depots in major cities and network of distributors would further augment our leadership position.

Threats & Risks

1. The rise in crude price & volatility of raw material price would be harmful to the moulded furniture business.
2. The global economy uncertainty coupled with adverse currency fluctuation can affect our furniture business.
3. The proliferation of regional players who compete on the strength of low quality raw materials & unethical practices like non conformity to statutory obligation will also remain as a threat.

Mattress Division

Mattress industry in India grew by approximately 15% during the year 2012-13 and is estimated to be around 5,400 crores. The value growth was not felt mainly because the branded players penetrated into the tier 3 and tier 4 markets with low end products, resulting in grabbing unorganized player's share in the marketplace.

The year 2012-2013 witnessed appreciable growth in foam and spring segment of the mattress industry where there are few organized players who cater to quality conscious customers.

Robust distribution network becomes key to success in this business. During the Financial Year 2012-13, your Company with the strength of brand leadership in furniture segment, was successful in penetrating in more than 2000 retail stores in India.

Having experienced success in Southern part of the country, your Company launched the mattresses in Eastern part of India during the second quarter after establishing the production facility in Dankuni, Kolkata. Encouragement and positive response received from the trade as well as consumers have given us opportunity to enter eastern markets with our current range of products.

The Company has introduced a full range of rubberized coir, foam and innovative spring mattresses. Having identified the three major attributes of requirement of Indian consumers – Comfort, Support for the spine and wellness and working towards offering all three attributes in all the range of mattresses offered by the Company. Your Company has introduced 17 new products into the market during the year 2012-2013.

Your Company has entered the mattress market during the year with innovative products and has been able to cater to the branded mattress market segment with 4" thick Spring mattress, introduced for the first time in India at an affordable price equivalent to the coir mattress. This was well received by the consumers as well.

Threats and risks

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

Future Outlook

With the success of launch of mattress in South, East and West your company is currently preparing itself towards entering the Northern part of India. The automated manufacturing machine installed at Hosur is expected to increase the production units to penetrate into uncovered areas around south. Mattress market is throwing up opportunities for premium products which are technically superior. Higher purchasing power backed by higher income levels, increased urbanization rising construction activity in housing segment and easy availability of loans are boosting growth in this industry. Quality is attracting towards organized sector in the mattress industry.

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

The **Material Handling Business** grew by 15% in value terms & 4% in volume terms. Increasing costs of land, scarcity of labour, coupled with an ever increasing emphasis on shop-floor productivity, material handling efficiency, and storage optimization continued boding well for our Material Handling products like crates, pallets, metal storage racks, & material handling equipment. Nilkamal continued to exhibit a market leader position in the material handling segment backed by its ability to directly reach a very diverse set of industrial customers through 400+ self-employed sales people operating from 50+ regional sales offices across India.

We continued investing in our already wide product breadth by successfully introducing & scaling up new products & services.

Combined sales of our three ventures Nilkamal Crates & Bins Ajman, Nilkamal Bito Storage Systems Pvt. Ltd. (NBSS), and Cambro Nilkamal Pvt. Ltd. (CNPL) grew by 61%.

We remain bullish about our growth in Ajman, given the turn-around in Dubai & Middle-Eastern region.

We scaled up our operations in NBSS and successfully executed quite a few large storage system projects.

The Cambro Manufacturing Company, USA awarded CNPL with the Gold Award for Outstanding Sales amongst all its international dealers & distributors.

We remain bullish about the material handling segment for the long term, based on increasing focus on improved productivity with less dependency on labour and see Full Implementation of GST to be next trigger for requirement of Large Warehouses.

The rise in the price of crude and the weakening of Indian rupee will definitely remain a major concern for sustaining profitability and Sales growth in short and medium term.

Lifestyle Furniture, Furnishing and accessories Division:

@home – The Mega Home Store has 19 stores spread across 11 cities covering a retail space of over 3.21 lakh sq. ft.; @home today has become a trusted brand among the consumers & has acquired a reputation of a serious player in the Indian Home Retailing industry.

In the FY 2012-13, the Brand has gone the E-commerce way. @home products are now available online through their own web portal and through other leading portals the Brand has partnered with. @home's Digital presence can also be felt with the various Social Media Marketing initiatives conducted.

This year has thrown challenges to the business which were not in direct control of the Company. The challenging macro environment includes currency fluctuation (weaker Rupee against Dollar). It had impacted the product selling prices which went upwards by 12% further resulted into downward same store sales.

The FY 2012-13 witnessed re-strategising of the business model to counter the challenges being faced by prolonged market slowdown to reduce expenses without negative impact on sales. Company has recently closed operations of two stores in Mumbai, identified as weak ends with less than expected growth opportunities in those markets.

Economic downturn coupled with adverse currency fluctuation is a threat to the business; as home furniture is not purchased frequently. This adversely effected the entire organized retail industry, who were either stagnant or saw a downward trend in the market. Despite all odds, @home has registered a turnover growth of 7% in FY 2012-13 (₹ 20,393 Lacs) over FY 2011-12 (₹ 19,127 Lacs).

The Management believes that the entry of more organized players will accelerate the shift from unorganized to organized market. The organized sector will facilitate the consumers with benefits such as wide product range, quality products, home décor ideas, easy finance options, warranty & after sales service.

Financial Review

Operating Profit

The Company registered operating Profit of ₹ 13,097 Lacs against ₹ 15,169 Lacs in the previous year, decrease of 13.66% over the previous year.

Interest

Interest and Financial cost has been increased by ₹ 282 Lacs i.e. from ₹ 4,015 Lacs to ₹ 4,297 Lacs. This is due to increase in average utilisation of borrowed funds. The increase in borrowed fund was due to capital expenditure of ₹ 5,003 lacs & increased working capital requirement with growth in business.

Net Profit

The Company has made net profit after tax of ₹ 3,119 Lacs as against ₹ 5,560 Lacs, drop of 43.91%.

Dividend

The Company has proposed final dividend of ₹ 4 per equity shares (40%) for the current year. The total outflow amounts to ₹ 698.31 lacs including dividend distribution tax.

Capital Employed

The total capital employed stood at ₹ 82,321 Lacs against ₹ 76,612 Lacs of previous year. Return on Average Capital employed is 9.33 % against 13.45% of previous year while Return on Equity is 7.48% against 14.63% of previous year.

The total debt to equity stands at 0.92 time against 0.89 time of the previous financial year.

Subsidiary and Joint Venture Performance

The Sri Lankan Subsidiary has achieved turnover of SLR 10,975 Lacs and net profit of SLR 643 Lacs as compared to previous year turnover of SLR 13,730 Lacs and net profit of SLR 769 Lacs.

During the year under review, the Company has received towards Technical and Management Fees of ₹ 116 Lacs (previous year ₹ 151 Lacs), and dividend of ₹ Nil Lacs (previous year ₹ 60 Lacs) from the said subsidiary.

The subsidiary at Ajman has achieved a turnover of AED 158 Lacs with net profit of AED 13 Lacs against previous year turnover of AED 107 Lacs with net profit of AED 8 Lacs. The Company has received ₹ 55 Lacs as dividend (Previous Year ₹ 51) from the said subsidiary.

The Joint Venture Company – Nilkamal BITO Storage Systems Pvt. Ltd. is in manufacturing of storage systems of metal. In sixth year of operation, it has achieved turnover of ₹ 7,368 Lacs and has achieved Profit of ₹ 216 Lacs as compare to Previous Year turnover of ₹ 4,882 Lacs and Profit of ₹ 492 Lacs. The Company has received ₹ 240 Lacs (previous year ₹ 157 Lacs) towards Technical and Management Fees from the said Joint Venture Company.

The Joint Venture Company Cambro Nilkamal Pvt. Ltd has achieved turnover of ₹ 1,652 Lacs (Previous Year ₹ 794 Lacs) and net profit of ₹ 160 Lacs (Previous Year ₹ 105).

During the year under review, the Company has received towards Technical and Management Fees of ₹ 82 Lacs (previous year ₹ 50 Lacs)

Internal Control Systems and Their Adequacy

The internal control system of the Company is in place & is commensurate with the size & scale of its operations. The Company has implemented suitable controls on ongoing basis to assure that all resources are utilized optimally, financial transactions are reported with the accuracy and all applicable laws and regulations are complied with.

The Internal Audit Department with the help of external agencies & based on risk assessment, regularly perform internal audits & ensure the effectiveness of internal controls placed in the system. The internal audit is conducted throughout the year to monitor and report on the effectiveness of the internal controls of the Company. Significant findings of the internal audit report are brought to the notice of the Audit Committee and corrective measures as deemed necessary are taken.

Human Resources and Industrial Relations

Your Company's industrial relations continued to be harmonious during the year under review. The employee strength of your Company is currently 3,072.

Cautionary Statement

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

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

1. We have audited the accompanying financial statements of Nilkamal Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Mumbai
May 18, 2013

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership Number: 031756

ANNEXURE TO INDEPENDENT AUDITORS' REPORT**REFERRED TO IN PARAGRAPH 7 OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF NILKAMAL LIMITED ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31ST MARCH, 2013**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are 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, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) /(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of sales tax, excise duty and income-tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax of various states	Central Sales Tax and Local Sales Tax (including Value Added Tax)	49.42	2005-2008	High Court
		168.15	2002-2004, 2006-2011, April 2012 - June 2012	Departmental Authorities
Central Excise Act, 1944	Excise Duty	4.81	1999-2001	High Court
		352.83	2002-2012	Departmental Authorities
Finance Act 1994	Service Tax	1.74	2011-2012	Departmental Authorities
Income Tax Act, 1961	Tax deducted at source	3.39	2010-11	Departmental Authorities

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, except for the unutilised proceeds of term loans, to the extent of ₹ 1,502.18 Lacs, that were obtained for capital expenditure but held in accounts with banks at the year end, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Bharat B. Chovatia

Partner
Membership Number: 031756

Mumbai
May 18, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

			(₹ in Lacs)
	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	41,418.48	38,952.21
2 Non-current Liabilities			
(a) Long term borrowings	3	11,178.88	11,042.48
(b) Deferred tax liability (net)	4	2,190.44	1,847.21
(c) Other long term liabilities	5	3,237.35	2,716.28
(d) Long term provisions	6	759.15	414.19
3 Current Liabilities			
(a) Short term borrowings	7	24,254.51	21,556.93
(b) Trade payables	32	9,429.03	8,132.27
(c) Other current liabilities	8	6,844.45	6,544.63
(d) Short term provisions	9	1,889.28	1,971.27
TOTAL		102,693.82	94,669.72
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible assets		33,603.54	32,364.83
(ii) Intangible assets		218.40	357.47
(iii) Capital work-in-progress		420.55	509.22
(b) Non-current investments	11	2,529.59	2,529.59
(c) Long-term loans and advances	12	5,185.34	5,059.15
2 Current assets			
(a) Inventories	13	30,525.62	27,291.19
(b) Trade receivables	14	22,974.17	19,569.13
(c) Cash and Bank Balance	15	2,448.99	2,045.63
(d) Short-term loans and advances	16	4,196.38	4,233.46
(e) Other current assets	17	591.24	710.05
TOTAL		102,693.82	94,669.72

The notes form an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE

For DALAL & SHAH

Firm Registration No. : 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership No. : 037942

For VORA & ASSOCIATES

Firm Registration No. : 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership No. : 031756

Place: Mumbai
Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			(₹ In Lacs)
	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
I. Revenue from Operations (Gross)	18	184,015.09	162,809.14
Less: Duties and levies		22,949.21	19,348.35
Revenue from Operations (Net)		161,065.88	143,460.79
II. Other Income	19	322.36	248.20
III. Total Revenue (I+II)		161,388.24	143,708.99
IV. Expenses:			
Cost of materials consumed	20	63,697.20	55,479.50
Purchases of traded goods	34 (b)	41,358.35	35,266.66
Changes in inventories of finished goods, work-in-progress and traded goods	21	(3,254.91)	(3,020.65)
Employee benefits expense	22	10,163.02	9,002.27
Finance costs	23	4,297.46	4,015.50
Depreciation and amortisation expenses		4,434.32	4,047.77
Other expenses	24	36,327.62	31,877.33
		157,023.06	136,668.38
Less: Trial run expenses capitalised		-	64.83
Total Expenses		157,023.06	136,603.55
V. Profit Before Tax (III-IV)		4,365.18	7,105.44
VI. Tax Expense:			
Current tax		901.50	1,435.00
MAT Credit (Entitlement)/Utilisation		155.00	(170.00)
Deferred tax		148.56	282.88
Taxation for earlier years		41.10	(2.74)
VII. Profit for the year (V-VI)		3,119.02	5,560.30
VIII. Earnings per equity share of ₹ 10 each			
(1) Basic		20.90	37.26
(2) Diluted		20.90	37.26
Weighted average number of equity shares outstanding		14,922,525	14,922,525
The notes form an integral part of these financial statements			

AS PER OUR REPORT OF EVEN DATE

For DALAL & SHAH

Firm Registration No. : 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership No. : 037942

For VORA & ASSOCIATES

Firm Registration No. : 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership No. : 031756

Place: Mumbai

Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Pareesh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Year ended on 31st March, 2013		Year ended on 31st March, 2012	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		4,365.18		7,105.44
Adjustments for :				
Depreciation and Amortisation	4,434.32		4,047.77	
Loss on Fixed Assets sold / discarded (Net)	225.43		53.27	
Finance Costs	4,297.46		4,015.50	
Provision/(Written back) for doubtful debts and advances	43.94		110.84	
Bad Debts Written off/(Written back)	63.81		54.87	
Interest income received	(267.39)		(137.20)	
Dividend Income	(54.97)		(111.00)	
		8,742.60		8,034.05
Operating Profit before Working Capital changes		13,107.78		15,139.49
Adjustments for :				
Trade and Other Receivables	(3,463.89)		(6,355.84)	
Inventories	(3,072.73)		(4,656.82)	
Trade Payables & Other Liabilities	2,146.99		3,071.16	
		(4,389.63)		(7,941.50)
Direct Taxes Paid (Net of Refund)	(1,246.73)		(1,164.47)	
		(1,246.73)		(1,164.47)
Net Cash Inflow from Operating Activities.....A		7,471.42		6,033.52
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets and Capital Work in Progress	(5,431.49)		(8,021.58)	
Sale of Fixed Assets	81.76		239.02	
Interest Received	253.78		137.72	
Dividend received from Subsidiary	-		111.00	
Net Cash Outflow from Investing Activities.....B		(5,095.95)		(7,533.84)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	4,013.18		7,553.12	
Repayment of Long Term Borrowings	(3,621.49)		(4,236.95)	
Proceeds from Short Term Borrowings [Net]	2,697.59		2,158.95	
Changes in External Commercial borrowing pending utilisation	(628.84)		128.84	
Finance Costs	(4,369.26)		(3,809.05)	
Dividend paid (including tax on dividend)	(692.93)		(693.73)	
Net Cash Inflow/(Outflow) from Financing Activities.....C		(2,601.75)		1,101.18
Net Increase in Cash and Cash Equivalents.....(A + B + C)		(226.28)		(399.14)
Cash and Cash Equivalents as at the beginning of the year	1,153.52		1,552.66	
Cash and Cash Equivalents as at the year end	927.24		1,153.52	
		(226.28)		(399.14)

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

AS PER OUR REPORT OF EVEN DATE

For DALAL & SHAH

Firm Registration No. : 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership No. : 037942

For VORA & ASSOCIATES

Firm Registration No. : 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership No. : 031756

Place: Mumbai
Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Notes Forming part of the Financial Statements

	(₹ In Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
Note : 1 - Share Capital		
Authorised		
2,20,00,000 (Previous Year 2,20,00,000) Equity Share of ₹ 10/- each	2,200.00	2,200.00
30,00,000 (Previous Year 30,00,000) Preference Share of ₹ 10/- each	300.00	300.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Fully Paid up		
1,49,22,525 Equity Shares of ₹ 10/- each	1,492.25	1,492.25
(Previous year 1,49,22,525 Equity Shares of ₹ 10/- each) (Refer note 28)		
Total	<u>1,492.25</u>	<u>1,492.25</u>
Note : 2 - Reserves and Surplus		
a. Capital Reserve		
As per last account	1,115.16	1,115.16
b. Securities Premium Account		
As per last account	6,448.96	6,448.96
c. Cash Flow Hedge Reserve		
As per last account	-	-
Add: Net gain recognised on cash flow hedge (Refer note 30)	45.59	-
	<u>45.59</u>	<u>-</u>
d. General Reserve		
As per last account	16,100.00	15,524.58
Add: Transferred from Surplus	400.00	575.42
	<u>16,500.00</u>	<u>16,100.00</u>
e. Surplus		
As per last account	15,288.09	10,996.94
Add : Net Profit for the year	3,119.02	5,560.30
Proposed Dividend [Dividend for current year ₹ 4 per Share (Previous Year ₹ 4 per share)].	(596.90)	(596.90)
Tax on Proposed Dividend	(101.44)	(96.83)
Transfer to General Reserve	(400.00)	(575.42)
	<u>17,308.77</u>	<u>15,288.09</u>
Total	<u>41,418.48</u>	<u>38,952.21</u>
Note : 3 - Long Term Borrowings		
a. Secured Loans		
Term loan from banks		
(i) Rupee Loans	4,933.47	7,817.06
(ii) Foreign currency loans	6,245.41	3,180.00
b. Unsecured Loans		
From Others	-	45.42
Total	<u>11,178.88</u>	<u>11,042.48</u>

For Security and terms of repayment : (Refer note 29)

(₹ In Lacs)

Note : 4 - Deferred Tax Liability (Net)

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

	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2011
Deferred Tax Liability on account of :			
Depreciation	2,530.41	2,175.19	1,828.88
Allowance under Income Tax Act	198.84	-	-
	2,729.25	2,175.19	1,828.88
Deferred Tax Asset on account of :			
Disallowance under Income Tax Act	443.24	249.99	208.06
Provision for Doubtful Debts	95.57	77.99	56.49
	538.81	327.98	264.55
Deferred Tax Liability- Net	2,190.44	1,847.21	1,564.33

Tax in respect of earlier years includes deferred tax charge of ₹ 194.67 Lacs (Previous Year ₹ Nil)

	As at 31 st March, 2013	As at 31 st March, 2012
Note : 5 - Other Long Term Liabilities		
Security Deposit Received	3,205.73	2,716.28
Derivative Liability (Refer note 30)	31.62	-
Total	3,237.35	2,716.28

Note : 6 - Long Term Provisions

Provision For Employee Benefits (Refer Note 39)

	As at 31 st March, 2013	As at 31 st March, 2012
Total	759.15	414.19

Note : 7 - Short Term Borrowings**(a) Secured Loans****Working Capital Loan From Banks**

(i) Rupee Loans	21,485.29	21,166.90
(ii) Buyers Credit Facility	1,269.22	390.03

(b) Unsecured Loans

Short Term Rupee Loan from Banks	1,500.00	-
Total	24,254.51	21,556.93

For Security : (Refer Note 29)

Note : 8 - Other Current Liabilities**(a) Current maturities of long-term debt**

(i) Rupee Loans	3,252.74	2,876.54
(ii) Foreign Currency Loans	678.88	636.00
(iii) Unsecured Loans from Others	45.42	55.23

(b) Interest accrued but not due on borrowings

	150.32	114.70
--	--------	--------

(c) Unclaimed dividends

	21.75	20.95
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(d) Advance Received from Customers

	1,168.22	875.76
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(e) Employee Benefits Payable

	385.26	351.78
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(f) Other Payables

(i) Statutory Dues	927.79	985.88
(ii) Others	214.07	627.79
Total	6,844.45	6,544.63

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

	(₹ In Lacs)
	As at 31 st March, 2013
	As at 31 st March, 2012
Note : 9 - Short Term Provisions	
(a) Provision for Employee Benefits (Refer note 39)	265.21
(b) Others Provisions	360.69
i) Provision For Excise Duty on Closing Stock	746.21
ii) Provision For Product Warranties (Refer note 27)	584.52
iii) Provision For Wealth Tax	169.86
iv) Proposed Dividend	9.66
v) Tax on proposed dividend	8.71
vi) Provision for Tax (Net of advance tax)	596.90
	101.44
	-
Total	1,889.28
	1,971.27

Note 10 - Fixed Assets

(₹ In lacs)

	Gross Block				Depreciation/Amortisation				Net Block	
	Balance as at 1 st April, 2012	Additions	Disposals/ Adjustments	Balance as at 31 st March, 2013	Upto 1 st April, 2012	For the year	Disposals/ Adjustments	Upto 31 st March, 2013	Balance as at 31 st March, 2013	Balance as at 31 st March, 2012
Tangible Assets										
I. Land										
(a) Freehold Land	1,101.78	14.47	-	1,116.25	-	-	-	-	1,116.25	1,101.78
(b) Leasehold Land (a)	224.72	-	-	224.72	24.16	2.50	-	26.66	198.06	200.56
II. Building	13,327.62	342.07	11.26	13,658.43	2,616.88	418.38	2.31	3,032.95	10,625.48	10,710.74
III. Plant and Machinery	35,500.52	3,740.33	146.49	39,094.36	21,950.98	2,900.56	130.51	24,721.03	14,373.33	13,549.54
IV. Furniture and Fixtures	3,201.77	278.62	44.52	3,435.87	1,052.53	228.82	20.22	1,261.13	2,174.74	2,149.24
V. Office Equipments	2,585.58	600.37	44.78	3,141.17	1,386.10	246.20	32.10	1,600.20	1,540.97	1,199.48
VI. Lease Equipments	-	277.87	-	277.87	-	12.82	-	12.82	265.05	-
VII. Vehicles	1,611.25	198.84	143.45	1,666.64	393.52	152.60	61.27	484.85	1,181.79	1,217.73
VIII. Others										
Interiors at Showrooms	2,900.45	230.64	230.29	2,900.80	664.69	194.20	85.96	772.93	2,127.87	2,235.76
Total	60,453.69	5,683.21	620.79	65,516.11	28,088.86	4,156.08	332.37	31,912.57	33,603.54	32,364.83
Intangible Assets										
I. Software	406.54	139.19	-	545.73	216.80	110.53	-	327.33	218.40	189.74
II. Models, Designs and Commercial rights	2,012.52	-	-	2,012.52	1,844.79	167.71	(0.02)	2,012.52	-	167.73
Total	2,419.06	139.19	-	2,558.25	2,061.59	278.24	(0.02)	2,339.85	218.40	357.47
Grand Total	62,872.75	5,822.40	620.79	68,074.36	30,150.45	4,434.32	332.35	34,252.42	33,821.94	32,722.30
Previous Year	52,202.60	11,237.43	567.28	62,872.75	26,377.67	4,047.77	274.99	30,150.45	32,722.30	

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

	As at 31 st March, 2013	(₹ In Lacs) As at 31 st March, 2012
Note : 11 - Non-Current Investments		
Trade investments (Unquoted)		
(I) Investment in Equity instruments		
(a) Investment in subsidiary companies		
(i) 15,20,000 Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Pvt. Ltd., Srilanka	93.62	93.62
(ii) 1 Equity share of DHS 1,85,000 of Nilkamal Crates and Bins, FZE	19.65	19.65
(b) Investments in Joint ventures		
(i) 22,20,000 Equity Shares of ₹ 10/ Each of Nilkamal Bito Storage Systems Pvt Ltd.	2,215.50	2,215.50
(ii) 1,05,000 Equity Shares of ₹ 10/- Each of Cambro Nilkamal Pvt Ltd.	200.50	200.50
(II) Investment in Government Securities		
National Savings Certificate (Pledged with Government Authorities)	0.32	0.32
Total	2,529.59	2,529.59

Note : 12 - Long Term Loans and Advances

Unsecured, Considered Good		
(i) Capital Advances	395.89	799.80
(ii) Security Deposits	1,851.15	1,897.40
(iii) Deposit with Government Authorities	1,116.30	1,076.22
(iv) Deposit with related party (Refer note 36)	724.56	724.56
(v) Other Loans and Advances	542.32	510.57
(vi) Taxes paid in advance (Net of provision)	555.12	50.60
Other Loans and Advances Considered Doubtful	56.66	56.66
Less: Provision for doubtful other loans and advances	(56.66)	(56.66)
Total	5,185.34	5,059.15

Note : 13 - Inventories

I. Raw Material (including Goods in transit ₹ 417.47 lacs (Previous year ₹ 739.66 lacs.)	4,772.89	5,397.06
II. Work in Progress	2,596.92	1,905.48
III. Finished Goods	8,250.67	6,499.16
IV. Traded Goods (including Goods in transit ₹ 419.12 lacs (Previous year ₹ 287.97 lacs.)	12,642.27	11,630.58
V. Stores and Spare Parts	1,953.96	1,651.00
VI. Packing Material	308.91	207.91
Total	30,525.62	27,291.19

(Refer Note 25 g)

Note : 14 - Trade Receivables**Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

(a) Secured, Considered good	71.68	7.77
(b) Unsecured, Considered good	1,470.41	1,144.53
(c) Doubtful	285.94	244.09
Less: Provision for Doubtful Debts	(285.94)	(244.09)
	1,542.09	1,152.30

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

(a) Secured, Considered good	2,468.42	2,027.41
(b) Unsecured, Considered good	18,963.66	16,389.42
	21,432.08	18,416.83
Total	22,974.17	19,569.13

	As at 31 st March, 2013	(₹ In Lacs) As at 31 st March, 2012
Note : 15 - Cash and Bank Balances		
I. Cash and Cash Equivalents		
(a) Balance in Current Accounts	443.47	621.18
(b) Cheques on Hand	220.74	328.98
(c) Cash on Hand	263.03	203.36
	<u>927.24</u>	<u>1,153.52</u>
II. Other Bank Balances		
(a) Earmarked balance with Bank (Unclaimed Dividend)	21.75	20.95
(b) Bank Deposits with less than 3 months maturity*	-	371.16
(c) Bank Deposits with 3-12 months maturity*	1,500.00	500.00
	<u>1,521.75</u>	<u>892.11</u>
Total	<u>2,448.99</u>	<u>2,045.63</u>
*Pending utilisation of External Commercial Borrowings		
Note : 16 - Short Term Loans and Advances		
Unsecured, Considered Good		
(a) Security Deposit	407.06	407.04
(b) Other Loans and Advances		
(i) Advance recoverable in cash or kind	2,405.27	2,623.25
(ii) Balance with Excise Department	1,249.83	1,071.72
(iii) Taxes paid in advance (net of Provisions)	134.22	131.45
Security Deposit Considered Doubtful	52.05	52.05
Less: Provision for doubtful deposit	(52.05)	(52.05)
Total	<u>4,196.38</u>	<u>4,233.46</u>
Note : 17 - Other Current Assets		
MAT Credit Receivable	15.00	170.00
Due from Related parties	224.70	89.61
Interest Receivable	23.93	10.32
Other Receivables	327.61	440.12
Total	<u>591.24</u>	<u>710.05</u>
	Year Ended 31 st March, 2013	(₹ in Lacs) Year Ended 31 st March 2012
Note : 18 - Revenue from Operations (Gross) (Refer note 34 (a))		
Gross Turnover of Goods		
Local	175,519.24	156,341.61
Export [Including Deemed Exports of ₹ 2,828.07 Lacs, (Previous year ₹ 1,790.07 lacs)]	7,067.53	5,068.15
	<u>182,586.77</u>	<u>161,409.76</u>
Sale of Services	388.41	352.35
Other Operating Revenue		
(a) Sale of Scrap	411.44	439.33
(b) Technical and Management Fees	622.71	601.87
(c) Others	5.76	5.83
Total	<u>184,015.09</u>	<u>162,809.14</u>

	(₹ in Lacs)	
	Year Ended 31 st March, 2013	Year Ended 31 st March 2012
Note : 19 - Other Income		
Interest income	267.39	137.20
Dividend Income from Subsidiary Companies	54.97	111.00
Total	322.36	248.20
Note : 20 - Cost of Materials Consumed [Refer note 34 (d) and (e)]		
Opening Stock of Raw Materials	4,657.40	4,171.64
Add : Purchases	63,395.22	55,965.26
Less : Closing Stock of Raw Materials	4,355.42	4,657.40
Total	63,697.20	55,479.50
Note : 21 - Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods		
Opening Stock		
Work in Progress	1,905.48	1,484.48
Finished Goods	6,499.16	5,034.51
Traded Goods	11,342.61	10,169.29
	19,747.25	16,688.28
Closing Stock		
Work in Progress	2,596.92	1,905.48
Finished Goods	8,250.67	6,499.16
Traded Goods	12,223.15	11,342.61
	23,070.74	19,747.25
Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	68.58	38.32
Total	(3,254.91)	(3,020.65)
Note : 22 - Employee Benefits Expense		
(a) Salary, Wages and Bonus	9,111.24	8,058.17
(b) Contribution to Provident and Other funds	279.75	236.72
(c) Workmen and staff welfare expenses	772.03	707.38
Total	10,163.02	9,002.27
Note : 23 - Finance Costs		
(a) Interest on term loan	1,536.36	1,570.30
(b) Interest Paid to Banks	2,133.47	1,631.00
(c) Other Interest	305.98	254.82
(d) Bank Charges	276.53	293.67
(e) Other Borrowing Costs	141.01	147.12
(f) Applicable Net Foreign Exchange Loss/ (Gain) on Borrowings (Refer note 33)	(95.89)	118.59
Total	4,297.46	4,015.50

		(₹ in Lacs)
	Year Ended 31st March, 2013	Year Ended 31st March 2012
Note : 24 - Other Expenses		
Stores, Spare Parts Consumed [Refer note 34 (f)]	2,184.38	1,818.87
Power and Fuel	4,696.06	4,233.82
Repairs :		
Building	194.69	59.85
Machinery	166.15	148.43
Others	865.53	740.39
Labour Charges	5,620.24	4,258.45
Rent	4,079.40	3,219.11
Rates and Taxes	260.42	194.96
Insurance	189.73	146.16
Postage and Telephone Expenses	410.12	391.39
Loss on Fixed Assets Sold / Discarded (Net)	225.43	53.27
Packing Material Consumed	1,237.38	1,116.39
Travelling Expenses	1,149.93	1,106.04
Commission	472.74	542.85
Advertisements and Sales Promotion Expense	2,034.07	2,209.54
Computer Expenses	398.17	201.57
Carriage outward	7,629.25	6,971.72
Land Lease Rent	8.25	3.10
Board Meeting Fees	6.50	6.70
Provision for Wealth Tax	12.04	8.84
Bad Debts written off / (written back)	63.81	54.87
Provision/ Write back for Doubtful Debts and Advances	43.94	110.84
Discounts and Schemes	844.80	1,102.03
Payment to Auditors		
- Audit Fees	22.00	22.00
- For Other Services	11.32	14.77
- Reimbursement of Expenses	0.96	0.50
Net Foreign Exchange Loss / (Gain)	(96.61)	13.47
Sundry Expenses	3,596.92	3,127.39
Total	36,327.62	31,877.32

Note-25

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements:

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

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

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known /materialised.

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 Statement of Profit and Loss account in the year in which an asset is identified as impaired.

e) Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets is provided at higher of Management's estimated useful life of the assets or in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are depreciated on straight line basis over the total period of lease;
- ii) Cost of Leasehold land is amortised over the period of lease;
- iii) Depreciation on addition to assets or on sale /discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;
- iv) Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;
- v)
 - a) Software (Intangible assets) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.
 - b) Models, Designs and other Commercial rights (intangible assets) is amortised on a straight-line basis over a period of 60 months from the date of its put to use or based on the management's estimate of useful life over which the economic benefits will be derived.
- vi) Individual Assets except Assets given on lease acquired for less than ₹ 5,000/- are entirely depreciated in the year of acquisition.

f) Investments:

Investments are classified into Current and Long Term Investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost less provision, if any, for other than temporary diminution in value.

g) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

h) Employee Benefits:**Short Term Employee Benefits:**

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

Post Employment / Retirement Benefits:

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

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

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

Termination Benefits:

Termination benefits are recognised as and when incurred.

i) Derivative financial instruments and hedge accounting:

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

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

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

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

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

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

j) Foreign Currency Translations:

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

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

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

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

In respect of Forward Exchange contracts entered into to hedge foreign currency risks of an on-balance sheet foreign currency denominated asset or liability, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or Loss on cancellations / renewals of forward contracts is recognised during the year. In case of forward contracts against highly probable forecast transaction, mark to market loss, if any, is charged to Statement of Profit and Loss.

k) Borrowing Costs:

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

l) Recognition of Income and Expenditure:

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

m) Assets taken on Lease:

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

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

n) Assets given on Lease:

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

o) Taxation:

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassess realization. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

p) Expenditure during Construction Period:

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

q) Government Grants:

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

r) Provisions, Contingent Assets and Contingent Liabilities:

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

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

(₹ in Lacs)

	Particulars	31 st March, 2013	31 st March, 2012
i)	Excise and Service Tax matters	366.26	339.09
ii)	Sales Tax matters *	1,192.11	1,260.93
iii)	Income Tax matters	3.39	-
iv)	a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	59.50	59.50
	b) On account of surety given on behalf of Joint Venture for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	10.00
	c) On account of Cross Subsidy Surcharge on electricity	9.38	-

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

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

b) Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 504.52 Lacs (Previous Year ₹ 694.81 Lacs).
- Export commitment on EPCG license utilisation remaining to be executed ₹ Nil (Previous Year ₹ 375.20 Lacs)

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

(₹ In Lacs)

Particulars	2012-13	2011-12
Opening Balance	140.91	113.68
Additions	498.17	445.12
Utilisations	469.22	417.89
Closing Balance	169.86	140.91

28. Share Capital

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

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

Name of the Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Nilkamal Builders Private Limited	1,464,000	9.81%	1,464,000	9.81%
Heirloom Finance Private Limited	912,000	6.11%	912,000	6.11%
Vamanrai V. Parekh	1,795,462	12.03%	1,795,462	12.03%
Sharad V. Parekh	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	1,139,455	7.64%	1,139,455	7.64%
Nayan S. Parekh	1,084,995	7.27%	1,084,995	7.27%
Reliance Capital Trustee Co. Ltd. A/C – Reliance regular Savings Fund - Equity Option	1,000,000	6.70%	1,000,000	6.70%

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

Particulars	Equity Shares			
	2012-13		2011-12	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	14,922,525	1,492.25
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,922,525	1,492.25	14,922,525	1,492.25

During the financial year 2010-11, 21,40,181 Equity Shares of ₹ 10 each were issued to Qualified Institutional Investors at a premium of ₹ 270.35 each.

29. Borrowings :

(A) SECURED LOANS :

- Working capital facilities from Banks are secured on first pari passu basis by way of hypothecation of current assets of the Company, second pari passu charge by way of equitable mortgage on the Company's immovable property and personal guarantee of Director/s.
- Term loans of ₹ 11,174.07 lacs (Previous Year: ₹ 10,983.75 lacs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil nadu) together with all building and structures thereon and all Plant & Machinery, second pari passu charge by way of hypothecation of current assets of the Company. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of ₹ 4,887.66 lacs (Previous Year ₹ 1,272 lacs).
- Term loan of ₹ 4.81 lacs (Previous Year ₹ 13.31 lacs) is secured against respective assets.
- Terms of Repayment**

Rupee Term Loan

Terms of Repayment of Rupee term loans having interest rate from 11.50% to 14.00%, which are reset periodically are given below:

- Term loan amounting to ₹ Nil lacs (March 31, 2012: ₹ 249.94 lacs) repayable in equal quarterly installments, last installment due in December 2013.
- Term loan amounting to ₹ 208.31 lacs (March 31, 2012: ₹ 333.32 lacs) repayable in equal quarterly installments, last installment due in May 2015.
- Term loan amounting to ₹ 666.64 lacs (March 31, 2012: ₹ 1000.00 lacs) repayable in equal quarterly installments, last installment due in June 2016.

- iv) Term loan amounting to ₹ 1,312.50 lacs (March 31, 2012: ₹ 2,062.50 lacs) repayable in equal quarterly installments, last installment due in January 2016.
- v) Term loan amounting to ₹ 366.67 lacs (March 31, 2012: ₹ 400.00 lacs) repayable in equal quarterly installments, last installment due in December 2016.
- vi) Term loan amounting to ₹ Nil (March 31, 2012: ₹500.00 lacs) repayable in equal quarterly installments, last installment due in March 2014.
- vii) Term loan amounting to ₹ 252.77 lacs (March 31, 2012: ₹ 585.00 lacs) repayable in equal quarterly installments, last installment due in December 2014.
- viii) Term loan amounting to ₹ Nil (March 31, 2012: ₹ 344.00 lacs) repayable in equal quarterly installments, last installment due in March 2014.
- ix) Term loan amounting to ₹ 574.00 lacs (March 31, 2012: ₹ 929.00 lacs) repayable in equal quarterly installments, last installment due in January 2016.
- x) Term loan amounting to ₹ 400.00 lacs (March 31, 2012: ₹ 400.00 lacs) repayable in equal quarterly installments, last installment due in March 2017.
- xi) Term loan amounting to ₹ 747.77 lacs (March 31, 2012: ₹ 999.99 lacs) repayable in equal quarterly installments, last installment due in July 2016.
- xii) Term Loan amounting to ₹ 4.81 Lacs (March 31, 2012 ₹ 13.31 Lacs) repayable in equal monthly installments, last installment due in December 2014.
- xiii) Term Loan amounting to ₹ 400.00 lacs (March 31, 2012 ₹ Nil) repayable in equal quarterly installments, last installment due in June 2017.

Foreign Currency Loan

Terms of Repayment of Foreign Currency loans having interest rate from 2.50% to 4.00% are given below:

- i) Term loan amounting to ₹ 1,357.75 lacs (March 31, 2012: ₹1,908.00 lacs) repayable in equal half yearly installments, last installment due in March 2016.
- ii) Term loan amounting to ₹ 4,887.66 lacs (March 31, 2012: ₹ 1,272.00 lacs) repayable in equal quarterly installments, last installment due in March 2017.

(B) Terms of repayment for Long Term unsecured borrowings:

Term loan amounting to ₹ Nil (March 31, 2012: ₹45.42 Lacs) repayable in equal quarterly installments, last installment due in November 2013. Rate of interest as at year end Nil p.a. (Previous year 10.69 % p.a.).

Installments falling due within twelve months from the year end have been classified as "Current maturities of long term debts" in Note 8.

(C) Maximum balance outstanding during the year by way of issue of Commercial Papers ₹ 5,000 Lacs (Previous Year ₹ 2,000 Lacs)

30. Cross Currency Interest Rate Swap:

The Company has transacted a cross currency interest rate swap (CCIRS) agreement with a bank to hedge the principal and interest of the ECB Loan of USD 5.10 Million (Previous year Nil). The Company has designated this ECB loan and the CCIRS in a cash flow hedge accounting relationship. The change in the fair value of the CCIRS, to the extent considered effective, is taken to the 'Cash flow hedge reserve account' under Reserves & Surplus under Note 2. Of this, ₹ 77.21 Lacs (previous year Nil) has been transferred to statement of profit and loss to offset the profit on restatement of this ECB. The net balance amounting to ₹ 45.59 Lacs (previous year Nil) represents the balance effective portion of cash flow hedge. Had the Company not exercised such option, the net profit after tax for the year ended on 31st March, 2013 would have been higher by ₹45.59 lacs (Previous Year ₹ Nil).

31. a) Capital Expenditure directly attributable to a project at Hosur is as under

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening Balance	-	66.02
Add : <u>Expenditure</u>		
Power and Fuel	-	-
Salaries, Wages, etc.	-	-
Others	-	-
Total	-	-
Total Expenditure	-	66.02
Less: Expenditure capitalized during the year	-	66.02
Closing Balance	-	-

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Raw Material Consumption	-	170.48
Stores and Spares Consumption	-	30.21
Salaries, Wages, etc.	-	8.23
Power and Fuel	-	32.76
Other Expenditure	-	19.89
Total	-	261.57
Less: Sales of trial run Product	-	92.56
<u>Stock of trial run product :</u>		
Finished Goods	-	93.12
Work-in-Progress	-	11.06
Net Trial Run Expenditure Capitalised	-	64.83

- 32. i)** Principal outstanding of amount payable as on 31st March 2013, relating to Supplier registered as Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil (Previous Year ₹ Nil) interest due thereon is ₹ Nil (Previous Year ₹ Nil).
- ii)** Amount of interest paid along with the amount of payments made beyond the amount due is ₹ Nil (Previous Year ₹ Nil).
- iii)** Amount of interest due and payable where the principal is already due is ₹ Nil (Previous Year ₹ Nil).
- iv)** The amount of interest accrued and remaining unpaid at the end of each accounting year ₹ Nil (Previous Year ₹ Nil).
- 33.** The foreign exchange fluctuation on outstanding foreign currency loan has been accounted for as per Accounting Standard (AS 11) as amended wide Notification dated 29th December, 2011 with further clarification note dated 9th August, 2012 issued by the Ministry of Corporate Affairs Government of India. Consequently, an amount of ₹327.06 lacs (Previous year ₹ 208.68 lacs) is capitalized as cost of fixed assets. The Company has provided additional amount of depreciation of ₹97.90 lacs (Previous year ₹ 28.27 lacs) on such costs. Had the Company not exercised the said option, the net profit after tax for the year ended on 31st March, 2013 would have been lower by ₹154.81 lacs (Previous year ₹ 121.88 lacs).

34. a) Net Revenue from Operations :-

(₹ in Lacs)

Particulars	2012-13	2011-12
Details of Turnover of Goods		
i) Finished Goods		
Moulded Plastics Articles and Others	1,01,846.85	91,257.70
ii) Traded Goods		
Moulded Plastics Articles and Others	36,625.69	30,728.07
Readymade Home Furniture, Furnishing, Accessories & Others	20,381.29	19,112.79
Others	783.73	962.85
Total	1,59,637.56	1,42,061.41

b) Purchases of Traded goods :-

(₹ in Lacs)

Particulars	2012-13	2011-12
Moulded Plastics Articles and Others	29,798.71	23,616.87
Readymade Home Furniture, Furnishing, Accessories & Others	10,999.27	10,902.65
Others	560.37	747.14
Total	41,358.35	35,266.66

c) Details of Closing Stock :-

(₹ in Lacs)

Particulars	2012-13	2011-12
i) Finished Goods		
Moulded Plastics Articles and others	8,250.67	6,499.16
ii) Traded Goods		
Moulded Plastics Articles and Others	7,102.90	5,858.37
Readymade Home Furniture, Furnishing, Accessories & Others	5,115.88	5,307.86
Others	4.37	176.38
Total	20,473.82	17,841.77

d) Details of Raw Material Consumed:-

(₹ in Lacs)

Particulars	2012-13	2011-12
Polyethylene	33,997.54	30,284.19
Polypropylene	21,455.23	21,087.71
Others	8,244.43	4,107.60
Total	63,697.20	55,479.50

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

Particulars	2012-13		2011-12	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	5,581.10	8.76	7,567.39	13.64
Indigenous	58,116.10	91.24	47,912.11	86.36
Total	63,697.20	100.00	55,479.50	100.00

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

Particulars	2012-13		2011-12	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	186.46	8.54	63.22	3.48
Indigenous	1,997.92	91.46	1,755.65	96.52
Total	2,184.38	100.00	1,818.87	100.00

g) Earnings in Foreign Currency :-

- i) FOB Value of exports ₹ 3,827.88 lacs (Previous year ₹ 3,084.75 lacs).
- ii) Technical and Management Fees from Subsidiaries ₹ 115.60 lacs (Previous year ₹ 151.18 lacs).
- iii) Income earned from export of services ₹ 37.93 lacs (Previous Year ₹ 51.66 lacs).
- iv) Dividend Received from Subsidiaries ₹ 54.97 lacs (Previous Year ₹ 111.00 lacs).
- v) Lease Rent Received from Subsidiary ₹ 5.37 lacs (Previous Year ₹ 5.23 lacs).

h) CIF Value of Imports:-

(₹ in Lacs)

Particulars	2012-13	2011-12
Capital Goods	2,087.55	2,331.13
Raw Material	6,546.89	8,385.00
Traded Goods	9,460.44	7,781.94
Stores, Spares etc	544.20	97.33
Total	18,639.08	18,595.40

i) Expenditure in Foreign Currency:-

(₹ in Lacs)

Particulars	2012-13	2011-12
Travelling Expenses	124.98	121.66
Interest	342.94	118.48
Legal and Professional Charges	52.25	44.45
Others	114.96	119.88
Total	635.13	404.47

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

(₹ In Lacs)

Particulars	Currency	2012-13		2011-12	
		Forward	Swap	Forward	Swap
Cross Currency Interest Rate Swap	USD	-	51.00	-	-
Imports	USD	40.50	-	28.66	-

b) All derivative and financial instruments acquired by the Company are for hedging purpose only.**c) Foreign currency exposure that are not hedged by derivative instruments as at year end.**

(₹ In Lacs)

Particulars	Currency	2012-13	2011-12
Receivables	USD	17.73	24.65
	EURO	1.82	3.23
	GBP	0.01	-
	JPY	-	0.61
	SGD	0.14	-
Payables	USD	6.92	34.36
	EURO	1.34	0.93
	GBP	0.01	0.06
	SCG	-	0.32
	SGD	0.51	-
Loan Taken	USD	76.50	75.00
Cash and Bank Balances	USD	0.86	8.33
	EURO	-	0.35
	GBP	-	0.06

36. 'Nilkamal' brand used by Nilkamal Limited, is owned by Nilkamal Crates & Containers against interest free deposit of ₹ 370 Lacs.

37. Related Party Disclosures:

(₹ in Lacs)

	2012-13					2011-12				
	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Sales of Finished Goods / Others	759.31	581.33			1,340.64	571.62	367.10			938.72
Nilkamal Eswaran Plastics Pvt Ltd	109.45					118.18				
Nilkamal Eswaran Marketing Pvt Ltd	60.75					69.41				
Nilkamal Crates & Bins, FZE.	589.11					384.03				
Nilkamal Bito Storage Systems Pvt. Ltd.		14.32					18.40			
Cambro Nilkamal Pvt. Ltd.		567.01					348.70			
Purchases of raw materials, intermediaries and finished goods		924.39			924.39	3.88	582.49			586.37
Nilkamal Eswaran Plastics Pvt Ltd						3.88				
Nilkamal Bito Storage Systems Pvt. Ltd.		787.74					462.41			
Cambro Nilkamal Pvt. Ltd.		136.65					120.08			
Paid for services				62.43	62.43				60.60	60.60
Nilkamal Crates & Containers				62.43					60.60	
Received for services & labour charges		120.61			120.61		127.20			127.20
Nilkamal Bito Storage Systems Pvt. Ltd.		120.61					127.20			
Technical and Management Fees received	115.60	322.26			437.86	151.18	206.88			358.06
Nilkamal Eswaran Plastics Pvt Ltd	115.60					151.18				
Nilkamal Bito Storage Systems Pvt. Ltd.		240.12					157.13			
Cambro Nilkamal Pvt. Ltd.		82.14					49.75			
Dividend received	54.97				54.97	111.00				111.00
Nilkamal Eswaran Plastics Pvt Ltd	-					59.77				
Nilkamal Crates & Bins, FZE.	54.97					51.23				
Purchase of fixed assets		67.12	-		67.12		0.13	204.60		204.73
Nilkamal Eswaran Plastics Pvt Ltd										
Nilkamal Bito Storage Systems Pvt. Ltd.		67.12					0.13			
Shri Vaman V. Parekh			-					122.76		
Shri Sharad V. Parekh			-					81.84		
Rent paid				193.57	193.57				135.83	135.83
Remuneration to Directors			474.37		474.37			399.05		399.05
Salary Paid				0.82	0.82				-	-
Lease Charges Received	5.37				5.37	5.23				5.23
Reimbursement of Expenses		137.02			137.02		7.46			7.46
Balances Outstanding at the year end:										
Deposits Receivable				724.56	724.56				724.56	724.56
Nilkamal Crates & Containers				720.00					720.00	
Others				4.56					4.56	
Other Receivables / (Payables) (Net)	323.11	(141.67)	-	(5.17)	176.27	120.65	160.64	-	(1.70)	279.59
Others	323.11	(141.67)	-	(5.17)		120.65	160.64	-	(1.70)	

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

NOTES:

Names of related parties and description of relationship

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

Note:

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

Mrs Nalini V. Parekh, Mrs Maya S. Parekh, Mrs Smriti H. Parekh, Mrs Manju M. Parekh, Mrs Purvi N. Parekh, Mrs Rajul M Gandhi, Mrs Dhruvi Nakul Kumar, Mr. Mihir H. Parekh, Master Eashan M. Parekh, Master Dhanay N. Parekh, Miss Dhaniti N. Parekh, Mr. Manoj K. Gandhi, Mr. Nakul Kumar, Vamanrai V. Parekh (HUF), Sharad V. Parekh (HUF), Hiten V. Parekh (HUF), Manish V. Parekh (HUF), Nayan S. Parekh (HUF), Parekh Plasto Industries Pvt. Ltd., Shrimant Holding Pvt. Ltd., Heirloom Finance Pvt. Ltd, Nilkamal Builders Pvt. Ltd., Starshine Land Developers Pvt. Ltd.

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

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	Lease payments recognised in the Statement of Profit and Loss [includes contingent rent of ₹139.97 lacs (Previous year ₹ 41.77 lacs)]	4,053.72	3,193.43
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	876.97	749.31
	ii) Later than one year and not later than 5 years	1,362.27	1,208.83
	iii) Later than 5 years	-	-

The agreements are executed for the period of 36 to 240 months with a non cancelable period from 0 to 60 months having a Renewable Clause.

For certain properties taken on Lease, contingent rent payable as a percentage of revenue from the respective stores, subject to a minimum rent.

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

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	Lease payments recognised in the Statement of Profit and Loss	25.68	25.68
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	25.68	25.68
	ii) Later than one year and not later than 5 years	19.26	44.94
	iii) Later than 5 years	-	-

The agreement is executed with a non cancelable period from 0 to 48 months.

(b) Asset given on Operating Lease:

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	i) Gross Carrying Amount	277.87	-
	ii) Depreciation for the Year	12.82	-
	iii) Accumulated Depreciation	12.82	-
	The Total future Minimum rentals receivable at the Balance Sheet Date Is as Under		
b	i) For a period not later than one year.	130.94	-
	ii) For a period more than one year but not later than 5 years	171.22	-
	iii) For a period Later than 5 years.	-	-

39. Disclosure pursuant to Accounting Standard – 15 “Employee Benefits”:

- a) Amount of ₹ 279.75 lacs (Previous Year ₹ 236.72 lacs) towards defined contribution plans is recognised as expense in the Statement of Profit and Loss.

b) Defined Benefit Plan Disclosures:

(₹ in Lacs)

Sr. No.	Particulars	2012-13 Gratuity	2011-12 Gratuity
1	Components to employer expense		
	a) Current Service Cost	113.66	92.94
	b) Interest Cost	46.83	40.43
	c) Expected return of plan assets	(18.12)	(12.66)
	d) Actuarial (Gain)/Loss	32.53	(14.64)
	e) Total expense recognised in the Statement of Profit and Loss	174.90	106.07
2	Net Liability recognised in Balance Sheet		
	a) Present Value of Obligation	734.15	567.61
	b) Fair Value of Plan Assets	(221.43)	(201.35)
	c) Liability recognised in the Balance Sheet	512.72	366.26
3	Change in Defined Benefit Obligation (DBO) during the year		
	a) Present Value of Obligation as at beginning of the year	567.61	475.60
	b) Current Service cost	113.66	92.94
	c) Interest Cost	46.83	40.43
	d) Actuarial (Gain)/Loss	34.49	(19.86)
	e) Benefits paid	(28.44)	(21.50)
	f) Present Value of Obligation as at the close of the year	734.15	567.61
4	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at beginning of the year	201.35	143.91
	b) Contribution to the fund	-	50.00
	c) Expected return of plan assets	18.12	12.66
	d) Actuarial Gain/(Loss)	1.96	(5.22)
	e) Fair Value of Plan Assets as at the close of the year	221.43	201.35
5	Actuarial Assumptions		
	a) Discount Rate (per annum)	8.25%	8.50%
	b) Expected Rate of Return on Assets (per annum)	9.00%	7.50%
	c) Salary Escalation Rate	7.00%	6.50%
6	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets		
	Insurer Managed Funds	100%	100%

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

c)

(₹ in Lacs)

Sr. No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
1	Present Value of the defined benefit obligation	734.15	567.61	475.60	308.49	234.80
2	Fair value of the plan assets	221.43	201.35	143.91	85.01	47.00
3	Surplus / (deficit) in the plan	(512.72)	(366.26)	(331.69)	(223.48)	(187.80))
4	Experience adjustment on plan assets	1.96	(5.22)	0.65	8.55	(7.98)
5	Experience adjustment on plan liabilities	(16.90)	(11.21)	0.30	13.86	23.98
6	The estimated contribution to be paid to the plan during the annual period beginning after balance sheet date is ₹ 73.28 Lacs (Previous Year ₹ 51.48 Lacs)					

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

(₹ in Lacs)

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest
(i) Nilkamal Bito Storage Systems Pvt. Ltd.	India	50
(ii) Cambro Nilkamal Private Limited	India	50

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

(₹ in Lacs)

Particulars	2012-13	2011-12
(i) Directly incurred by the Company	69.50	69.50
(ii) Share of the Company in contingent liabilities which have been incurred jointly with other ventures	-	-
(iii) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	-	-
(iv) Share of other ventures in contingent liabilities incurred by jointly controlled entity.	-	-

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

(₹ in Lacs)

Particulars	2012-13	2011-12
(i) Direct Capital commitments by the Company	-	-
(ii) Share of the Company in capital commitments which have been incurred jointly with other ventures	149.50	149.50
(iii) Share of the Company in capital commitments of the jointly controlled entity.	-	-

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

		(₹ In Lacs)	
	Particulars	2012-13	2011-12
A)	Assets :		
	Tangible Assets	1168.70	1,143.09
	Intangible Assets	22.67	2.20
	Intangible assets under development	-	10.15
	Long-term loans and advances	16.92	22.64
	Inventories	655.48	610.70
	Trade Receivables	925.16	743.76
	Cash and Bank Balances	33.58	75.50
	Short-term loans and advances	89.15	49.09
	Other current assets	48.99	24.89
B)	Liabilities :		
	Deferred Tax Liabilities (Net)	12.00	7.22
	Long term provisions	20.28	7.93
	Short Term Borrowings	379.48	238.11
	Trade Payables	437.02	491.64
	Other Current Liabilities	165.86	168.99
	Short term provisions	22.82	26.47
C)	Income:		
	Revenue from Operations (Net)	4,505.10	2,823.59
	Other Income	4.89	14.42
D)	Expenditure:		
	Cost of materials and components consumed	2,154.34	1,463.55
	Purchases of Stock-in-trade	569.14	395.31
	Manufacturing and Operating Costs	501.32	281.70
	(Increase)/Decrease in Stock of finished goods, work in progress and stock-in-trade	(25.98)	(263.12)
	Employee benefits expense	323.02	217.52
	Finance costs	36.82	31.85
	Depreciation and Amortisation	168.88	131.27
	Other Expenses	556.92	305.66
	Tax Expenses (Net)	37.73	(24.29)

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

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

AS PER OUR REPORT OF EVEN DATE
For DALAL & SHAH

Firm Registration No. : 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership No. : 037942

For VORA & ASSOCIATES

Firm Registration No. : 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership No. : 031756

Place: Mumbai
Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

INDEPENDENT AUDITORS' REPORT**To the Board of Directors of Nilkamal Limited**

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Nilkamal Limited ("the Company") and its subsidiaries and its jointly controlled entities; hereinafter referred to as the "Group" (refer Note 25B to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements of three subsidiaries and a jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 5,226.76 lacs and net assets of ₹ 2,399.64 lacs as at March 31, 2013, total revenue of ₹ 7,716.93 lacs, net profit of ₹ 497.81 lacs and net cash outflows amounting to ₹ 30.49 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Mumbai

May 18, 2013

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership Number: 031756

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in Lacs)

	Note No.	As at 31st March, 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	42,995.91	39,922.32
2 Minority Interest		465.66	397.43
3 Non-current liabilities			
(a) Long term borrowings	3	11,324.62	11,138.18
(b) Deferred tax liability (net)	4	2,273.42	1,917.60
(c) Other long term liabilities	5	3,237.35	2,716.28
(d) Long term provisions	6	851.86	498.22
4 Current Liabilities			
(a) Short term borrowings	7	25,369.31	22,139.27
(b) Trade payables		10,170.35	9,115.23
(c) Other current liabilities	8	7,169.89	6,958.35
(d) Short term provisions	9	1,911.95	1,999.26
TOTAL		107,262.57	98,294.39
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible assets		36,275.77	34,522.23
(ii) Intangible assets		242.63	361.72
(iii) Capital work-in-progress		420.56	877.29
(iv) Intangible assets under development		-	10.15
(b) Non-current investments	11	0.32	0.32
(c) Long-Term loans and advances	12	5,258.29	5,130.39
2 Current assets			
(a) Inventories	13	32,619.44	28,890.17
(b) Trade receivables	14	24,666.26	21,168.11
(c) Cash and Bank Balances	15	2,739.07	2,291.31
(d) Short-Term loans and advances	16	4,624.01	4,560.32
(e) Other current assets	17	416.22	482.38
TOTAL		107,262.57	98,294.39

The notes form an integral part of these Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For **DALAL & SHAH**

Firm Registration No. : 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership No. : 037942

For **VORA & ASSOCIATES**

Firm Registration No. : 111612W

Chartered Accountants

Bharat B. Chovatia

Partner

Membership No. : 031756

Place: Mumbai

Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Paresh B. Mehta

Financial Controller

Priti P. Dave

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AT 31ST MARCH 2013

(₹ in Lacs)

	Note No.	Year Ended 31st March 2013	Year Ended 31st March 2012
I. Revenue from Operations (Gross)	18	194,002.91	171,864.61
Less: Duties and levies		23,784.25	20,212.82
Revenue from Operations (Net)		170,218.66	151,651.79
II. Other Income	19	275.89	156.16
III. Total Revenue (I+II)		170,494.55	151,807.95
IV. Expenses:			
Cost of materials consumed	20	68,146.75	59,807.91
Purchases of traded goods		42,397.51	35,877.90
Changes in inventories of finished goods, work-in-progress and traded goods	21	(3,475.21)	(3,263.05)
Employee benefits expense	22	11,027.94	9,697.73
Finance costs	23	4,493.25	4,102.15
Depreciation and amortisation expenses		4,758.00	4,314.00
Other expenses	24	38,388.38	33,514.32
Less: Trial run expenses capitalised		-	64.83
Total Expenses		165,736.62	143,986.13
V. Profit Before Tax (III-IV)		4,757.93	7,821.82
VI. Tax Expense:			
Current tax		940.04	1,557.70
MAT Credit (Entitlement) / Utilisation		155.00	(170.00)
Deferred tax		161.19	250.31
Taxation for earlier years		(284.56)	(5.35)
VII. Net Profit After Tax (V-VI)		3,786.26	6,189.16
Less: Minority Interest		72.35	78.66
VIII. Profit for the year		3,713.91	6,110.50
IX. Earnings per Equity Share of ₹ 10 each			
(1) Basic		24.89	40.95
(2) Diluted		24.89	40.95
Weighted average number of Equity Shares outstanding		14,922,525	14,922,525

The notes form an integral part of these consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For **DALAL & SHAH**

Firm Registration No. : 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership No. : 037942

For **VORA & ASSOCIATES**

Firm Registration No. : 111612W

Chartered Accountants

Bharat B. Chovatia

Partner

Membership No. : 031756

Place: Mumbai

Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director**Hiten V. Parekh**
Executive Director**Pareesh B. Mehta**
Financial Controller**Priti P. Dave**
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Year ended on 31st March, 2013		Year ended on 31st March, 2012	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		4,757.93		7,821.82
Adjustments for :				
Depreciation and Amortisation	4,758.00		4,314.00	
Loss on Fixed Assets Sold / Discarded (Net)	228.86		90.59	
Finance Costs	4,493.25		4,102.15	
Interest Received	(273.76)		(149.46)	
Provision for doubtful debts and advances	69.44		125.32	
Bad Debts Written off	64.23		60.60	
		9,340.02		8,543.20
Operating Profit before Working Capital changes		14,097.95		16,365.02
Adjustments for :				
Trade and Other Receivables	(3,664.17)		(6,990.25)	
Inventories	(3,575.21)		(5,011.52)	
Trade Payables & Other Liabilities	1,917.15		3,532.81	
		(5,322.23)		(8,468.96)
Direct Taxes Paid (Net of Refund)	(1,306.48)		(1,356.20)	
		(1,306.48)		(1,356.20)
Net Cash Inflow from Operating Activities.....A		7,469.24		6,539.86
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets and capital work-in-progress	(5,815.38)		(9,061.32)	
Sale of Fixed Assets	82.66		246.04	
Redemption of Current Investment	-		161.05	
Interest Received	259.40		170.86	
Net Cash Outflow from Investing Activities.....B		(5,473.32)		(8,483.37)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	4,308.19		7,692.28	
Repayment of Long Term Borrowings	(3,778.74)		(4,256.77)	
Proceeds from Short Term Borrowings [Net]	3,213.00		2,592.76	
Refund of Securities Premium under direction of Reserve Bank of India	(3.83)		-	
Changes in External Commercial borrowing pending utilisation	(703.63)		128.84	
Finance Costs	(4,564.27)		(4,015.79)	
Dividend paid (including tax on dividend)	(692.93)		(693.73)	
Net Cash Inflow/(Outflow) from Financing Activities.....C		(2,222.21)		1,447.59
Change in Foreign Currency Fluctuation Reserve arising on consolidation.....D		(21.75)		89.69
Net Increase in Cash and Cash Equivalents.....(A+B+C+D)		(248.04)		(406.23)
Cash and Cash Equivalents as at the beginning of the year	1,369.38		1,775.61	
Cash and Cash Equivalents as at the year end	1,121.34		1,369.38	
		(248.04)		(406.23)

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

AS PER OUR REPORT OF EVEN DATE

For **DALAL & SHAH**
Firm Registration No. : 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. : 037942

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

Bharat B. Chovatia
Partner
Membership No. : 031756

Place: Mumbai
Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

						(₹ In Lacs)
	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2 012
Note 1 - Share Capital						
Authorised						
2,20,00,000 Equity Share of ₹10/- each (Previous Year	2,200.00	-	2,200.00	2,200.00	-	2,200.00
2,20,00,000 Equity Share of ₹ 10/- each)						
30,00,000 Preference Share of ₹ 10/- each (Previous Year	300.00	-	300.00	300.00	-	300.00
30,00,000 Preference Share of ₹ 10/- each)						
			<u>2,500.00</u>			<u>2,500.00</u>
Issued, Subscribed and Fully Paid up						
1,49,22,525 Equity Shares of ₹ 10/- each (Previous year	1,492.25	-	1,492.25	1,492.25	-	1,492.25
1,49,22,525 Equity Shares of ₹ 10/- each) (Refer Note 28)						
TOTAL			<u>1,492.25</u>			<u>1,492.25</u>
Note 2 - Reserves and Surplus						
a. Capital Reserve						
As per last account	1,115.16	15.00	1,130.16	1,115.16	15.00	1,130.16
b. Securities Premium Account						
As per last account	6,448.96	2.74	6,451.70	6,448.96	2.74	6,451.70
Less: Refund to Bito Lagertechnik Bittmann, GmbH under direction of Reserve Bank of India	-	(3.83)	(3.83)	-	-	-
			<u>6,447.87</u>			<u>6,451.70</u>
c. Cash Flow Hedge Reserve						
As per last account	-	-	-	-	-	-
Add : Net gain recognised on cash flow hedge (Refer note 30)	45.59	-	45.59	-	-	-
			<u>45.59</u>			<u>-</u>
d. Translation Reserve						
As per last account	180.37	-	180.37	127.58	-	127.58
Add : Exchange Difference during the year	16.26	-	16.26	52.79	-	52.79
			<u>196.63</u>			<u>180.37</u>
e. General Reserve						
As per last account	16,136.40	-	16,136.40	15,560.98	-	15,560.98
Add: Transferred from Surplus	400.00	5.98	405.98	575.42	-	575.42
			<u>16,542.38</u>			<u>16,136.40</u>
f. Surplus						
As per last Account	16,748.73	(725.04)	16,023.69	12,196.20	(1,013.86)	11,182.34
Add : Net Profit for the year	3,529.09	184.82	3,713.91	5,821.68	288.82	6,110.50
Proposed Dividend [Dividend per share current year ₹ 4/- per share (Previous year ₹ 4/- per share)]	(596.90)	-	(596.90)	(596.90)	-	(596.90)
Tax on proposed Dividend	(101.44)	-	(101.44)	(96.83)	-	(96.83)
Transfer to General Reserve	(400.00)	(5.98)	(405.98)	(575.42)	-	(575.42)
			<u>18,633.28</u>			<u>16,023.69</u>
TOTAL			<u>42,995.91</u>			<u>39,922.32</u>
Note 3 - Long Term Borrowings						
a. Secured Loan						
Term loan from banks						
(i) Rupee Loans	5,079.21	-	5,079.21	7,912.76	-	7,912.76
(ii) Foreign currency Loans	6,245.41	-	6,245.41	3,180.00	-	3,180.00
b. Unsecured Loan						
From Others	-	-	-	45.42	-	45.42
TOTAL			<u>11,324.62</u>			<u>11,138.18</u>

For Security and Terms of repayment: (Refer note 29)

(₹ in Lacs)

Note 4 - Deferred Tax Liability (Net)

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

	2012 - 2013	2011 - 2012	2010 - 2011
Deferred Tax Liability on account of :			
Depreciation	2,686.17	2,263.93	1,947.88
Allowance under Income Tax Act	198.84	-	-
	2,885.01	2,263.93	1,947.88
Deferred Tax Asset on account of :			
Disallowances under Income Tax Act	459.21	268.35	209.57
Provision for Doubtful Debts	96.17	77.98	56.49
Others	56.21	-	15.24
	611.59	346.33	281.30
Deferred Tax Liability - Net	2,273.42	1,917.60	1,666.58
Above includes share in Joint Venture (Net)	12.00	7.22	47.00

Tax in respect of earlier years includes Deferred Tax charge of ₹ 194.67 Lacs (Previous Year ₹ Nil)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2012
Note 5 - Other Long Term Liabilities						
Security Deposit Received	3,205.73	-	3,205.73	2,716.28	-	2,716.28
Derivative Liability (Refer note 30)	31.62	-	31.62	-	-	-
TOTAL			3,237.35			2,716.28

Note 6 - Long Term Provisions

Provision For Employee Benefits (Refer note 35)	831.58	20.28	851.86	490.29	7.93	498.22
TOTAL			851.86			498.22

Note 7 - Short Term Borrowings**a. Secured Loan**

Working capital loan from banks

(a) Rupee Loans	22,220.61	379.48	22,600.09	21,511.13	238.11	21,749.24
(c) Buyers Credit Facility	1,269.22	-	1,269.22	390.03	-	390.03

b. Unsecured Loan

(a) Short Term Rupee Loan from Banks	1,500.00	-	1,500.00	-	-	-
TOTAL			25,369.31			22,139.27

For Security: (Refer note 29)

Note 8- Other Current Liabilities**(a) Current maturities of long-term debt**

(i) Rupee Loans	3,393.53	-	3,393.53	2,916.88	-	2,916.88
(ii) Foreign Currency Loan	678.88	-	678.88	636.00	-	636.00
(iii) Current Maturity of Finance Lease Obligation	2.53	-	2.53	9.29	-	9.29
(iv) Unsecured Loans from Others	45.42	-	45.42	55.23	-	55.23
(b) Interest accrued but not due on borrowings	150.32	-	150.32	114.70	-	114.70
(c) Unclaimed dividends	21.75	-	21.75	20.95	-	20.95
(d) Advance received from customers	1,184.49	116.14	1,300.63	906.22	138.09	1,044.31
(e) Employee Benefits Payable	385.26	12.20	397.46	351.78	8.48	360.26
(f) Other Payables						
(i) Statutory Dues	927.79	36.01	963.80	987.69	30.92	1,018.61
(ii) Others	214.07	1.50	215.57	782.12	-	782.12
TOTAL			7,169.89			6,958.35

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

(₹ in Lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2012
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Note 9 - Short Term Provisions

a) Provision For Employee Benefits (Refer note 35)	265.21	8.57	273.78	360.69	6.18	366.87
b) Others Provisions						
i) Provision For Excise Duty on Closing Stock	746.21	11.52	757.73	584.52	19.15	603.67
ii) Provision For Product Warranties (Refer note 27)	169.86	-	169.86	140.91	-	140.91
iii) Provision For Wealth Tax	9.66	-	9.66	8.71	-	8.71
iv) Proposed Dividend	596.90	-	596.90	596.90	-	596.90
v) Tax on proposed dividend	101.44	-	101.44	96.83	-	96.83
vi) Provision for Tax (Net of advances)	2.31	0.27	2.58	185.37	-	185.37
TOTAL			1,911.95			1,999.26

Note No. 10 : FIXED ASSETS

(₹ in Lacs)

NAME OF ASSETS	Gross Block					Depreciation / Amortisation					Net Block	
	Balance As at 1st April, 2012	Additions	Disposal / Adjustments	Exchange Translation	Balance As at 31st March, 2013	Upto 1st April, 2012	For the Year	Disposal / Adjustments	Exchange Translation	Upto 31st March, 2013	Balance As at 31st March, 2013	Balance As at 31st March, 2012
Consolidated with Subsidiaries												
TANGIBLE ASSETS:												
I Land												
Freehold Land	1,207.83	14.47	-	5.25	1,227.55	-	-	-	-	-	1,227.55	1,207.83
Leasehold Land (a)	224.71	-	-	-	224.71	24.15	2.50	-	-	26.65	198.06	200.56
II Buildings	13,825.52	807.03	11.26	24.63	14,645.92	2,801.01	440.87	2.31	9.12	3,248.69	11,397.23	11,024.51
III Plant and Machinery	37,483.56	3,850.82	185.26	81.85	41,230.97	23,503.82	3,008.96	168.73	54.20	26,398.25	14,832.72	13,979.74
IV Furniture and Fixtures	3,219.03	279.54	45.04	0.20	3,453.73	1,061.25	229.99	20.70	0.46	1,271.00	2,182.73	2,157.78
V Office Equipments	2,650.25	604.72	53.58	3.23	3,204.62	1,412.84	252.49	38.37	1.24	1,628.20	1,576.42	1,237.41
VI. Vehicles												
(a) Under Finance Lease	233.91	7.46	-	4.44	245.81	77.65	22.62	-	1.20	101.47	144.34	156.26
(b) Others	1,532.25	200.37	143.46	4.25	1,593.41	353.19	145.51	61.27	0.92	438.35	1,155.06	1,179.06
VII. Others												
Interiors at Showroom	2,900.46	230.64	230.29	-	2,900.81	664.69	194.20	85.96	-	772.93	2,127.88	2,235.77
Lease Equipment	-	277.87	-	-	277.87	-	12.82	-	-	12.82	265.05	-
Total	63,277.52	6,272.92	668.89	123.85	69,005.40	29,898.60	4,309.96	377.34	67.14	33,898.36	35,107.04	33,378.92
INTANGIBLE ASSETS:												
Software	411.74	139.19	-	0.57	551.50	219.73	111.44	-	0.35	331.52	219.98	192.01
Models, Designs and Commercial Rights	2,012.52	-	-	-	2,012.52	1,844.80	167.72	-	-	2,012.52	-	167.72
Total	65,701.78	6,412.11	668.89	124.42	71,569.42	31,963.13	4,589.12	377.34	67.49	36,242.40	35,327.02	33,738.65
Add : Share of Joint Ventures	1,717.53	216.17	3.60	-	1,930.10	572.23	168.88	2.39	-	738.72	1,191.38	1,145.30
TOTAL	67,419.31	6,628.28	672.49	124.42	73,499.52	32,535.36	4,758.00	379.73	67.49	36,981.12	36,518.40	34,883.95
Previous Year	56,201.35	11,806.31	622.25	33.90	67,419.31	28,491.22	4,314.00	285.62	15.76	32,535.36	34,883.95	

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

b) Pending completion of the relevant formalities for transfer of some of the fixed assets which vested in the Company pursuant to the scheme of arrangement, such assets continue to be in the name of the erstwhile amalgamated companies.

(₹ In Lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2012
Note 11 - Non-Current Investments						
Trade investments (Unquoted)						
Investment in Government Securities						
National Savings Certificate (Pledged with Government authorities)	0.32	-	0.32	0.32	-	0.32
TOTAL			0.32			0.32
Note 12 - Long Term Loans and Advances						
Unsecured, Considered Good						
(i) Capital Advances	395.89	-	395.89	835.39	8.20	843.59
(ii) Security Deposit	1,851.15	11.13	1,862.28	1,897.40	10.32	1,907.72
(iii) Deposit with Government Authorities	1,116.30	4.74	1,121.04	1,076.22	-	1,076.22
(iv) Deposit with related party	724.56	-	724.56	724.56	-	724.56
(v) Other Loans and Advances	598.39	-	598.39	523.58	2.63	526.21
(vi) Taxes Paid in Advance (Net of provisions)	555.08	1.05	556.13	50.60	1.49	52.09
Other Loans and Advances Considered Doubtful	56.66	-	56.66	56.66	-	56.66
Less: Provision for doubtful advance	(56.66)	-	(56.66)	(56.66)	-	(56.66)
TOTAL			5,258.29			5,130.39
Note 13 - Inventories						
I. Raw Material (including Goods in Transit ₹ 435.22 lacs (Previous Year ₹ 765.49 lacs))	5,452.09	255.36	5,707.45	5,836.28	249.72	6,086.00
II. Work in Progress	2,596.92	60.51	2,657.43	1,905.48	38.96	1,944.44
III. Finished Goods	8,591.14	97.97	8,689.11	6,499.16	10.14	6,509.30
IV. Traded Goods (including Goods in Transit ₹ 456.97 lacs (Previous Year ₹ 310.23 lacs))	13,085.55	173.10	13,258.65	12,202.34	266.21	12,468.55
V. Stores and Spare Parts	1,953.96	32.60	1,986.56	1,651.00	11.59	1,662.59
VI. Packing Material	320.24	-	320.24	219.29	-	219.29
TOTAL			32,619.44			28,890.17
(Refer Note 25-I)						
Note 14 - Trade Receivables						
Trade receivables outstanding for a period exceeding six months from the date they are due for payment						
(a) Secured, Considered good	179.42	-	179.42	7.77	-	7.77
(b) Unsecured, Considered good	1,548.01	133.72	1,681.73	1,144.53	66.58	1,211.11
(c) Doubtful	300.18	29.50	329.68	244.09	21.57	265.66
Less: Provision For Doubtful Debts	(300.18)	(29.50)	(329.68)	(244.09)	(21.57)	(265.66)
Trade receivables outstanding for a period less than six months from the date they are due for payment						
(a) Secured, Considered good	2,952.08	-	2,952.08	2,432.61	-	2,432.61
(b) Unsecured, Considered good	19,265.01	588.02	19,853.03	16,977.88	538.74	17,516.62
TOTAL			24,666.26			21,168.11

						(₹ in Lacs)
	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	As at 31st March, 2012
Note 15 - Cash and Bank balances						
I. Cash and Cash Equivalents						
(a) Balance in Current Accounts	621.52	4.51	626.03	789.03	43.00	832.03
(b) Cheques on Hand / Remittance in Transit	220.74	-	220.74	328.98	-	328.98
(c) Cash on Hand	266.69	7.88	274.57	205.69	2.68	208.37
			<u>1,121.34</u>			<u>1,369.38</u>
II. Other Bank Balances						
(a) Earmarked balance with Bank (Unclaimed Dividend)	21.75	-	21.75	20.95	-	20.95
(b) Bank Deposits with less than 3 months maturity	-	21.19	21.19	(*)371.16	20.00	391.16
(c) Bank Deposits with 3-12 months maturity	(*)1574.79	-	1,574.79	(*)500.00	9.82	509.82
			<u>1,617.73</u>			<u>921.93</u>
TOTAL			<u>2,739.07</u>			<u>2,291.31</u>

(*) Pending utilisation of External Commercial Borrowings

Note 16 - Short term loans and advances

Unsecured, Considered Good

(a) Security Deposit	407.06	-	407.06	407.04	-	407.04
(b) Other Loans and Advances						
(i) Advances recoverable in cash or kind	2,563.08	71.41	2,634.49	2,877.36	-	2,877.36
(ii) Balance with excise department	1,249.83	17.74	1,267.57	1,071.56	48.27	1,119.83
(iii) Taxes paid in advance (net of Provisions)	314.89	-	314.89	156.09	-	156.09
Security Deposit Considered Doubtful	52.05	2.19	54.24	52.05	-	52.05
Less: Provision for doubtful advance	(52.05)	(2.19)	(54.24)	(52.05)	-	(52.05)
TOTAL			<u>4,624.01</u>			<u>4,560.32</u>

Note 17 - Other Current Assets

Claims and Other Receivable	-	35.92	35.92	-	11.13	11.13
Mat Credit Receivable	15.00	-	15.00	170.00	-	170.00
Other Receivables	327.62	12.97	340.59	276.34	14.56	290.90
Interest Receivable	24.60	0.11	24.71	10.32	0.03	10.35
TOTAL			<u>416.22</u>			<u>482.38</u>

						(₹ in Lacs)
	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2012
Note 18 - Revenue from operations (Gross)						
Sale of Manufactured / Traded Goods	188,740.53	3,976.99	192,717.52	168,161.02	2,538.68	170,699.70
Sale of Services	388.41	56.39	444.80	352.35	17.77	370.12
Other Operating Revenue						
(a) Sale of Scrap	458.88	28.43	487.31	439.33	7.41	446.74
(b) Technical and Management Fees	507.11	(161.13)	345.98	445.46	(103.44)	342.02
(c) Others	0.53	6.77	7.30	6.03	-	6.03
TOTAL			<u>194,002.91</u>			<u>171,864.61</u>

Note 19 - Other Income

Interest income	270.66	3.10	273.76	141.75	7.71	149.46
Others	2.13	-	2.13	-	6.70	6.70
TOTAL			<u>275.89</u>			<u>156.16</u>

(₹ in Lacs)

	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2013	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2012
Note 20 - Cost of Materials Consumed						
Opening Stock of Raw Materials	5,096.62	223.89	5,320.51	4,576.97	205.62	4,782.59
Purchases	65,930.40	2,168.07	68,098.47	58,868.33	1,477.50	60,345.83
Less: Closing Stock of Raw Materials	5,034.62	237.61	5,272.23	5,096.62	223.89	5,320.51
TOTAL			68,146.75			59,807.91

Note 21 - Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**Opening Stock**

Work in Progress	1,905.48	38.96	1,944.44	1,484.48	3.43	1,487.91
Traded Goods	11,893.07	265.25	12,158.32	10,728.84	37.69	10,766.53
Finished Goods	6,499.16	10.14	6,509.30	5,035.31	10.14	5,045.45
			20,612.06			17,299.89

Closing Stock

Work in Progress	2,596.92	60.51	2,657.43	1,905.48	38.96	1,944.44
Traded Goods	12,629.32	172.36	12,801.68	11,893.07	265.25	12,158.32
Finished Goods	8,591.14	97.97	8,689.11	6,499.16	10.14	6,509.30
			24,148.22			20,612.06

Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	68.58	(7.63)	60.95	38.33	10.79	49.12
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TOTAL			(3,475.21)			(3,263.05)
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Note 22 - Employee benefits expense

(a) Salary, Wages and Bonus	9,591.78	305.59	9,897.37	8,481.78	192.51	8,674.29
(b) Contribution to Provident and Other funds	310.03	7.25	317.28	270.27	4.20	274.47
(c) Workmen and staff welfare expenses	787.13	26.16	813.29	728.17	20.80	748.97
TOTAL			11,027.94			9,697.73

Note 23 - Finance Costs

(a) Interest on Term Loan	1,617.96	-	1,617.96	1,570.30	-	1,570.30
(b) Interest Paid to Banks	2,189.89	36.93	2,226.82	1,661.70	31.71	1,693.41
Less: Interest Subsidy	-	7.84	7.84	-	5.04	5.04
(c) Other Interest	307.13	0.29	307.42	256.00	-	256.00
(d) Bank Charges	284.58	11.75	296.33	306.12	8.22	314.34
(e) Other Borrowing Costs	141.01	7.44	148.45	149.37	5.18	154.55
(f) Applicable Net Foreign Exchange Loss/ (Gain) on Borrowings	(95.89)	-	(95.89)	118.59	-	118.59

(Refer Note 31)

TOTAL			4,493.25			4,102.15
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						(₹ in Lacs)
	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March 2013	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March 2012
Note 24 - Other Expenses						
Stores, Spare Parts Consumed	2,204.44	246.13	2,450.57	1,828.33	148.69	1,977.02
Power and Fuel	4,870.18	33.73	4,903.91	4,410.83	20.12	4,430.95
Repairs :						
Building	198.23	-	198.23	56.96	-	56.96
Machinery	181.36	0.27	181.63	167.47	0.70	168.17
Others	887.34	8.42	895.76	741.01	2.83	743.84
Labour Charges	5,620.24	125.16	5,745.40	4,258.45	49.59	4,308.04
Rent	4,154.77	11.26	4,166.03	3,286.66	8.76	3,295.42
Rates and Taxes	336.59	0.04	336.63	196.46	0.29	196.75
Insurance	208.91	6.94	215.85	161.62	4.43	166.05
Postage and Telephone Expenses	413.01	-	413.01	393.51	0.06	393.57
Loss on Sale of Fixed Assets/ Discarded (Net)	229.33	(0.47)	228.86	90.28	0.31	90.59
Packing Material Consumed	1,317.23	-	1,317.23	1,190.56	-	1,190.56
Travelling Expenses	1,175.42	68.91	1,244.33	1,125.51	32.97	1,158.48
Commission, Discount and Rebate	1,546.32	-	1,546.32	1,949.42	-	1,949.42
Advertisements and Sales Promotion Expense	2,170.81	15.63	2,186.44	2,286.33	-	2,286.33
Computer Expenses	399.50	-	399.50	202.48	0.59	203.07
Carriage outward	7,777.36	160.87	7,938.23	7,116.80	67.11	7,183.91
Land Lease Rent	8.25	0.54	8.79	3.10	0.54	3.64
Board Meeting Fees	6.50	-	6.50	6.70	-	6.70
Provision for Wealth Tax	12.04	-	12.04	8.84	-	8.84
Bad Debts written off / (written back)	64.05	0.18	64.23	55.75	4.85	60.60
Provision/ Written back for Doubtful Debts and Advances	57.61	11.83	69.44	110.84	14.48	125.32
Net Foreign Exchange Loss / (Gain)	(96.61)	-	(96.61)	61.72	-	61.72
Sundry Expenses	3,837.10	118.96	3,956.06	3,393.68	54.69	3,448.37
TOTAL			<u>38,388.38</u>			<u>33,514.32</u>

25. SIGNIFICANT ACCOUNTING POLICIES**A) Basis of preparation of Consolidated Financial Statements:**

The financial statements of the Subsidiary Companies and Joint Venture Companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended 31st March 2013.

The financial statements of the Company and the Joint Venture Companies have been prepared under historical cost convention on an accrual basis and comply with Accounting Standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956. The financial statements of the foreign Subsidiary Companies have been prepared in accordance with the local laws and the applicable accounting standards / generally accepted accounting principles.

The financial statements of the Company, Subsidiary Companies and Joint Ventures (the "Group") have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating material intra-group balances and intra-group transactions and the unrealised profits or losses.

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

B) Principles of Consolidation:

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

- Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per "Accounting Standard – 27 (AS-27) Financial Reporting of Interest in Joint Ventures".
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as per the Company's separate financial statements.
- The Subsidiary Companies considered in the consolidated financial statements are :

Name of the Company	Country of Incorporation	% Ownership held as at 31 st March, 2013	% Ownership held as at 31 st March, 2012
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%	76%
Nilkamal Crates and Bins FZE	Ajman, UAE	100%	100%

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

Name of the Company	Country of Incorporation	% Ownership held as at 31 st March 2013	% Ownership held as at 31 st March, 2012
Nilkamal Bito Storage Systems Private Limited	India	50%	50%
Cambro Nilkamal Private Limited	India	50%	50%

C) Exchange Translation:

All the foreign subsidiaries have been identified as non-integral operations. Accordingly, the summarised revenue and expense transactions of the Subsidiary Companies at the year-end reflected in the Statement of Profit and Loss have been translated into Indian Rupees at average monthly exchange rate.

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

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

D) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

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 exceed its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

G) Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets is provided at higher of Management's estimated useful life of the assets or in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are depreciated on straight line basis over the total period of lease;
- ii) Cost of Leasehold land is amortised over the period of lease;
- iii) Depreciation on addition to assets or on sale /discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;
- iv) Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;
- v)
 - a) Software (Intangible assets) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.
 - b) Models, Designs and other Commercial rights (intangible assets) is amortised on a straight-line basis over a period of 60 months from the date of its put to use or based on the management's estimate of useful life over which the economic benefits will be derived.
- vi) Individual Assets except Assets given on lease acquired for less than ₹. 5,000/- are entirely depreciated in the year of acquisition.

H) Investments:

Investments are classified into Current and Long Term Investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost less provision, if any, for other than temporary diminution in value.

I) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

J) Employee Benefits:

Short Term Employee Benefits

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

Post Employment / Retirement Benefits

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

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

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

Termination Benefits

Termination benefits are recognised as and when incurred.

K) Derivative financial instruments and hedge accounting

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

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

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

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

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

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

L) Foreign Currency Translations:

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

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

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

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

In respect of Forward Exchange contracts entered into to hedge foreign currency risks of an on-balance sheet foreign currency denominated asset or liability, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or Loss on cancellations / renewals of forward contracts is recognised during the year. In case of forward contracts against highly probable forecast transaction, mark to market loss, if any, is charged to Statement of Profit and Loss.

M) Borrowing Costs:

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

N) Recognition of Income and Expenditure:

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

O) Assets taken on Lease:

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

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

P) Assets given on Lease:

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

Q) Taxation:

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

R) 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 directly attributable expenditure specifically for the project, incurred upto the date of installation, is capitalised and added pro-rata to the cost of fixed assets.

S) Government Grants:

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

T) Provisions, Contingent Assets and Contingent Liabilities:

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

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

(₹ in Lacs)

		As st 31st March, 2013	As st 31st March, 2012
i)	Excise and Service Tax matters	366.26	339.09
ii)	Sales Tax matters *	1,192.11	1,260.93
iii)	Income Tax matters	3.39	-
iii)	a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	59.50	59.50
	b) On account of surety to Cambro Nilkamal Private Limited for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	10.00
	c) On account of Cross Subsidy Surcharge on electricity	9.38	-
	d) On account of Customer claims against a Subsidiary Company	25.32	-

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

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

b) Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹505.87 Lacs (Previous Year ₹ 709.66 Lacs).
- Export commitment on EPCG license utilisation remaining to be executed Rs Nil (Previous ₹375.20 lacs).

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

(₹ in Lacs)

	2012-13	2011-12
Opening Balance	140.91	113.68
Additions	498.17	445.12
Utilisations	469.22	417.89
Closing Balance	169.86	140.91

28. Share Capital

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

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Nilkamal Builders Private Limited	1,464,000	9.81%	1,464,000	9.81%
Heirloom Finance Private Limited	912,000	6.11%	912,000	6.11%
Vamanrai V. Parekh	1,795,462	12.03%	1,795,462	12.03%
Sharad V. Parekh	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	1,139,455	7.64%	1,139,455	7.64%
Nayan S. Parekh	1,084,995	7.27%	1,084,995	7.27%
Reliance Capital Trustee Co. Ltd. A/C – Reliance regular Savings Fund - Equity Option	1,000,000	6.70%	1,000,000	6.70%

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

Particulars	Equity Shares			
	2012-13		2011-12	
	Number	₹ (in Lacs)	Number	₹ (in Lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	14,922,525	1,492.25
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,922,525	1,492.25	14,922,525	1,492.25

During the financial year 2010-11, 21,40,181 Equity Shares of ₹ 10 each issued to Qualified Institutional Investors at a premium of ₹ 270.35/- each.

29. Borrowings:

(A) Secured Loans:

- a) Working capital facilities of ₹ 22,754.51 lacs (March 31, 2012: ₹ 21,556.93 lacs) from Banks are secured on first pari passu basis by way of hypothecation of current assets of the Company, second pari passu charge by way of equitable mortgage on the Company's immovable property and personal guarantee of Director/s.

b) Subsidiaries

Working Capital facilities of ₹ 735.32 lacs, (March 31, 2012: ₹ 344.23 lacs) are secured on concurrent primary mortgage on entire stock, Receivables, Land, Building and Plant and Machinery of the respective subsidiary company.

Share in JV

Working capital facilities of ₹ 379.48 lacs, (March 31, 2012: ₹ 238.11 lacs) are secured by a first charge on current assets of the Company and second charge on fixed assets of the respective joint venture company.

Term loans of ₹11,174.07 lacs (Previous Year: ₹ 10,983.75 lacs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinner (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil nadu) together with all building and structures thereon and all Plant & Machinery, second pari passu charge by way of hypothecation of current assets of the Company. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of ₹ 4,887.66 lacs (Previous Year ₹1,272 lacs).

- c) Term loan of ₹4.81 lacs (Previous Year ₹13.31 lacs) are secured against respective assets.

Subsidiaries

- d) Term loan of ₹ 140.46 lacs (March, 2012: ₹80.70 lacs) are secured by Quaternary mortgage over Land, Building and Plant and Machinery.
- e) Term loan of ₹ 5.28 lacs (March 31, 2012: ₹15.00 lacs) are secured against specific assets.

f) Terms of Repayment

Rupee Term loan

Terms of Repayment of Rupee term loans having interest rate from 11.50 % to 16.00 %, which are reset periodically are given below:

- i) Term loan amounting to ₹ Nil lacs (March 31, 2012: ₹ 249.94 lacs) repayable in equal quarterly installments, last installment due in December 2013.
- ii) Term loan amounting to ₹ 208.31 lacs (March 31, 2012: ₹ 333.32 lacs) repayable in equal quarterly installments, last installment due in May 2015.
- iii) Term loan amounting to ₹ 666.64 lacs (March 31, 2012: ₹ 1000.00 lacs) repayable in equal quarterly installments, last installment due in June 2016.
- iv) Term loan amounting to ₹ 1,312.50 lacs (March 31, 2012: ₹ 2,062.50 lacs) repayable in equal quarterly installments, last installment due in January 2016.
- v) Term loan amounting to ₹ 366.67 lacs (March 31, 2012: ₹ 400.00 lacs) repayable in equal quarterly installments, last installment due in December 2016.
- vi) Term loan amounting to ₹ Nil (March 31, 2012: ₹ 500.00 lacs) repayable in equal quarterly installments, last installment due in March 2014.
- vii) Term loan amounting to ₹ 252.77 lacs (March 31, 2012: ₹ 585.00 lacs) repayable in equal quarterly installments, last installment due in December 2014.
- viii) Term loan amounting to ₹ Nil (March 31, 2012: ₹ 344.00 lacs) repayable in equal quarterly installments, last installment due in March 2014.
- ix) Term loan amounting to ₹ 574.00 lacs (March 31, 2012: ₹ 929.00 lacs) repayable in equal quarterly installments, last installment due in January 2016.
- x) Term loan amounting to ₹ 400.00 lacs (March 31, 2012: ₹ 400.00 lacs) repayable in equal quarterly installments, last installment due in March 2017.
- xi) Term loan amounting to ₹ 747.77 lacs (March 31, 2012: ₹ 999.99 lacs) repayable in equal quarterly installments, last installment due in July 2016.
- xii) Term Loan amounting to ₹ 4.81 Lacs (March 31, 2012 ₹ 13.31 lacs) repayable in equal monthly installments, last installment due in December 2014.
- xiii) Term Loan amounting to ₹ 400.00 lacs (March 31, 2012 ₹ Nil) repayable in equal quarterly installments, last installment due in June 2017.

Subsidiaries

- xiv) Term loan amounting to ₹ 140.46 lacs (March 31, 2012: ₹ 80.70 lacs) repayable in equal quarterly installments, last installment due in March 2015.
- xv) Term loan amounting to ₹ 5.28 lacs (March 31, 2012: ₹ 15.00 lacs) repayable in equal monthly installments, last installment due in January 2016.

Foreign Currency loan

Terms of Repayment of Foreign Currency loans having interest rate from 2.50 % to 4.00 % are given below:

- i) Term loan amounting to ₹ 1,357.75 lacs (March 31, 2012: ₹ 1,908.00 lacs) repayable in equal half yearly installments, last installment due in March 2016.
- ii) Term loan amounting to ₹ 4,887.66 lacs (March 31, 2012: ₹ 1,272.00 lacs) repayable in equal quarterly installments, last installment due in March 2017.

(B) Terms of repayment for Long Term unsecured borrowings:

Term loan amounting to ₹ Nil (March 31, 2012: ₹ 45.42 Lacs) repayable in equal quarterly installments, last installment due in November 2013. Rate of interest as at year end Nil p.a. (Previous year 10.69 % p.a.). Installments falling due within twelve months from the year end have been classified as "Current maturities of long term debts" in Note 8.

(C) Maximum balance outstanding during the year by way of issue of Commercial papers ₹5,000 lacs (Previous year ₹ 2,000 lacs).**30. Cross Currency Interest Rate Swap:**

The Company has transacted a cross currency interest rate swap (CCIRS) agreement with a bank to hedge the principal and interest of the ECB Loan of USD 5.10 Million (Previous year Nil). The Company has designated this ECB loan and the CCIRS in a cash flow hedge accounting relationship. The change in the fair value of the

CCIRS, to the extent considered effective, is taken to the 'Cash flow hedge reserve account' under Reserves & Surplus under Note 2. Of this, ₹ 77.21 Lacs (previous year Nil) has been transferred to statement of profit and loss to offset the profit on restatement of this ECB. The net balance amounting to ₹ 45.59 Lacs (previous year Nil) represents the balance effective portion of cash flow hedge. Had the Company not exercised such option, the net profit after tax for the year ended on 31st March, 2013 would have been higher by ₹45.59 lacs (Previous Year ₹ Nil).

- 31.** The foreign exchange fluctuation on outstanding foreign currency loan has been accounted for as per Accounting Standard (AS 11) as amended wide Notification dated 29th December, 2011 with further clarification note dated 9th August, 2012 issued by the Ministry of Corporate Affairs Government of India. Consequently, an amount of ₹ 327.06 lacs (Previous year ₹ 208.68 lacs) is capitalized as cost of fixed assets. The Company has provided additional amount of depreciation of ₹97.90 lacs (Previous year ₹ 28.27 lacs) on such costs. Had the Company not exercised the said option, the net profit after tax for the year ended on 31st March, 2013 would have been lower by ₹154.81 lacs (Previous year ₹ 121.88 lacs).

32. Related Party Disclosures:

(₹ in Lacs)

	2012 – 2013		2011 – 2012	
	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives
Paid for Services	-	62.43	-	60.60
Rent Paid	-	193.57	-	135.83
Purchase of fixed assets	-		204.60	
Remuneration paid	474.37	-	399.05	-
Salary Paid		0.82		-
Other receivable / (Payables) (Net) :	-	(5.17)	-	(1.70)
Deposits receivable	-	724.56	-	724.56

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

NOTES:

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

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

Note:

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

Mrs. Nalini V. Parekh, Mrs. Maya S. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Mrs. Purvi N. Parekh, Mrs. Rajul M. Gandhi, Mrs. Dhruvi Nakul Kumar, Mr. Mihir H. Parekh, Master Eashan M. Parekh, Master Dhanay N. Parekh, Miss Dhaniti N. Parekh, Mr. Nakul Kumar, Mr. Manoj K. Gandhi, Vamanrai V. Parekh (HUF), Sharad V. Parekh (HUF), Hiten V. Parekh (HUF), Manish V. Parekh (HUF), Nayan S. Parekh (HUF), Parekh Plasto Industries Pvt. Ltd., Shrimant Holding Pvt. Ltd., Heirloom Finance Pvt. Ltd., Nilkamal builders Pvt. Ltd. Starshine Land Developers Pvt. Ltd.

33. 'Nilkamal' brand used by Nilkamal Limited, is owned by Nilkamal Crates & Containers against interest free deposit of ₹370 Lacs.

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

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	Lease payments recognised in the Statement of Profit and Loss (includes contingent rent of ₹ 139.97 Lacs (Previous year ₹ 41.77 Lacs))	4,140.35	3,269.74
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	876.97	749.31
	ii) Later than one year and not later than 5 years	1,362.27	1,208.83
	iii) Later than 5 years	-	-

The agreements are executed for the period of 36 to 240 months with a non cancelable period from 0 to 60 months and having a renewable option.

For certain properties taken on Lease, contingent rent payable as a percentage of revenue from the respective stores, subject to a minimum rent.

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

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	Lease payments recognised in the Statement of Profit and Loss	25.68	25.68
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	25.68	25.68
	ii) Later than one year and not later than 5 years	19.26	44.94
	iii) Later than 5 years	-	-

The agreement is executed with a cancelable period from 0 to 48 months.

(b) Asset given on Operating Lease:

(₹ in Lacs)

	Particulars	2012-13	2011-12
a	i) Gross Carrying Amount	277.87	-
	ii) Depreciation for the Year	12.82	-
	iii) Accumulated Depreciation	12.82	-
	The Total future Minimum rentals receivable at the Balance Sheet Date Is as Under		
b	i) For a period not later than one year.	130.94	-
	ii) For a period more than one year but not later than 5 years	171.22	-
	iii) For a period Later than 5 years.	-	-

(c) Assets acquired under finance lease arrangement:

(₹ in Lacs)

Particulars	2012-13	2011-12
Future minimum Lease Payments under agreements.		
i) Not later than one year	3.11	9.29
ii) Later than one year and not later than 5 years	5.71	18.82
iii) Later than 5 years	-	-
Present Value of Minimum Lease Payment	7.82	24.29
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value		
Total Minimum Lease Payments	8.82	28.11
Less : Interest	1.00	3.82
Present Value of Minimum Lease Payment	7.82	24.29

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

- a) Amount of ₹ 286.77 Lacs (Previous Year ₹240.72 Lacs) towards defined contribution plans is recognised as expense in the Statement of Profit and Loss.

b) Defined Benefit Plan Disclosures:

(₹ in Lacs)

Sr.No.	Particulars	2012-13 Gratuity	2011-12 Gratuity
1	Components to employer Expense		
	a) Current Service Cost	117.44	94.90
	b) Interest Cost	47.43	40.86
	c) Expected return of plan assets	(18.12)	(12.66)
	d) Past Service Cost	-	-
	e) Actuarial (Gain)/Loss	34.79	(14.90)
	f) Total expense recognised in the Statement of Profit and Loss	181.54	108.20
2	Net (Asset)/Liability recognised in Balance Sheet		
	a) Present Value of Obligation	747.64	574.86
	b) Fair Value of Plan Assets	(221.43)	(201.35)
	c) (Asset)/Liability recognised in the Balance Sheet	526.21	373.51
3	Change in Defined Benefit Obligation (DBO) during the year		
	a) Present Value of Obligation as at beginning of the year	574.86	480.72
	b) Current Service cost	117.44	94.90
	c) Interest Cost	47.43	40.86
	d) Past Service Cost	-	-
	e) Actuarial (Gain)/Loss	36.75	(20.12)
	f) Benefits paid	(28.83)	(21.50)
	g) Present Value of Obligation as at the close of the year	747.65	574.86
4	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at beginning of the year	201.35	143.91
	b) Contribution to the fund	-	50.00
	c) Expected return of plan assets	18.12	12.66
	d) Actuarial Gain/(Loss)	1.96	(5.22)
	e) Fair Value of Plan Assets as at the close of the year	221.43	201.35
5	Actuarial Assumptions		
	a) Discount Rate (per annum)	8.25%	8.50%
	b) Expected Rate of Return on Assets (per annum)	9.00%	7.50%
	c) Salary Escalation Rate	7.00%	6.50%
6	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets		
	Insurer Managed Funds	100%	100%

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

C.

(₹ in Lacs)

Sr. No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
1	Present Value of the defined benefit obligation	747.64	574.86	480.72	313.09	238.57
2	Fair value of the plan assets	221.43	201.35	143.91	85.01	47.00
3	Surplus / (deficit) in the plan	(526.21)	(373.51)	(336.81)	(228.08)	(191.58)
4	Experience adjustment on plan assets	1.96	(5.22)	0.65	8.55	(7.98)
5	Experience adjustment on plan liabilities	(14.64)	(11.48)	(1.35)	12.14	24.60
6	The estimated contribution to be paid to the plan during the annual period beginning after balance sheet date is ₹ 73.28 Lacs (Previous Year ₹51.48 Lacs)					

36. Segment Information

Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17) taking into account the Company's organisation structure as well as the differential risk and returns of these segments.

- b) The Company has disclosed business segment as the primary segment.
- c) Types of Products and Services in each business segment:

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

- d) The segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- e) Inter segment transactions are carried out at arms length price.

Segment Wise Revenue, Results and Other Information

A. Business Segment:

(₹ In Lacs)

	Particulars	2012-13				2011-12			
		Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total
1	Revenue from Operations	147,801.84	20,393.29	3,680.37	171,875.50	131,134.77	19,127.10	2,433.89	152,695.76
	Less: Inter Segment Revenue	1,656.84			1,656.84	1,043.97			1,043.97
	Net Revenue from Operations	146,145.00	20,393.29	3,680.37	170,218.66	130,090.80	19,127.10	2,433.89	151,651.79
2	Segment Result before Tax & interest	11,073.14	(749.30)	153.21	10,477.05	12,883.04	(378.96)	236.27	12,740.35
	Add/(Less): Minority Interest	72.35			72.35	78.66			78.66
		11,000.79	(749.30)	153.21	10,404.70	12,804.38	(378.96)	236.27	12,661.69
	Less: Unallocated expense(Net of Unallocated Income)				1,225.87				816.38
	Operating Profit				9,178.83				11,845.31
	Less: Finance Costs				4,493.25				4,102.15
	Add: Exceptional Income				-				-
	Add/(Less): Prior Period Adjustment				-				-
	Profit Before Tax				4,685.58				7,743.16
	Less: Provision for Taxes(Net)				971.67				1,632.66
	Net Profit After Tax				3,713.91				6,110.50
3	Other Information								
	Segment Assets	89,126.80	11,905.43	2,540.59	103,572.82	80,905.79	12,427.88	2,213.02	95,546.69
	Add: Unallocated Assets				3,689.75				2,747.70
	Total Assets				107,262.57				98,294.39
	Segment Liabilities	14,263.03	3,514.94	528.79	18,306.76	13,398.17	2,701.81	545.37	16,645.35
	Add: Minority Interest	465.66	-	-	465.66	397.43	-	-	397.43
		14,728.69	3,514.94	528.79	18,772.42	13,795.60	2,701.81	545.37	17,042.78
	Add: Unallocated Liabilities								
	Loan Liabilities				40,814.29				36,894.85
	Others				3,187.69				2,942.19
	Total liabilities				62,774.40				56,879.82
	Capital Expenditure	5,046.72	494.25	172.73	5,713.70	8,005.94	1,023.63	50.75	9,080.32
	Depreciation and Amortisation	4,252.35	366.55	139.10	4,758.00	3,882.60	311.20	120.20	4,314.00
	Significant Non Cash Expenses other than Depreciation and Amortisation	123.59	169.46	10.08	303.13	166.59	-	19.33	185.92

B. Geographical Segment:

(₹ In Lacs)

Sr. No.	Particulars	Year Ended 31st March, 2013			Year Ended 31st March, 2012		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue(Net Sales)	159,245.06	10,973.60	170,218.66	142,150.25	9,501.54	151,651.79
2	Carrying cost of Segment Assets	99,952.82	3,620.00	103,572.82	92,128.51	3,418.18	95,546.69
3	Addition to Fixed Assets and -Intangible Assets	5,527.64	186.06	5,713.70	8,325.92	754.40	9,080.32

37. Statement of Subsidiaries:

(₹ in Lacs)

Sr. No.	Particulars	Nilkamal Eswaran Plastics Private Limited, Sri Lanka	Nilkamal Eswaran Marketing Private Limited, Sri Lanka	Nilkamal Crates and Bins - FZE (Ajman - UAE)
1	Share Capital	64.15	-	27.32
2	Reserve and Surplus	1,430.97	23.35	823.90
3	Total Assets	3,721.49	128.79	1,073.51
4	Total Liabilities (Excluding Minority interest)	1,754.22	98.05	222.29
5	Investment other than investment in Subsidiary	-	-	-
6	Turnover and Other Income	4,070.24	99.89	2,338.31
7	Profit Before Taxation	(19.51)	20.33	240.15
8	Provision for Taxation (incl Deferred Tax)	(333.10)	5.18	-
9	Profit after Tax	297.90	15.16	240.15
10	Dividend	32.08	0.96	54.64

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

AS PER OUR REPORT OF EVEN DATE

For **DALAL & SHAH**

Firm Registration No. : 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership No. : 037942

For **VORA & ASSOCIATES**

Firm Registration No. : 111612W

Chartered Accountants

Bharat B. Chovatia

Partner

Membership No. : 031756

Place: Mumbai

Date: May 18, 2013

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh

Managing Director

Hiten V. Parekh

Executive Director

Pareesh B. Mehta

Financial Controller

Priti P. Dave

Company Secretary

PERFORMANCE AT A GLANCE

(₹ in lacs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Net Sales	88,909	102,805	125,170	143,461	161,066
Profit Before Tax	1,182	6,589	7,004	7,105	4,365
Profit After Tax	610	4,724	5,246	5,560	3,119
Share Capital	1,278	1,278	1,492	1,492	1,492
Reserves and Surplus	19,862	23,839	34,086	38,952	41,418
Shareholder's Funds	21,140	25,117	35,578	40,444	42,910
Loan Funds	28,520	27,874	30,246	36,168	39,411
Total Capital Employed	49,660	52,991	65,824	76,611	82,321
Deffered Tax Liability	1,378	1,352	1,564	1,847	2,190
Gross Block	43,696	45,801	56,153	63,382	68,495
Net Block	23,288	22,391	29,776	33,232	34,242
Investments	2,378	2,429	2,530	2,530	2,530
Net Current Assets	25,373	29,522	35,083	42,698	47,740

RATIO

FINANCIAL PERFORMANCE %	2008-09	2009-10	2010-11	2011-12	2012-13
Domestic Turnover/Total Turnover	98.23	98.16	96.52	96.74	97.53
Exports/Total Turnover	1.59	1.43	3.21	3.11	2.30
Other Income/Total Turnover	0.17	0.41	0.28	0.15	0.17
Raw Material/Total Turnover	54.45	53.76	54.18	53.80	55.23
Duties & Levies/Total Turnover	13.68	11.45	12.20	11.87	12.45
Overheads/Total Turnover	18.94	19.41	19.02	19.55	19.71
Adv & Sales Exps/Total Turnover	1.46	1.29	1.87	2.03	1.56
Interest/Total Turnover	3.84	2.12	2.11	2.46	2.33
Profit Before Interest & Tax /Total Turnover	4.99	7.77	7.01	6.82	4.70
Profit Before Tax/Total Turnover	1.15	5.65	4.90	4.36	2.37
Depreciation//Total Turnover	3.02	2.76	2.30	2.48	2.41
Tax/Total Turnover	0.55	1.60	1.23	0.95	0.68
Net Profit After Tax /Total Turnover	0.59	4.05	3.67	3.41	1.69
Cash Profit /Total Turnover	3.61	6.81	5.97	5.89	4.10
Return on Capital Employed	8.92	14.02	13.92	13.45	9.33
Return on Net Worth	2.91	20.42	17.29	14.63	7.48

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

Balance Sheet Ratios					
Debt-Equity	1.35	1.11	0.85	0.89	0.92
Debtors Turnover (days)	38	42	39	45	47
Inventory Turnover	56	56	66	69	69
Current Ratio	4.09	3.84	3.71	3.63	3.63
Quick Ratio	2.43	2.33	1.98	1.95	1.95
Depreciation/Gross Block (%)	7.23	7.16	6.31	6.44	6.51
Asset Turnover	3.92	4.78	4.85	4.38	4.76
Per Share Data - ₹					
EPS	4.77	36.96	36.80	37.26	20.90
CEPS	29.16	62.13	59.91	64.39	50.62
Book Value	165.38	196.50	238.42	271.03	287.55
Shareholder Statistics					
DPS	2.00	5.00	4.00	4.00	4.00
Dividend (%)	20	50	40	40	40
Dividend Payout (Rs)	299	746	694	694	698
Dividend Payout (%)	49.03	15.79	13.22	12.48	22.39



Nilkamal Limited

Entrance Pass

(To be presented at the entrance)

27th Annual General Meeting on Monday, 15th July, 2013 at 12.00 noon at Survey No.354/2 and 354/3,
Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona, Silvassa - 396 230,
Union Territory of Dadra and Nagar Haveli.

Folio No. DPID No. Client ID No.

Name of the Shareholder :

No. of Shares : Signature

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



Nilkamal Limited

Proxy Form

I/We of in
the district of being a member(s) of the above named Company, hereby appoint
Mr./Mrs. of in the district
of as my / our proxy to attend and vote for me / us and on my / our behalf at the Twenty Seventh Annual General
Meeting of Nilkamal Limited to be held on Monday, 15th day of July, 2013 at 12.00 noon and at any adjournment thereof.

Folio No. DPID No. Client ID No.

No of shares held

Signed this day of, 2013 Signature

affix Re 1
Revenue
Stamp

Bank Account Particulars / NECS 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 NECS could not be implemented or the Bank discontinue the NECS, for any reason.

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

Signature of the Shareholder



HOME DECOR RETAIL



MOULDED FURNITURE



MATERIAL HANDLING SOLUTIONS



MATTRESS

*Terms and Conditions:

1. 20% discount will be calculated on prevailing MRP of each product
2. This coupon is valid up to 30th June 2014 only
3. It can be utilized only for a one-time purchase, irrespective of quantity and value of products
4. Discount will be provided only on the stocks available
5. This coupon is valid at all @home stores
6. It cannot be exchanged/encashed
7. It cannot be utilized along with any other Promotional Schemes, Best Buy, As Is & Promo Products
8. Discount applicable only on @home products and not on other brands

Nilkamal Ltd., Mumbai- 400 093

20%
OFF
VALID UPTO
30TH JUNE 2014

@home®

by **Nilkamal**

**@home stores**Now shop online: www.at-home.co.in

AHMEDABAD: Next to Grand Bhagwati Hotel, S.G. Highway. Tel: (079) 26855536/37 **BANGALORE:** • **KORAMANGALA:** Opp. Forum Mall. Tel: (080) 25501012/13/14
• **MARATHAHALLI:** Ring Road. Tel: (080) 42197133/34 • **RAJAJINAGAR:** Opp. Brigade Gateway Towers. Tel: (080) 23571635/45 **CHENNAI:** • **AMINJIKARAI:** Nelson
Manickam Road, Tel: (044) 23741531/32 • **ADYAR:** 1st Main Road, Next to Odyssey Showroom, Gandhi Nagar Tel: (044) 24411069/70 **COIMBATORE:** D.B. Road,
R.S. Puram. Tel: (0422) 2473975/76 **GHAZIABAD:** Sahibabad, Link Road Highway, Next to Bikanerwala. Tel: (0120) 4163632/33 **HYDERABAD:** • **BANJARA HILLS:**
Next to Taj Krishna. Tel: (040) 23316015/16 • **MADHAPUR:** Opp. Cyber Tower. Tel: (040) 64623051/52/53 **KOCHI:** Opp. Lulu Mall, Edappally Junction, Tel: (0484)
2541864/65 **MUMBAI:** • **ANDHERI (W):** Crystal Point Mall, Above Star Bazaar, New Link Road. Tel: (022) 67251283/87 • **GHATKOPAR (W):** R-City Mall, L.B.S. Marg.
Tel: (022) 25186023/24 **PUNE:** • **YERWADA:** Ishanya, Off Airport Road. Tel: (020) 66405726/27 • **SHIVAJINAGAR:** Next to Shopper's Stop. Tel: (020) 25520401/11
• **HADAPSAR:** Amanora Park Township. Tel: (020) 67260152/53 **SURAT:** Crossway Mall, Ramchowk, Ghoddod Road. Tel: (0261) 2235702/04 **THANE:** 2nd Floor,
Korum Mall, Near Cadbury Compound, Off E.E. Highway. Tel: (022) 25376513/14 • **VADODARA:** Centre Square Mall, Near Sarabhai Circle. Tel: (0265) 3926662/66