

WHEN ROOTS ARE STRONG,
SUCCESS SURELY COMES ALONG.

Board of Directors

Mr. Dadi B. Engineer	- Director
Mr. K. R. Ramamoorthy	- Director
Mr. Mahendra V. Doshi	- Director
Mr. Mufazzal S. Federal	- Director
Mr. Rajendra P. Goyal	- Director
<i>(Ceased w.e.f. 22nd October, 2011)</i>	
Mr. S. K. Palekar	- Director
<i>(Appointed w.e.f. 17th April, 2012)</i>	
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 Ltd.

DBS Bank Ltd.

HSBC Ltd.

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.

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 **26th 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 **Saturday, the 4th day of August, 2012 at 12.00 noon** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2012, the Profit and Loss Account 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, 2012.
3. To appoint a Director in place of Mr. K. R. Ramamoorthy, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Nayan S. Parekh, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint M/s. Dalal & Shah (ICAI Registration No. 102021W) and M/s. Vora & Associates (ICAI Registration No. 111612W), Chartered Accountant, Mumbai as Statutory Auditors and fix their remuneration for the Financial Year 2012-13.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. S. K. Palekar who pursuant to Article 135 of the Articles of Association of the Company was appointed as an Additional Director of the Company with effect from 17th April, 2012 and who under Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose the candidature of Mr. S. K. Palekar for the office of the Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in supersession of the resolution passed at the Twenty Second Annual General Meeting of the Company held on 9th August, 2008, and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) (hereinafter referred to as the "Act"), consent of the Company be and is hereby granted to the Board of Directors of the Company or Committee thereof, to borrow for the purpose of the business of the Company from time to time on such terms and conditions as the Board of Directors or Committee thereof may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the Paid up Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose, so that the total amounts up to which the monies may be borrowed by the Board of Directors or Committee thereof shall not at any time exceed ₹ 600 Crores (Rupees Six Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors or Committee thereof or any person(s) as authorised by the Board of Directors or committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board of Directors to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

"RESOLVED THAT in supersession of the resolution passed at the Twenty Second Annual General Meeting of the Company held on 9th August, 2008, and pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) (hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof to mortgage and/or charge, in addition to the mortgages and/or charges created/to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board of Directors or Committee thereof may determine, all or any of the movable and/or immovable, tangible and/or intangible properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of

default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued /to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s) / trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between the Company and the lender(s)/ agent(s)/ trustee(s), in respect of the said loans/ borrowings/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/ agent(s)/trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Committee thereof be and is hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid."

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business at Item Nos. 6, 7 and 8 above is annexed hereto and forms 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, 4 and 6 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, 28th day of July, 2012 to Saturday, 4th day of August, 2012, 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 the 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 27th July, 2012;
 - (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 27th July, 2012.
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 IF5 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 2004-2005 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. 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.
13. 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.
14. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the Meeting.

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

Place: Mumbai
Date: May 11, 2012

Priti P. Dave
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The Board of Directors of the Company had appointed Mr. S. K. Palekar as an Additional Director of the Company on 17th April, 2012. In terms of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. S. K. Palekar holds office as an Additional Director upto the date of ensuing Annual General Meeting.

Pursuant to provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidature of Mr. S. K. Palekar for the office of Director of the Company alongwith the requisite amount of deposit.

Mr. S. K. Palekar, aged about 62 years, is B.Sc., M.Sc. (Physics) from Mumbai University & MMS (Marketing) from Jamnalal Bajaj Institute of Management Studies. He secured first rank in M.Sc. (Physics) as well as in MMS (Marketing). He is currently the Chairperson of Executive Education Centre of S P Jain Institute of Management & Research at Mumbai. He brings with him 35 years of experience in all aspects of marketing like sales, advertising, market research, brand management and also of general management. Mr. Palekar has hands on experience in FMCG, durables & service Industries.

It is in the interest of the Company that the Board should avail the valued experience and contribution of Mr. S. K. Palekar and therefore recommends the resolution for your approval.

None of the Directors of the Company, except Mr. S. K. Palekar, is concerned or interested in the resolution.

Item No. 7

Section 293(1)(d) of the Companies Act, 1956 provides that the Company cannot borrow money where the monies so borrowed together with monies already borrowed exceed the aggregate of the paid-up capital of the Company and its free reserves without the sanction of a General Meeting. By a resolution passed at the Annual General Meeting of the shareholders of the Company held on 9th August, 2008, the Board of Directors were authorised to borrow money upto a limit of ₹ 500 Crores. Since then the Company has expanded its activities considerably and proposes to borrow monies for its ongoing business and future expansion programmes. The total borrowings of the Company may, therefore, exceed this limit. As such the Directors commend your approval for enhancing the borrowing limit to ₹ 600 Crores vide the resolution mentioned in this item.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 8

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

The Board of Directors therefore recommend the passing of the Ordinary Resolution contained in Item No. 8 of the accompanying Notice to be approved and adopted under Section 293 (1)(a) of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in this resolution.

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

Place: Mumbai
Date: May 11, 2012

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. K. R. Ramamoorthy	Mr. Nayan S. Parekh	Mr. S. K. Palekar
Date of birth	08-07-1940	08-03-1972	23-08-1949
Date of appointment	31-10-2003	01-04-2000	17-04-2012
Expertise in specific area	Banking and Finance	Manufacturing and Marketing	Marketing and Management
Qualifications	B. A., B.L., F.C.S.	B.S. Plastic Engineering, U.S.A	B.Sc., M.Sc., M.M.S.
Directorship in other Public Limited Companies	1. The Clearing Corporation of India Limited 2. Subros Limited 3. Amrit Corp Limited 4. GMR Power Corporation Limited 5. Clearcorp Dealing System (India) Limited 6. GMR Infrastructure Limited	Nil	1. The Paper Products Limited 2. E4 Development and Coaching Limited
Membership of Committees in other Public Limited Companies	1. Audit Committee - Clearing Corporation of India Limited - Subros Limited - GMR Power Corporation Limited - GMR Infrastructure Limited - Amrit Corp Limited 2. Shareholder's Transfer and Grievance Committee - GMR Infrastructure Limited	---	---
Number of Shares Held	Nil	1,084,995	Nil

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, 2012.**

Dear Members,

Your Directors have pleasure to present this **26th ANNUAL REPORT** of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

	2011-2012	2010-2011
Gross Turnover and Other Income	164,297.77	143,012.37
Net Turnover and Other Income	143,710.17	125,565.46
Profit before Depreciation and Tax	11,153.21	10,296.92
Less: Depreciation on Fixed Assets	4,047.77	3,293.16
Profit before Tax	7,105.44	7,003.76
Less: Provision for Taxes	1,545.14	1,757.98
Profit after Tax	5,560.30	5,245.78
Amount Available for Appropriations	16,557.24	12,215.25
Less: Appropriations:		
i) Proposed Final Dividend	596.90	596.90
ii) Total Tax on Dividend	96.83	96.83
iii) Transfer to General Reserves	575.42	524.58
Leaving a Balance to be carried forward	15,288.09	10,996.94
Earnings Per Share (₹)	37.26	36.80
Cash Earnings Per Share (₹)	64.39	59.91
Book Value Per Share (₹)	271.03	238.42

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 ₹ 693.73 Lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

YEAR IN RETROSPECT

The year 2011-2012 started with a glimpse of hope, however there were number of global factors like intensified sovereign debt crisis in Euro zone, political turmoil in Middle East, rise in crude oil prices, which worked against the growth that had revived in the last two years. But it is also a fact that in any cross-country comparison, India still remains among the front runners in economic growth.

During the year under review, the gross turnover of the Company has increased to ₹ 164,297.77 Lacs from ₹ 143,012.37 Lacs for the previous Financial Year. The Operating Profit of the Company has increased to ₹ 15,122 Lacs as compared to ₹ 13,318 Lacs in the previous year. The plastic business has achieved a volume growth of 6% and value growth of 15%.

During the year under review, the Company had 20 @home stores in 11 cities. The gross turnover of @home division was ₹ 21,294 Lacs resulting into a growth of 11%. @home division has made a loss of ₹ 551.69 Lacs as compared to profit of ₹ 28 Lacs of the previous year.

Your Company has launched its mattresses business in the southern part of the Country during the year under review and has achieved a turnover of ₹ 1,321.26 Lacs.

Your Company had taken up a project for construction of mass housing which is funded by the JNNURM scheme in Ahmedabad, Gujarat by using most effective and quick construction technique and has started work on said project.

RESERVES

Your Directors have proposed to carry a sum of ₹ 575.42 Lacs to the General Reserve Account out of the profits available.

AWARDS AND RECOGNITIONS

During the year under review, your Company was awarded with 'Gold Award – Process Sector, Emerging Business' for Indian Manufacturing Excellence from Frost and Sullivan in collaboration with Economic Times.

BLOOD DONATION CAMP

During the year under review your Company had organised Blood Donation Camps at its Corporate Office and three plants situated at Sinnar, Pudducherry and Vasona. The employees of the Company had shown enormous support to this noble cause.

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 fifth year of operation has performed satisfactorily during the year under review. The total turnover was ₹ 4,882 Lacs as compared to ₹ 3,852 Lacs for previous year and had earned profit of ₹ 397 Lacs against net loss of ₹ 66 Lacs of the previous year.

The Company's other Joint Venture Company viz. Cambro Nilkamal Private Limited has in its first year of operations exhibited a positive performance, with a total turnover of ₹ 794 Lacs and Profit of ₹ 105 Lacs.

EXPORTS

Company's Exports (including deemed exports) during the year were ₹ 5,068.14 Lacs as compared to ₹ 4,588.22 Lacs in the previous year.

FIXED DEPOSITS

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

AUDITORS AND AUDITORS' REPORT

The Joint Auditors M/s. Dalal & Shah and M/s. Vora & Associates, retires at the ensuing Annual General Meeting and being eligible, have expressed their willingness and offers themselves for re-appointment as Joint Statutory Auditors for the Financial Year 2012-2013.

They have further confirmed that if appointed, then the said appointment would be in pursuance to the provisions of Section 224(1B) of the Companies Act, 1956.

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

DIRECTORS

During the year under review, due to sad demise of Mr. Rajendra P. Goyal, an Independent Director of the Company, on 22nd October, 2011, he ceased to be a Director of the Company. The Board of Directors places its sincere appreciation and gratitude to Mr. Rajendra P. Goyal for his pioneering efforts and the valuable contribution offered by him during his association with the Company for over two decades.

Mr. S. K. Palekar was appointed as an Additional Director on the Board of Directors of the Company with effect from 17th April, 2012 to hold office till the conclusion of the ensuing Annual General Meeting.

Notice in writing, pursuant to the provisions of Section 257 of the Companies Act, 1956, by a member, signifying his intention to propose the candidature of Mr. S. K. Palekar, to the office of Director of the Company, has been received by the Company.

Mr. K. R. Ramamoorthy and Mr. Nayan S. Parekh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting. Both 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, 2012 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 11, 2012

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

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:

- Extension of the benefits of Variable Frequency Drive to other locations.
- Connection of Energy meters to individual machines to have proper monitoring and control and optimize the unit/kg output.
- Extension of AVR (Automatic Voltage Regulators) to other units.

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 the top level. Some of the achievements are:

- Rotational moulding machine's oven is re-designed/modified to increase productivity.
- Efforts made in product design and manufacturing in Plastic and @home Division.

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.

a) Capital	Nil
b) Recurring	₹ 136.40 Lacs
c) Total	₹ 136.40 Lacs
d) Total R & D as percentage of total turnover	0.09%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

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

- A focus on Business Goals has been adapted with respect to individual plant operations to achieve "Manufacturing Excellence". The effort resulted in our Sinner Plant being awarded "Gold Certificate of Merit" by the Economic Times "Indian Manufacturing Excellence Award" in partnership with Frost and Sullivan.
- Your Company has focussed on automation to reduce effort and improve manpower efficiency and reduce cost.
- Innovative method of carrying out machine health check introduced last year have 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)

	2011-2012	2010-2011
Foreign Exchange Earned	3,398.59	2,621.00
Foreign Exchange Used	18,999.87	21,917.18

For and on behalf of the Board

Place: Mumbai
Date: May 11, 2012

Vamanrai V. Parekh
Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company firmly believes in good corporate governance which has been a strong structure of the Company, duly supported by pillars of customer faith, institutional trust and investors' satisfaction. The Company believes in adopting best corporate governance practices and has set its growth path on the foundation of fair business, efficient, safe and trusted financial policies and assures maintenance of highest standards of transparency, accountability, integrity and excellence in service of all stakeholders.

Corporate governance is a journey for constantly upgrading sustainable value creation. Your Company is already in substantial compliance of the provisions of the voluntary guidelines on corporate governance issued by Ministry of Corporate Affairs, a benchmark for the corporate sector in achieving the highest standards of corporate governance.

Your Company has complied with all the regulations as stipulated by the Securities and Exchange Board of India and the Listing Agreement entered with the Stock Exchanges including compliance of the provisions of Clause 49 pertaining to corporate governance.

2. BOARD OF DIRECTORS

The Composition of the Board

The current policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. As on 31st March, 2012, the Board consists of Nine Directors, out of which Five 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 the F. Y. 2011-2012.	Attendance at the Last AGM held on 30 th July, 2011.	AS ON 31-03-2012*		
				No. of Directorships in other Public Co.	Committee membership in other Public Co. #	Chairmanship in committees in which they are members #
D. B. Engineer	Independent, Non-Executive Director	3	No	7	5	3
K. R. Ramamoorthy	Independent, Non-Executive Director	4	Yes	6	6	1
Mahendra V. Doshi	Independent, Non-Executive Director	4	No	4	3	1
Mufazzal S. Federal	Independent, Non-Executive Director	4	No	—	—	—
R. P. Goyal ¹	Independent, Non-Executive Director	1	No	N.A.	N.A.	N.A.
Rajesh R. Mandawewala ²	Independent, Non-Executive Director	-	No	N.A.	N.A.	N.A.
Hiten V. Parekh	Promoter, Executive Director	4	Yes	—	—	—
Manish V. Parekh	Promoter, Executive Director	4	No	—	—	—
Nayan S. Parekh	Promoter, Executive Director	4	No	—	—	—
Sharad V. Parekh	Promoter, Executive Director	4	Yes	—	—	—
Vamanrai V. Parekh	Promoter, Non-Executive Director	4	Yes	—	—	—

¹ Ceased to be Director w.e.f. 22nd October, 2011 due to sad demise.

² Ceased to be Director w.e.f. 30th July, 2011.

* 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.

Note – Mr. S. K. Palekar is appointed as an Additional Director (Independent, Non-Executive Director) w.e.f. 17th April, 2012.

Number of Board Meetings held and the dates on which held

There were four Board Meetings of the Company held during the Financial Year 2011-2012, on the following dates: 20th May, 2011, 29th July, 2011, 20th October, 2011 and 24th January, 2012.

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

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

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
D. B. Engineer	Independent, Non-Executive	4	3
R. P. Goyal ¹	Independent, Non-Executive	4	1
Vamanrai V. Parekh	Promoter, Non-Executive	4	4

¹ Ceased to be Director w.e.f. 22nd October, 2011.

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, which 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 and Internal Auditors, the adequacy of internal control systems;
- to recommend to the Board, appointment and replacement or removal of External Auditors, fixation of audit fees and approval for payment of other services;
- to review with the management and External Auditors, the quarterly and annual financial statements before submission to the Board;
- to discuss with Statutory Auditors before commencement of their audit, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

4. REMUNERATION COMMITTEE

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

Name of Director	Category	No. of Meetings	
		Held	Attended
K. R. Ramamoorthy	Independent, Non- Executive Chairman	1	1
Mahendra V. Doshi	Independent, Non-Executive	1	1
D. B. Engineer	Independent, Non-Executive	1	1

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference:

- To determine on behalf of the Board of Directors and on behalf of the shareholders of the Company with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment;
- To determine on behalf of the Board of Directors the remuneration payable to the other Non-Executive Directors;
- To approve remuneration payable to managerial personnel 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.

Remuneration Policy:

The Remuneration package of the Executive Directors is decided after taking into account performance of the Company, trend in industry, appointee's qualifications, experience, past performance, past remuneration, etc.

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 2011-2012 are given below:

Director	Salary & perquisites (₹)	**Sitting fees (₹)	Total (₹)	No. of Shares held as on 31-03-2012
D.B. Engineer	N.A.	115,000	115,000	Nil
K.R. Ramamoorthy	N.A.	150,000	150,000	Nil
Mahendra V. Doshi	N.A.	150,000	150,000	32,000
Mufazzal S. Federal	N.A.	80,000	80,000	Nil
R. P. Goyal	N.A.	35,000	35,000	100
Rajesh R. Mandawewala	N.A.	Nil	Nil	Nil
S. K. Palekar ¹	N.A.	Nil	Nil	Nil
Vamanrai V. Parekh	N.A.	140,000	140,000	1,795,462
Hiten V. Parekh	10,614,594	N.A.	10,614,594	1,139,455
Manish V. Parekh	9,931,361	N.A.	9,931,361	711,778
Nayan S. Parekh	8,619,790	N.A.	8,619,790	1,084,995
Sharad V. Parekh	10,739,736	N.A.	10,739,736	1,292,908

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

¹ Appointed as an Additional Director w.e.f. 17th April, 2012.

Note:- No amount by way of commission was paid to any Director during the Financial Year 2011-2012.

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, 2011 to 31st March, 2012.

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

The Company has assigned its share transfer and dematerialisation work to M/s. Link Intime India Private Limited, Registrar and Transfer Agents. As on 31st March, 2012 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
25 th AGM	30-7-2011	11.30 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa -Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.	Nil
24 th AGM	31-7-2010	11.00 a.m.	Survey No. 354/2 & 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.
23 rd AGM	13-8-2009	11.30 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.	Nil

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

Passing of Resolution by Postal Ballot

During the Financial Year ended 31st March, 2012, a Special Resolution was passed on 30th July, 2011 by way of Postal Ballot conducted under the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for Alteration of the other object of Clause III of the Memorandum of Association of the Company by inserting new object clauses in order to extend the sphere of its operations.

Mr. Pratik M. Shah, Practising Company Secretary, Mumbai was appointed by the Board of Directors as Scrutiniser for conducting the postal ballot process in a fair and transparent manner. The last date for receipt of the duly completed postal ballot form was fixed as 25th July, 2011.

The result of the Postal Ballot as submitted by the Scrutiniser is reproduced herein below:

Particulars	Votes	Number of Shares	Percentage
For	269	9,187,222	99.99
Against	9	522	0.01
Invalid	2	130	0.00
Total	280	9,187,874	100

At the ensuing Annual General Meeting, no resolution is proposed to be passed by Postal Ballot.

9. DISCLOSURES

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

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

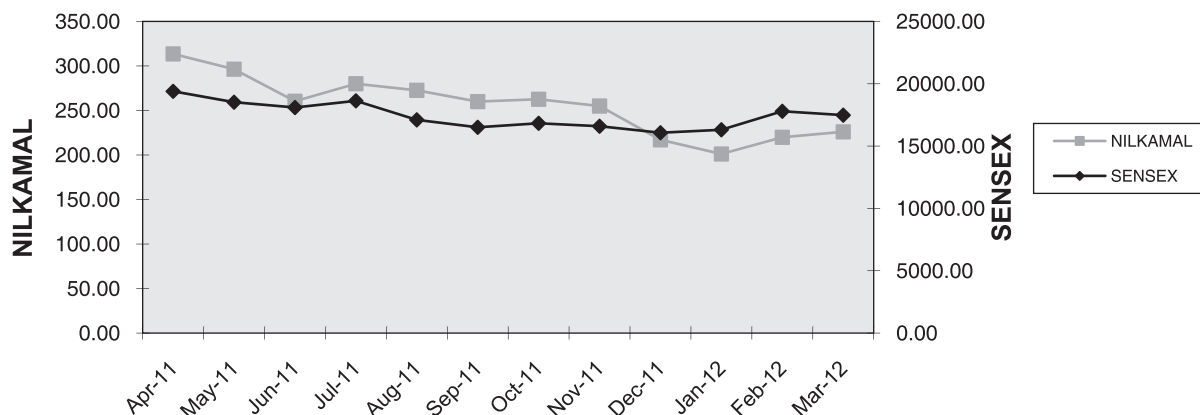
Date & Time	4 th August, 2012 at 12.00 noon								
Venue	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.								
Financial Calendar	Financial Year : 1 st April, 2012 to 31 st March, 2013. Results for Quarter ending: <table border="1"> <tr> <td>30th June, 2012</td><td>– Before 14th August, 2012.</td></tr> <tr> <td>30th September, 2012</td><td>– Before 14th November, 2012.</td></tr> <tr> <td>31st December, 2012</td><td>– Before 14th February, 2013.</td></tr> <tr> <td>31st March, 2013</td><td>– Before 30th May, 2013.</td></tr> </table>	30 th June, 2012	– Before 14 th August, 2012.	30 th September, 2012	– Before 14 th November, 2012.	31 st December, 2012	– Before 14 th February, 2013.	31 st March, 2013	– Before 30 th May, 2013.
30 th June, 2012	– Before 14 th August, 2012.								
30 th September, 2012	– Before 14 th November, 2012.								
31 st December, 2012	– Before 14 th February, 2013.								
31 st March, 2013	– Before 30 th May, 2013.								
Date of Book Closure	From 28 th July, 2012 to 4 th August, 2012 (both days inclusive).								
Dividend Payment Date	Credit/ dispatch between 10 th August, 2012 to 18 th August, 2012.								
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 2011-2012.

Market Price Data

Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
Month	High	Low	Month	High	Low
April, 2011	328.00	299.00	April, 2011	324.90	296.05
May, 2011	319.75	273.00	May, 2011	319.00	272.85
June, 2011	286.95	233.80	June, 2011	286.95	235.00
July, 2011	309.00	251.10	July, 2011	304.95	250.50
August, 2011	310.00	235.25	August, 2011	310.00	235.05
September, 2011	280.00	239.90	September, 2011	291.20	239.00
October, 2011	271.95	253.25	October, 2011	283.80	252.55
November, 2011	297.95	212.00	November, 2011	309.90	210.00
December, 2011	256.95	177.00	December, 2011	254.25	180.00
January, 2012	220.00	182.25	January, 2012	229.90	182.15
February, 2012	246.00	193.75	February, 2012	246.30	193.50
March, 2012	244.50	207.50	March, 2012	244.70	205.00

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the Financial Year 2011-2012 *



* 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, 2012

Slab of Equity Shares	No. of Shareholders	% of Shareholders	Amount in ₹	% of Shareholding
1-5000	7495	93.00	7,917,890	5.31
5001 to 10000	282	3.50	2,225,030	1.49
10001 to 20000	132	1.64	2,006,460	1.34
20001 to 30000	33	0.41	804,260	0.54

Slab of Equity Shares	No. of Shareholders	% of Shareholders	Amount in ₹	% of Shareholding
30001 to 40000	19	0.24	649,610	0.44
40001 to 50000	13	0.16	601,580	0.40
50001 to 100000	25	0.31	1,789,890	1.20
100001 and above	60	0.74	133,230,530	89.28
Total	8059	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	9	17.10	2,551,183
Banks, Financial Institutions, Insurance Companies	5	0.86	128,044
FII	2	0.00	200
Bodies Corporate	304	3.02	450,446
Individuals	7,612	15.24	2,274,611
NRI's & OCB	100	1.59	237,656
Total	8,059	100	14,922,525

Dematerialisation of shares and liquidity

98.34 % of the Company's Share Capital is dematerialised as on 31st March, 2012. 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.
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, 77/78, Road No.13/14, MIDC, Andheri (E), Mumbai – 400 093.

Address for Correspondence:

Investors can communicate at the following addresses:

- Ms. Priti P. Dave – Company Secretary**
Nilkamal Limited
Nilkamal House, 77/78,
Road No. 13/14, MIDC,
Andheri-East, Mumbai 400 093.
E-mail:- investor@nilkamal.com
Tel:- 022-42358888 Fax:- 022-26818080
- M/s. Link Intime India Private Limited**
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

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, 2012, 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

S. Venkatesh

Partner
Membership Number: F-037942

Place : Mumbai

Date : May 11, 2012

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

Mayur A. Vora

Partner
Membership Number: F-030097

MANAGEMENT DISCUSSION AND ANALYSIS

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

The year 2011-12 was challenging on many fronts. Inflationary pressures continued unabated during the year. Fuel price hikes and a steep depreciation in the Indian Rupee added to input costs. Liquidity conditions were tight with persistent hardening of interest rates. Also the global economic developments affected inflows and investments into India. All this had an adverse impact on Indian corporate sector. The challenges faced by the Indian economy has resulted into a failed opportunity for the Indian plastic industry to transform the lower international commodity prices into lower prices in rupee terms.

However, the Indian market players are convinced that India has robust long-term growth prospects. The consumption of petrochemicals is projected to hit 53.2m TPA by 2016-2017, up from 31.9m TPA in 2011-2012. It should be noted that crude oil and naptha prices have been a cause of concern for Companies as imports tend to become more expensive, none the less India is set to become more self reliant and will grow enough to suffice its domestic demand for polymers.

We continue to see a large & growing total available market in both our focus segments i.e. the Home & the Shop Floor. The potential of increases in combined sales of our furniture, home-accessories, mattress & material-handling products remains robust due to steadily increasing levels in consumer awareness, government spending, industrial productivity, wage inflation & industrial real-estate inflation. On the down-side, increase in personal taxes, inflation, effect of last years increase in interest rates remained a considerable risks.

Plastic Division

The **Plastic Business** has achieved a volume growth of 6% and value growth of 15%. During the Financial Year 2011-12 it has achieved total turnover of ₹ 142,754 Lacs as compared to ₹ 123,511 Lacs in the previous year.

The **Furniture Business** witnessed a top line growth of 11% in revenue terms over the previous financial year. This Division of the Company continues to enjoy a strong leadership position with a market share of nearly 38% and a lead of nearly two times to its closest competitor. The raw material prices witnessed a rise of 15% over previous year's average. The extension of range and the geographical penetration helped the division not only to pass on the increase of raw material prices to a large extent but also grow in revenue terms.

The Furniture Division has increased its range in value added products with the introduction of additional SKUs in office seating solution, hybrid designer chair to service commercial establishments. In the Financial Year 2011-12 the large network of 1000 plus distributors and nearly 20,000 plus retailers has helped to launch additional ranges in Traded Furniture Products like Computer Table, TV Trolley, Home furniture's like dining table, living room furniture and gain substantially in value terms. In order to increase the visibility of these products the Company has also launched nine "Nilkamal Home Idea" stores ranging from 3,000-6,000 sq.ft. in seven 2/3 Tier cities in India.

We strongly believe that Indian GDP growing at a stable pace would unfold a lot of opportunities as the growing middle class would need quality home furniture to meet their aspirations of building up their homes. The current base of approximately 5 crores satisfied households would serve as an ideal base for the initial penetration of all the value added products introduced by the Company. Apart from this to trigger customers seeking high end plastic moulded chair for replacement of their existing chairs, the Company has already introduced a Premium range which have been growing over 40% on a year-on-year basis. The pan India penetration and the strength of servicing the customers through depots in all major cities would further augment our leadership position and would help to grow at 12-15% in revenue terms.

Mattress Division

Mattress industry in India is estimated to be at ₹ 5,400 crores with a growth potential of 15% p.a. The mattress market is categorized into four segments viz. cotton, coir, foam and spring mattresses. The rubberized Coir Industry is highly fragmented with a potential of approximately ₹ 2,000 crores turnover. The unorganized players are very dominant in this market, which is extremely price sensitive. There are very few organized players.

The market has developed from cotton to coir to poly urethane foam and fast picking up towards growth in demand for spring mattresses.

Rise in income levels, lifestyle spending by Indian middle class is helping mattress industry to grow. Traditional mattress users are shifting towards luxurious, comfortable healthcare mattresses. Boom in Indian housing industry, increasing urbanization have been driving growth in the mattress industry. The industry is also driven by seasonality of festivals and weddings . In order to cater to the ever increasing demand of younger generation with increasing income and the other important factors mentioned above, your Company has decided to get in to the branded mattress market segment with innovative products.

Robust distribution network becomes key to the success in this business. Your Company's strength lies in its brand leadership in moulded furniture segment, its strong distribution network and its trade relations, which would allow it to cater to the Home Comfort segment as well as the mattress segment.

Your Company has launched mattresses in southern part of the country and received encouraging response from the trading community. More than 1000 retail counters have been appointed as dealers and sub dealers during the last nine months.

The manufacturing unit has been established in first quarter of Financial Year 2012 at Hosur in Tamil Nadu. Machineries have been imported from Germany and Switzerland to focus on the quality and innovation.

The Company has introduced a full range of rubberized coir, foam and innovative spring mattresses. Your Company identified the three major attributes of requirement of Indian consumers viz. Comfort, Support for the spine and wellness. The Company is working towards offering all three attributes in all the range of mattresses offered by it.

For the first time in India Veronica-mattress which has firm and soft on the same surface of the mattress have been introduced by your Company and it is getting good response from the consumers and the traders.

Economy spring mattress, also for the first time in India, in four inches thickness have been recently introduced by your Company at a price lower than coir mattress. This has been positioned for the price sensitive tier two town markets where spring mattress is becoming an alternative to cotton and coir. Your Company feels that such innovative products will become trend setter in the mattress industry.

Threats and risks

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

Future Outlook

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 taken to offer to the current marketing and distribution network of furniture, the complete range of mattresses as per the requirement of the consumer and market segments.

Your Company's investments in production units in eastern and northern part of the country is bound to create positive impact in mattress industry.

The **Material Handling Business** grew by 20% in value terms & 16% in volume terms. Nilkamal continued to exhibit a market leader position in the material handling segment through PRODUCT BREDTH combined with pan-India DIRECT SALES REACH to the end customer through 400+ sales team positioned in 50+ sales offices and manufacturing & distribution network of 8 plants & 60+ warehouses.

Your Company saw significant growth in food processing & food storage segment through sales of various products like crates, pallets, material handling equipment & racking. We continue to remain bullish about this segment given recently introduced government incentives to spur investment in this segment.

The Government's focus to decrease food inflation & wastage in the agriculture & horticulture sectors especially the handling, storage & transportation of produce remains to be an enormous opportunity for the Company.

Our Material Handling Equipment product sales also saw good growth. The increasing scarcity of labour and resulting wage inflation remain fundamental growth drivers for our equipment products.

Your Company also realized good sales growth in Civic Amenities & Sanitation products. Central & State Government spending in sectors like sanitation, waste-mangement and road development continue to bode well for these products.

Your Company started selling light, easy-to-erect & quick-to-dismantle injection molded plastic formwork systems with a lower cost of ownership compared to the wood & metal formwork that is ubiquitously used in construction projects today. We are in the process of scaling up this product line. We also started our first mass housing project funded by the JNNURM scheme for the economically weaker & low income group in Gujarat using most effective and quick construction technique.

Our Joint Venture with the Cambro Manufacturing Company, USA was profitable in the first year of it's operations. As with streamlined distribution and local manufacturing & export of key products for the commercial food service segment. We remain optimistic about potential sales of these products to upcoming Hotel projects, the mid-market segment and exports.

Our Joint Venture with Bito Lagertechnik Bittmann GmbH, Germany to manufacture & supply steel storage & racking systems became profitable. We realized significant increase in sales, improved manufacturing efficiencies and power rate at our Jammu plant. Ever increasing industrial real estate costs & inventory levels to sustain industrial output remain significant drivers for these products.

The coming of age of India's Industrial Sector coupled with the ever- increasing focus on improved factory output with less dependency on labour continues to serve well for all our material handling products.

The rise in the price of crude and the weakening of Indian Rupee will definitely remain a major concern for the business.

Lifestyle Furniture, Furnishing and Accessories Division:

@home – The Mega Home Store is the Company's retail business division. With 20 stores spread across 11 cities, covering a retail space of over three and a half 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 2011-12, the Brand conducted a Market & Consumer research exercise supported by Technopak Advisors with an objective to measure performance, to gauge consumer expectations and to identify new growth opportunities. The resultant outcome was positive and there were learning's derived which have been implemented thereon.

@home has now taken the next big leap! The Brand will soon go the E-commerce way. All @home products will now be 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.

In the FY 2011-12, @home has taken various steps to enhance their customer experience. The Brand has launched its own Customer Loyalty solution on a mobile based CRM platform, an in-store radio to enhance the shopping experience and a hassle free & simplified interest free EMI scheme.

The second half of FY 2011-12 witnessed signs of resistance and a slight uncertainty in the market backed by fears of economic slowdown. 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 11% in FY 2011-12 (₹ 19,127 Lacs) over FY 2010-11 (₹ 17,215 Lacs). In the same year, @home added 4 new stores. This expansion is primarily based on 'cluster strategy' wherein 3 new stores have been added in the existing markets.

The total Indian Furniture Market is estimated to be more than ₹ 70,000 Crores. The industry is dominated by the unorganized sector, which constitutes more than 90% of the market. The organised sector is growing at about 30% CAGR. Furniture segment comprises 65% of the home market and 35% of institutional demand.

Economic uncertainty coupled with adverse currency fluctuation are a threat to the business, as home furniture is not purchased frequently, the decision involves a lot of deliberation and needs a larger outlay of funds for our target customer.

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 ₹ 15,122 Lacs against ₹ 13,318 Lacs in the previous year, an increase of 13.55 % over the previous year.

The operating margin for the year was 10.54 % as compared to 10.64 % in the previous year. The operating margin of plastic business stood at 12.22% compared to 11.90% in previous year.

Interest

Interest and Financial cost has been increased by ₹ 947 Lacs i.e. from ₹ 3,021 Lacs to ₹ 3,968 Lacs. This is due to increase in average utilisation of borrowed funds & it's cost. The increase in borrowed fund was due to capital expenditure of ₹ 8,116 Lacs & increased working capital requirement with growth in business.

Net Profit

The Company has made Net Profit after tax of ₹ 5,560 Lacs as against ₹ 5,246 Lacs, an increase of 6%.

Dividend

The Company has proposed final dividend of ₹ 4 per equity shares (40%) for the current year. The total outflow amounts to ₹ 693.73 Lacs including dividend distribution tax.

Capital Employed

The total capital employed stood at ₹ 76,612 Lacs against ₹ 65,824 Lacs of Previous Year. Return on Average Capital employed is 13.38% against 13.92% of previous year, while Return on Equity is 14.63% against 17.29% of previous year.

The total debt to equity stands at 0.89 time against 0.85 time of the previous financial year.

Subsidiary and Joint Venture Performance

The Sri Lankan Subsidiary has achieved turnover of SLR 13,730 Lacs and net profit of SLR 769 Lacs as compared to previous year turnover of SLR 12,168 Lacs and net profit of SLR 696 Lacs.

During the year under review, the Company has received towards Technical and Management Fees of ₹ 151 Lacs (Previous Year ₹ 127 Lacs) and dividend of ₹ 60 Lacs (Previous Year ₹ 61 Lacs) from the said subsidiary.

The subsidiary at Ajman has achieved a turnover of AED 107 Lacs with net profit of AED 8 Lacs against previous year turnover of AED 98 Lacs with net profit of AED 2 Lacs. The Company has received ₹ 51 Lacs as dividend from the said subsidiary.

The Joint Venture Company – Nilkamal BITO Storage Systems Pvt. Ltd. is in manufacturing of storage systems of metal. In fifth year of operation, it has achieved turnover of ₹ 4,882 Lacs and has achieved Profit of ₹ 492 Lacs as compare to Previous Year turnover of ₹ 3,852 Lacs and net loss of ₹ 66 Lacs. The Company has received ₹ 157 Lacs (previous year ₹ 116 Lacs) towards Technical and Management Fees from the said Joint Venture Company.

The Joint Venture Company Cambro Nilkamal Pvt. Ltd. carry out the business of manufacturing and importing of the extensive range of quality products for the food service industry and its distribution. The Company has achieved in it's first year of operation turnover of ₹ 794 Lacs and net profit of ₹ 105 Lacs. During the year under review, the Company has received towards Technical and Management Fees of ₹ 50 Lacs (Previous Year Nil)

Internal Control Systems and Their Adequacy

The internal control systems of the Company is in place & is commensurate with the size & scale of it's operations. The Internal Audit Department with the help of external agencies & based on risk assessment, regularly performs internal audits & ensure the effectiveness of internal control systems.

During the year under review the Company has upgraded its SAP system & also implemented new improved Business Analytical Tools such as CRM of sales force, Business Intelligence etc. These tools will help to improve & strengthen internal control system.

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 strictly complied with. The audit findings are reviewed by the Audit Committee of the Board and corrective actions 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 Company continues to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization. The employee strength of your Company is currently around 2900.

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.

AUDITORS' REPORT TO THE MEMBERS OF NILKAMAL LIMITED

1. We have audited the attached Balance Sheet of Nilkamal Limited (the "Company") as at 31st March, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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 31st March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: F-037942

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

Mayur A. Vora

Partner
Membership Number: F-030097

Place : Mumbai

Date : May 11, 2012

ANNEXURE TO AUDITORS' REPORT**REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF NILKAMAL LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

1. (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, 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 between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (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.
3. 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.
The other clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the Order.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, 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.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of 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.
6. 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.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. 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.
9. (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 generally 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, the particulars of dues of sales-tax and excise duty as at 31st March, 2012 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	Central Sales Tax and Local Sales Tax (including Value Added Tax)	49.42	2005-2008	High Court
		236.97	2002-2004 and 2007-2009	Departmental Authorities
Central Excise Act and Finance Act	Excise Duty	4.81	1999 – 2001	High court
		324.90	2002 - 2007	Central Excise and Service Tax Appellate Tribunal
	Service Tax	3.24	2009 – 2010	Departmental Authorities

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax and Customs Duty which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding Financial Year.
11. 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.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained, except that amounts unutilised as at the close of the year amounting to ₹ 933.87 lacs, are lying in bank accounts.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issue during the year.
21. 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 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: F-037942

Mayur A. Vora

Partner
Membership Number: F-030097

Place : Mumbai
Date : May 11, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in Lacs)

	Note No.	As At 31 st March, 2012	As At 31 st March, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	38,952.21	34,085.64
2 Non-Current Liabilities			
(a) Long term borrowings	3	11,042.48	7,068.57
(b) Deferred tax liability (net)	4	1,847.21	1,564.33
(c) Long term provisions	5	414.19	310.20
3 Current Liabilities			
(a) Short term borrowings	6	21,556.93	19,397.98
(b) Trade Payables [Refer note 32]		8,482.20	6,321.28
(c) Other current liabilities	7	8,910.98	8,506.28
(d) Short term provisions	8	1,971.27	1,576.79
TOTAL		94,669.72	80,323.32
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible assets		32,364.83	25,221.59
(ii) Intangible assets		357.47	603.34
(iii) Capital work-in-progress		509.22	3,823.09
(iv) Intangible Assets under development		-	127.62
(b) Non-current investments	10	2,529.59	2,529.59
(c) Long-term loans and advances	11	5,059.15	4,276.62
2 Current Assets			
(a) Inventories	12	27,291.19	22,467.78
(b) Trade Receivables	13	19,569.13	14,743.61
(c) Cash and Bank Balance	14	2,045.79	2,572.19
(d) Short-term loans and advances	15	4,586.63	3,943.08
(e) Other current assets	16	356.72	14.81
TOTAL		94,669.72	80,323.32

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. : F-037942

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

Partner

Membership No. : F-030097

Place: Mumbai

Date: May 11, 2012

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 2012

			(₹ In Lacs)
	Note No.	Year Ended 31st March 2012	Year Ended 31st March 2011
I. Revenue from Operations (Gross)	17	164,048.39	142,616.69
Less: Duties and Levies		20,587.60	17,446.91
Revenue from Operations (Net)		143,460.79	125,169.78
II. Other Income	18	249.38	395.68
III. Total Revenue (I+II)		143,710.17	125,565.46
IV. Expenses:			
Cost of materials consumed	19	55,479.50	46,508.94
Purchases of traded goods [Refer 34 (b)]		35,266.66	36,210.73
Changes in inventories of finished goods, work-in-progress and traded goods	20	(3,020.65)	(5,234.20)
Employee Benefits expense	21	9,002.27	7,577.90
Finance Cost	22	3,968.43	3,021.40
Depreciation and Amortization expenses		4,047.77	3,293.16
Other expenses	23	31,925.58	27,205.33
		136,669.56	118,583.26
Less: Trial Run expenses capitalised		64.83	21.56
Total Expenses		136,604.73	118,561.70
V. Profit Before Tax (III-IV)		7,105.44	7,003.76
VI. Tax Expense:			
Current Tax		1,435.00	1,675.00
MAT Credit		(170.00)	-
Deferred Tax		282.88	212.65
Taxation for earlier years (Written Back)		(2.74)	(129.67)
VII. Profit for the year (V-VI)		5,560.30	5,245.78
VIII. Earnings per equity share of ₹ 10 each			
(1) Basic		37.26	36.80
(2) Diluted		37.26	36.80
Weighted average number of equity shares outstanding		14,922,525	14,254,085
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. : F-037942

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

Mayur A. Vora
Partner
Membership No. : F-030097

Place: Mumbai
Date: May 11, 2012

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh **Hiten V. Parekh**
Managing Director Executive Director

Paresh B. Mehta **Priti P. Dave**
Financial Controller Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended on 31 st March, 2012		Year Ended on 31 st March, 2011	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,105.44		7,003.76
Adjustments for :				
Depreciation and Amortisation	4,047.77		3,293.16	
Loss on Fixed Assets sold / discarded (Net)	53.27		33.70	
Finance Cost	3,968.43		3,021.40	
Provision/(Write back) for doubtful debts and advances	110.84		70.76	
Bad Debts Written off	54.87		29.38	
Interest income received	(138.38)		(335.04)	
Dividend Income	(111.00)		(60.64)	
		7,985.80		6,052.72
Operating Profit before Working Capital changes		15,091.24		13,056.48
Adjustments for :				
Trade and Other Receivables	(6,355.68)		(685.12)	
Inventories	(4,656.82)		(6,708.00)	
Trade Payable & Other Liabilities	3,071.16		433.16	
		(7,941.34)		(6,959.96)
Direct Taxes Paid (Net of Refund)	(1,164.47)		(1,816.11)	
		(1,164.47)		(1,816.11)
Net Cash Flow from Operating Activities.....A		5,985.43		4,280.41
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets and Capital Work in Progress	(8,230.26)		(11,430.27)	
Capital Subsidy Received	-		25.00	
Sale of Fixed Assets	239.02		219.13	
Loans Repaid by Erstwhile Subsidiary	-		3,178.24	
Equity contribution to a Joint Venture Company	-		(200.50)	
Interest Received	138.90		766.31	
Redemption of Investment	-		100.00	
Dividend received from Subsidiary	111.00		60.64	
Net Cash Flow from Investing Activities.....B		(7,741.34)		(7,281.45)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	7,553.12		4,344.38	
Repayment of Long Term Borrowings	(3,791.09)		(4,222.49)	
Proceeds from Short Term Borrowings [Net]	2,158.95		2,034.18	
Changes in External Commercial borrowing pending utilisation	128.84		(1,000.00)	
Issue of Equity Share Capital	-		5,908.43	
Finance Cost	(3,999.16)		(3,133.95)	
Dividend paid (including tax on dividend)	(693.73)		(447.16)	
Net Cash Flow from Financing Activities.....C		1,356.93		3,483.39
Net Increase in Cash and Cash Equivalents (A + B + C)		(398.98)		482.35
Cash and Cash Equivalents as at the beginning of the year	1,552.66		1,070.31	
Cash and Cash Equivalents as at the year end	1,153.68		1,552.66	
		(398.98)		482.35

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. : F-037942

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

Mayur A. Vora
Partner
Membership No. : F-030097

Place: Mumbai
Date: May 11, 2012

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 FINANCIAL STATEMENTS

	(₹ In Lacs)	
	As At 31 st March, 2012	As At 31 st March, 2011
Note 1 - Share Capital		
Authorised		
2,20,00,000 Equity Shares of ₹ 10/- each	2,200.00	2,200.00
30,00,000 Preference Shares 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 (Previous year 1,49,22,525 Equity Shares of ₹ 10/- each) [Refer note 28]	1,492.25	1,492.25
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	754.55
Add: Received during the year	-	5,785.98
Less: Expenses incurred on issue of Equity Shares	-	91.57
	<u>6,448.96</u>	<u>6,448.96</u>
c. General Reserve		
As per last account	15,524.58	15,000.00
Add: Transferred from Surplus	575.42	524.58
	<u>16,100.00</u>	<u>15,524.58</u>
d. Surplus		
As per last account	10,996.94	6,969.47
Add: Net Profit for the year	5,560.30	5,245.78
Proposed Dividend [Dividend for current year ₹ 4 per share (Previous Year ₹ 4 per share)].	(596.90)	(596.90)
Tax on proposed Dividend	(96.83)	(96.83)
Transfer to General Reserve	(575.42)	(524.58)
	<u>15,288.09</u>	<u>10,996.94</u>
Total	<u>38,952.21</u>	<u>34,085.64</u>
Note 3 - Long Term Borrowings		
Secured		
Term Loan from Banks		
(i) Rupee Loans	7,817.06	5,623.54
(ii) Foreign Currency Loans	3,180.00	1,344.38
Unsecured		
From Others	45.42	100.65
Total	<u>11,042.48</u>	<u>7,068.57</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, 2012	As At 31 st March, 2011	As At 31 st March, 2010
Deferred Tax Liability on account of :			
Depreciation	2,175.19	1,828.88	1,578.17
Deferred Tax Asset on account of :			
Employee Benefits	249.99	192.82	150.89
Provision for Doubtful Debts	77.99	56.49	52.55
Others	-	15.24	23.05
	327.98	264.55	226.49
Deferred Tax Liability- Net	1,847.21	1,564.33	1,351.68

Note 5 - Long Term Provisions

Provision For Employee Benefits (Refer Note 40)

	As At 31 st March, 2012	As At 31 st March, 2011
	414.19	310.20
Total	414.19	310.20

Note 6 - Short Term Borrowings**Secured****Working capital loan from banks**

Rupee Loans	21,166.90	17,897.98
Buyers Credit Facility	390.03	-

Unsecured

Short Term Rupee Loan from Banks	-	1,500.00
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Total	21,556.93	19,397.98
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For Security: Refer Note 29

Note 7- Other Current Liabilities**(a) Current maturities of long-term debt**

(i) Rupee Loans	2,876.54	3,159.69
(ii) Foreign Currency Loan	636.00	560.16
(iii) Current maturities of finance lease obligations	-	10.10
(iv) Unsecured Loans from Others	55.23	49.70
(b) Interest accrued but not due on borrowings	114.70	145.43
(c) Unclaimed dividends	20.95	19.53
(d) Advance received from customers	875.76	760.76
(e) Security Deposit Received*	2,716.28	2,331.86
(f) Other Payables		
i) Statutory Dues	987.73	735.87
ii) Others	627.79	733.18
Total	8,910.98	8,506.28

Note: There are no amounts due for transfer to Investor Education and Protection Fund

* Security deposits received from customers in the ordinary course of business are expected to be of a continuing nature and normally not expected to be settled within twelve months after the reporting date. The Company has however, presented the same as a current liability, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(₹ In Lacs)

As At
31st March,
2012

As At
31st March,
2011

Note 8 - Short Term Provisions
a) Provision For Employee Benefits [Refer note 40]
360.69

344.00

b) Others Provisions

i) Provision For Excise Duty on Closing Stock

584.52

417.93

ii) Provision For Product Warranties [Refer note 27]

140.91

113.68

iii) Provision For Wealth Tax

8.71

7.45

iv) Proposed Dividend

596.90

596.90

v) Tax on proposed dividend

96.83

96.83

vi) Provision for Tax (Net of advance tax)

182.71

-

Total
1,971.27

1,576.79

Note 9 - Fixed Assets

(₹ In Lacs)

Name of Assets	Gross Block			Depreciation/Amortisation					Net Block	
	Balance As At 1 st April, 2011	Additions	Disposals/ Adjustments	Balance As At 31 st March, 2012	Upto 1 st April, 2011	For the year	Disposals/ Adjustments	Upto 31 st March, 2012	Balance As At 31 st March, 2012	Balance As At 31 st March, 2011
Tangible Assets										
I. Land										
(a) Freehold Land	892.58	209.20	-	1,101.78	-	-	-	-	1,101.78	892.58
(b) Leasehold Land (a)	224.72	-	-	224.72	21.66	2.50	-	24.16	200.56	203.06
II. Building	9,573.47	3,754.15	-	13,327.62	2,236.06	380.82	-	2,616.88	10,710.74	7,337.41
III. Plant and Machinery	30,681.13	5,214.79	395.40	35,500.52	19,641.56	2,506.32	196.90	21,950.98	13,549.54	11,039.57
IV. Furniture and Fixtures	2,782.38	421.26	1.87	3,201.77	859.75	194.34	1.56	1,052.53	2,149.24	1,922.63
V. Office Equipments	2,187.46	419.47	21.35	2,585.58	1,191.68	213.31	18.89	1,386.10	1,199.48	995.78
VI. Vehicles										
(a) Under finance lease	164.88	-	164.88	-	43.33	-	43.33	-	-	121.55
(b) Others	1,255.89	339.14	(16.22)	1,611.25	265.78	142.05	14.31	393.52	1,217.73	990.11
VII. Others										
Interiors at Showrooms	2,221.87	678.58	-	2,900.45	502.97	161.72	-	664.69	2,235.76	1,718.90
Total	49,984.38	11,036.59	567.28	60,453.69	24,762.79	3,601.06	274.99	28,088.86	32,364.83	25,221.59
Intangible Assets										
I. Software	205.70	200.84	-	406.54	172.59	44.21	-	216.80	189.74	33.11
II. Models, Designs and Commercial rights	2,012.52	-	-	2,012.52	1,442.29	402.50	-	1,844.79	167.73	570.23
Total	2,218.22	200.84	-	2,419.06	1,614.88	446.71	-	2,061.59	357.47	603.34
Grand Total	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	25,824.93
Previous Year	44,931.80	7,849.28	(c) 578.48	52,202.60	23,410.16	3,293.16	325.65	26,377.67	25,824.93	

- 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.
- 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.
- Includes ₹ 25 Lacs being Capital Subsidy received from Government of Jammu & Kashmir.

(₹ In Lacs)

As At 31 st March, 2012	As At 31 st March, 2011
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Note 10 - 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 & 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 11 - Long Term Loans and Advances

Unsecured, Considered Good

(i) Capital Advances	799.80	479.24
(ii) Security Deposit	1,897.40	1,507.67
(iii) Deposit with Government Authorities	1,076.22	1,060.06
(iv) Deposit with related party [Refer note 31 and note 36]	724.56	724.56
(v) Other Loans and Advances	510.57	368.79
(vi) Taxes Paid in Advance (Net of provision)	50.60	136.30
Other Loans and Advances Considered Doubtful	56.66	56.66
Less: Provision for doubtful other loans and advances	(56.66)	(56.66)
Total	5,059.15	4,276.62

Note 12 - Inventories

I. Raw Material (including Goods in transit, Current Year of ₹ 739.66 lacs)	5,397.06	4,171.64
II. Work in Progress	1,905.48	1,484.48
III. Finished Goods	6,499.16	5,034.51
IV. Traded Goods (Including Goods in transit, Current Year of ₹ 287.97 lacs)	11,630.58	10,169.29
V. Stores and Spare Parts	1,651.00	1,392.55
Vi. Packing Material	207.91	215.31
Total	27,291.19	22,467.78

Refer note 24 (g)

Note 13 - Trade Receivables**Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

(a) Secured, Considered good	7.77	0.51
(b) Unsecured, Considered good	1,144.53	621.79
(c) Doubtful	244.09	185.31
Less: Provision For Doubtful Debts	(244.09)	(185.31)

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

(a) Secured, Considered good	2,027.41	1,835.86
(b) Unsecured, Considered good	16,389.42	12,285.45
Total	19,569.13	14,743.61

		(₹ In Lacs)
	As At 31 st March, 2012	As At 31 st March, 2011
Note 14 - Cash and Bank balance		
I. Cash and Cash Equivalents		
(a) Balance in Current Accounts	621.34	1,049.12
(b) Cheques on Hand/Remittance in Transit	328.98	260.08
(c) Cash on Hand	203.36	243.46
	1,153.68	1,552.66
II. Other Bank Balances		
(a) Earmarked balance with Bank (Unclaimed Dividend)	20.95	19.53
(b) Bank Deposits with less than 3 months maturity*	371.16	1,000.00
(c) Bank Deposits with 3-12 months maturity *	500.00	-
	892.11	1,019.53
Total	2,045.79	2,572.19
*Pending utilisation of External Commercial Borrowings		
Note 15 - Short Term Loans and Advances		
Unsecured, Considered Good		
(i) Loans and Advances to related parties	89.61	123.40
(ii) Security Deposit	407.04	309.79
(iii) Other Loans and Advances		
(a) Advances recoverable in cash or kind	2,876.65	2,662.99
(b) Balance with excise department	1,071.56	705.23
(c) Taxes paid in advance (net of Provisions)	131.45	130.83
(d) Interest Receivable	10.32	10.84
Security Deposit Considered Doubtful	52.05	-
Less: Provision for doubtful deposit	(52.05)	-
Total	4,586.63	3,943.08
Note 16 - Other Current Assets		
MAT Credit Receivable	170.00	-
Other Receivables	186.72	14.81
Total	356.72	14.81
		(₹ in Lacs)
	Year Ended, 31st March, 2012	Year Ended, 31st March, 2011
Note 17 - Revenue from Operations (Gross)		
Revenue from operations [Refer note 34 (a)]		
Gross Turnover of Goods		
Local	157,580.87	137,077.26
Export [Including Deemed Exports of ₹ 1,790.07 lacs, (Previous year ₹ 2,039.26 lacs)]	5,068.14	4,588.22
Total	162,649.01	141,665.48
Sale of Services	352.35	337.81
Other Operating Revenue		
(a) Sale of Scrap	439.33	364.02
(b) Technical and Management Fees	601.87	242.46
(c) Others	5.83	6.92
Total	164,048.39	142,616.69

		(₹ In Lacs)
	Year Ended, 31st March, 2012	Year Ended, 31 st March, 2011
Note 18 - Other Income		
Interest income	138.38	335.04
Dividend Income from Subsidiary Companies	111.00	60.64
Total	249.38	395.68
Note 19 - Cost of Materials Consumed [Refer note 34 (d) and (e)]		
(a) Opening Stock of Raw Materials	4,171.64	3,014.33
(b) Purchases	55,965.26	47,666.25
(c) Total of (a) + (b)	60,136.90	50,680.58
Less :		
(d) Closing Stock of Raw Materials	4,657.40	4,171.64
Total	55,479.50	46,508.94
Note 20 - Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods		
Opening Stock		
Work in Progress	1,484.48	1,272.66
Finished Goods	5,034.51	3,710.36
Traded Goods	10,169.29	6,409.61
	16,688.28	11,392.63
Closing 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
Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	38.32	61.45
Total	(3,020.65)	(5,234.20)
Note 21 - Employee Benefits Expense		
Salary, Wages and Bonus	8,058.17	6,768.72
Contribution to Provident and Other funds	236.72	191.92
Workmen and staff welfare expenses	707.38	617.26
Total	9,002.27	7,577.90
Note 22 - Finance Cost		
(a) Interest on term loan	1,570.30	1,123.79
(b) Interest paid to Banks	1,631.00	1,428.35
Less: Interest Capitalised	-	(90.48)
(c) Other Interest	256.00	209.74
(d) Bank Charges	293.67	259.75
(e) Other Borrowing Costs	147.12	76.94
(f) Applicable Net Foreign Exchange Loss on Borrowings	70.34	13.31
Total	3,968.43	3,021.40

		(₹ In Lacs)
	Year Ended, 31st March, 2012	Year Ended, 31 st March, 2011
Note 23 - Other Expenses		
Stores, Spare Parts Consumed [Refer note 34 (f)]	1,818.87	1,444.23
Power and Fuel	4,233.82	3,861.97
Repairs :		
- Building	59.85	74.75
- Machinery	148.43	140.51
- Others	740.39	622.05
Labour Charges	4,258.45	3,831.88
Rent	3,219.11	2,471.84
Rates and Taxes	194.96	146.79
Insurance	146.16	127.50
Postage and Telephone Expense	391.39	360.36
Loss on Fixed Assets Sold/Discarded (Net)	53.27	33.70
Packing Material Consumed	1,116.39	972.45
Travelling Expenses	1,106.04	987.15
Commission	542.85	411.81
Advertisements and Sales Promotion Expense	2,209.54	1,786.33
Computer Expenses	201.57	96.84
Carriage outward	6,971.72	6,139.67
Land Lease Rent	3.10	3.10
Board Meeting Fees	6.70	6.65
Provision for Wealth Tax	8.84	6.62
Bad Debts written off / (written back)	54.87	29.38
Provision/ Write back for Doubtful Debts and Advances	110.84	70.76
Discounts and Schemes	1,102.03	884.40
Payment to Auditors :		
- Audit Fees	22.00	16.00
- For Other Services	14.77	18.52
- Reimbursement of Expenses	0.50	0.26
Net Foreign Exchange Loss	61.72	44.20
Sundry Expenses	3,127.40	2,615.61
Total	<u>31,925.58</u>	<u>27,205.33</u>

Note-24**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 cycles to be less than 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 on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in the case of improvements to the leasehold assets, which are depreciated on straight line basis over the total period of lease;
- ii) Cost of Leasehold land is amortised over the period of lease;
- iii) Depreciation on addition to assets or on sale /discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;
- iv) Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;
- v)
 - a) Software (intangible assets) is amortised on a straight-line basis over a period of 36 months from the date of its implementation or based on the management's estimate of useful life over which the economic benefits will be derived.
 - b) Models, Designs and other Commercial rights (intangible assets) is amortised on a straight-line basis over a period of 60 months from the date of its put to use or based on the management's estimate of useful life over which the economic benefits will be derived.

f) 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 or net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is '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, 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) 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 current year, 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.

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

j) Borrowing Costs:

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

k) Recognition of Income and Expenditure:

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

l) 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.

m) 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.

n) 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.

o) 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 in accordance with the related scheme and the period in which these are accrued.

p) 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.

25. Contingent Liabilities and Commitments to the extent not provided for in respect of :**a) Contingent Liabilities :-**

(₹ in Lacs)

		As At 31st March, 2012	As At 31st March, 2011
i)	Excise matters	339.09	10.94
ii)	Sales Tax matters *	1260.93	1048.12
iii)	a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	59.50	-
	b) On account of surety to Cambro Nilkamal Private Limited for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	-

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

b) Commitments

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 694.81 Lacs (Previous Year ₹ 1,747.28 Lacs).
- ii) Export commitment on EPCG license utilisation remaining to be executed ₹ 375.20 Lacs (Previous Year ₹ 1814.57 Lacs)

26. The Company being eligible for Incentives from the Government of Jammu & Kashmir / Central Government has accounted for interest subsidy receivable on its working capital loan ₹ 70 lacs (Previous year ₹ 58.28 lacs).

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

(₹ In Lacs)

	2011-12	2010-11
Opening Balance	113.68	156.24
Additions	445.12	346.53
Utilisations	417.89	389.09
Closing Balance	140.91	113.68

28. Share Capital
a) Rights, preferences and restrictions attached to Equity Shares:

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

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

Name of the Shareholder	As At 31 st March, 2012		As At 31 st March, 2011	
	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%	1,730,006	11.59%
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%	1,017,440	6.82%
Reliance Capital Trustee Co. Ltd. A/C – Reliance Regular Savings Fund - Equity Option	1,000,000	6.70%	984,592	6.60%
IDFC Premier Equity Fund	-	-	873,319	5.85%

- c) During the year 2007-08, 4,207,644 Equity Shares of ₹ 10/- each were issued pursuant to the scheme of amalgamation for consideration other than cash.

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

Particulars	Equity Shares			
	2011-12		2010-11	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	12,782,344	1,278.23
Shares Issued during the year	-	-	2,140,181	214.02
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 :**

- a) 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.
- b) Term loans of ₹ 10,983.75 lacs (Previous Year: ₹ 6,967.92 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 (Tamilnadu) 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 ₹ 1,272 lacs (Previous Year ₹ Nil).
- c) Term loan of ₹ 13.31 lacs (Previous Year ₹ Nil) are secured against respective assets.

d) Terms of Repayment**Rupee Term Loan**

- i) Term loan amounting to ₹ 249.94 lacs (March 31, 2011: ₹ 583.30 lacs) Repayable in equal quarterly installments, last installment due in December, 2013. Rate of interest as at year end 14.50 % p.a. (Previous year 13.00% p.a.).
- ii) Term loan amounting to ₹ 333.32 lacs (March 31, 2011: ₹ 500.00 lacs) Repayable in equal quarterly installments, last installment due in May, 2015. Rate of interest as at year end 14.25% p.a. (Previous year 12.75% p.a.).
- iii) Term loan amounting to ₹ 1,000.00 lacs (March 31, 2011: ₹ 1,000.00 lacs) Repayable in equal quarterly installments, last installment due in June, 2016. Rate of interest as at year end 12.75% p.a. (Previous year 11.50% p.a.).
- iv) Term loan amounting to ₹ 2,062.50 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in January, 2016. Rate of interest as at year end 12.75% p.a. (Previous year Nil p.a.).
- v) Term loan amounting to ₹ 400.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 13.75% p.a. (Previous year Nil p.a.).
- vi) Term loan amounting to ₹ 500.00 lacs (March 31, 2011: ₹ 1,000.00 lacs) Repayable in equal quarterly installments, last installment due in March, 2014. Rate of interest as at year end 13.75 % p.a. (Previous year 13.00% p.a.).
- vii) Term loan amounting to ₹ 585.00 lacs (March 31, 2011: ₹ 917.00 lacs) Repayable in equal quarterly installments, last installment due in December, 2014. Rate of interest as at year end 13.75 % p.a. (Previous year 12.50 % p.a.).
- viii) Term loan amounting to ₹ 344.00 lacs (March 31, 2011: ₹ 672.00 lacs) Repayable in equal quarterly installments, last installment due in March, 2014. Rate of interest as at year end 14.50% p.a.. (Previous year 12.25% p.a.).
- ix) Term loan amounting to ₹ 929.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in January, 2016. Rate of interest as at year end 14.50% p.a. (Previous year Nil p.a.).

- x) Term loan amounting to ₹ 400.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 14.00% p.a. (Previous year Nil p.a.).
- xi) Term loan amounting to ₹ 999.99 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in July, 2016. Rate of interest as at year end 13.50% p.a. (Previous year Nil p.a.).
- xii) Term Loan amounting to ₹ 13.31 Lacs (March 31, 2011 ₹ Nil). Repayable in equal monthly installments, last installment due in December, 2014. Rate of interest as at year end 11.50 % p.a. (Previous year nil p.a.).
- xiii) Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 166.66 lacs). Repayable in equal quarterly installments, last installment due in September, 2012. Rate of interest as at year end Nil % p.a. (Previous year 11.25 % p.a.).
- xiv) Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 114.58 lacs). Repayable in equal quarterly installments, last installment due in February, 2013. Rate of interest as at year end Nil % p.a. (Previous year 11.00 % p.a.).
- xv) Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 420.00 lacs). Repayable in equal quarterly installments, last installment due in September, 2012. Rate of interest as at year end Nil % p.a. (Previous year 13.00 % p.a.).
- xvi) Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 250.00 lacs). Repayable in equal quarterly installments, last installment due in January, 2013. Rate of interest as at year end Nil % p.a. (Previous year 12.25 % p.a.).

Foreign Currency Loan

- i) Term loan amounting to ₹ 1,908.00 lacs (March 31, 2011: ₹ 1344.38 lacs) Repayable in equal half yearly installments, last installment due in March, 2016. Rate of interest as at year end 2.89 % p.a. (March 31, 2011 2.81% p.a.).
- ii) Term loan amounting to ₹ 1,272.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 2.97 % p.a. (March 31, 2011 Nil p.a.).

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

Term loan amounting to ₹ 45.42 lacs (March 31, 2011: ₹ 100.65 Lacs) Repayable in equal quarterly installments, last installment due in November, 2013. Rate of interest as at year end 10.69 % p.a. (March 31, 2011 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 7.

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

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
Opening Balance	66.02	-
Add : <u>Expenditure</u>		
Power and Fuel	-	2.21
Salaries, Wages, etc.	-	40.19
Others	-	23.62
Total	-	66.02
Total Expenditure	66.02	66.02
Less: Expenditure capitalized during the year	66.02	-
Closing Balance	-	66.02

- 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 31 st March, 2012	Year Ended 31 st March, 2011
Raw Material Consumption	170.48	72.42
Stores and Spares Consumption	30.21	12.72
Salaries, Wages, etc.	8.23	3.94
Power and Fuel	32.76	6.51
Other Expenditure	19.89	14.85
Total	261.57	110.44
Less: Sales of trial run Product	92.56	37.50
<u>Stock of trial run product :</u>		
Finished Goods	93.12	41.05
Work-in-Process	11.06	10.33
Net Trial Run Expenditure Capitalised	64.83	21.56

31. Deposits in note 11 include Security Deposit for premises, etc., of ₹ 720 Lacs (Previous Year ₹ 720 Lacs), being amounts paid to a firm in which the Directors of the Company are interested.
32. i) Principal outstanding of amount payable as on 31st March 2012, 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. Pursuant to the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs amending the Accounting Standard 11, the Company has exercised the option as per Para 46A inserted in the Standard for all long term monetary assets and liabilities. Consequently, an amount of ₹ 208.68 lacs is capitalized as cost of fixed assets. The Company has provided additional amount of depreciation of ₹ 28.27 lacs. Had the Company not exercised the said option, the net profit after tax for the year ended on 31st March, 2012 would have been lower by ₹ 121.88 lacs.

34. a) Net Revenue from Operations :-

Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
<u>Details of Turnover of Goods</u>		
i) Finished Goods	91,257.70	76,748.84
ii) Traded Goods		
Moulded Plastics Articles and Others	30,728.07	28,280.41
Readymade Home Furniture, Furnishing, Accessories & Others	19,112.79	17,197.92
Others	962.85	1,991.40
Total	1,42,061.41	1,24,218.57

b) Purchases of Traded Goods :-

Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Moulded Plastics Articles and Others	23,616.87	23,810.75
Readymade Home Furniture, Furnishing, Accessories & Others	10,902.65	10,261.43
Others	747.14	2,138.55
Total	35,266.66	36,210.73

c) Details of Closing Stock :-

Sr. No.	Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
i)	Finished Goods		
	Moulded Plastics Articles	6,499.16	5,034.51
ii)	Traded Goods		
	Moulded Plastics Articles and Others	5,858.37	5,374.56
	Readymade Home Furniture, Furnishing, Accessories & Others	5,307.86	4,516.28
	Others	176.38	278.45
	Total	17,841.77	15,203.80

d) Details of Raw Material Consumed:-

Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Polyethylene	30,284.19	23,036.47
Polypropylene	21,087.71	19,865.79
Others	4,107.60	3,606.68
Total	55,479.50	46,508.94

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

Particulars	2011-12		2010-11	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	7,567.39	13.64	9,644.65	20.74
Indigenous	47,912.11	86.36	36,864.29	79.26
Total	55,479.50	100.00	46,508.94	100.00

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

Particulars	2011-12		2010-11	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	63.22	3.48	157.41	10.90
Indigenous	1,755.65	96.52	1,286.82	89.10
Total	1,818.87	100.00	1,444.23	100.00

g) Earnings in Foreign Currency :-

- FOB Value of exports ₹ 3,084.75 lacs (Previous year ₹ 2,354.44 lacs).
- Technical and Management Fees ₹ 151.18 lacs (Previous year ₹ 126.94 lacs).
- Income earned from export of services ₹ 51.66 lacs (Previous Year ₹ 78.98 lacs).
- Dividend Received from Subsidiaries ₹ 111.00 lacs (Previous Year ₹ 60.64 lacs).

h) CIF Value of Imports:-

Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Capital Goods	2,331.13	4,020.17
Raw Material	8,385.00	9,696.39
Traded Goods	7,781.94	7,801.64
Stores, Spares etc	97.33	162.03
Total	18,595.40	21,680.23

i) Expenditure in Foreign Currency:-

Particulars	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Travelling Expenses	121.66	105.18
Interest	118.48	60.59
Legal and Professional Charges	44.45	21.93
Others	119.88	49.25
Total	404.47	236.95

35. Disclosure in respect of derivative instruments:-

a) Derivatives contracts entered by the Company and outstanding as at year end :-

(₹ in Lacs)

Particulars	Currency	2011-12		2010-11	
		Forward	Swap	Forward	Swap
Loan Taken - Principal	USD	-	-	-	12.50
Imports	USD	28.66	-	12.18	-

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	2011-12	2010-11
Receivables	USD	24.65	24.13
	EURO	3.23	2.41
	GBP	-	0.03
	JPY	0.61	7.61
Payables	USD	34.36	22.73
	EURO	0.93	1.04
	GBP	0.06	-
	SCG	0.32	0.18
Loan Taken	USD	75.00	42.50
Cash and Bank Balances	USD	8.33	1.20
	EURO	0.35	0.55
	GBP	0.06	-

36. Related Party Disclosures:

(₹ in Lacs)

	Subsidiar- ies	Joint Venture	Key Man- agement Personnel	Enterprises owned or sig- nificantly influenced by key man- agement personnel or their relatives	Total	Subsidiar- ies	Joint Venture	Key Man- agement Personnel	Enterprises owned or significantly influenced by key man- agement personnel or their relatives	Total
	2011-12	2011-12	2011-12	2011-12	2011-12	2010-11	2010-11	2010-11	2010-11	2010-11
Sales of Finished Goods / Others	571.62	367.10			938.72	429.17	31.85	-	-	461.02
Nilkamal Eswaran Plastics Pvt Ltd	118.18					130.30				
Nilkamal Eswaran Marketing Pvt Ltd	69.41					44.07				
Nilkamal Crates & Bins, FZE.	384.03					254.80				
Nilkamal Bito Storage Systems Pvt. Ltd.		18.40					31.85			
Cambro Nilkamal Pvt. Ltd.		348.70					-			
Purchases of raw materials, intermediaries and finished goods	3.88	582.49			586.37	-	445.25	-	-	445.25
Nilkamal Eswaran Plastics Pvt Ltd	3.88									
Nilkamal Bito Storage Systems Pvt. Ltd.		462.41				-	445.25	-	-	
Cambro Nilkamal Pvt. Ltd.		120.08				-	-	-		

	Subsidiar-ies	Joint Venture	Key Man-agement Personnel	Enterprises owned or sig-nificantly influenced by key manage-ment personnel or their relatives	Total	Subsidiar-ies	Joint Venture	Key Man-agement Personnel	Enterprises owned or significantly influenc d by key man-agement personnel or their relatives	Total
Paid for services & labour charges				60.60	60.60	-	-	-	48.19	48.19
Nilkamal Crates & Containers				60.60					48.19	
Received for services & labour charges		127.20			127.20	-	131.98	-	-	131.98
Nilkamal Bito Storage Systems Pvt. Ltd.		127.20					131.98			
Technical and Management Fees received	151.18	206.88			358.06	126.94	123.79	-	-	250.73
Nilkamal Eswaran Plastics Pvt Ltd	151.18					126.94				
Nilkamal Bito Storage Systems Pvt. Ltd.		157.13					123.79			
Cambro Nilkamal Pvt. Ltd.		49.75								
Dividend received	111.00				111.00	60.64				60.64
Nilkamal Eswaran Plastics Pvt Ltd	59.77					60.64				
Nilkamal Crates & Bins, FZE.	51.23					-				
Purchase of fixed assets		0.13	204.60		204.73	25.82	225.18	200.20	-	451.20
Nilkamal Eswaran Plastics Pvt Ltd						25.82				
Nilkamal Bito Storage Systems Pvt. Ltd.		0.13					225.18			
Shri Vaman V. Parekh			122.76					120.12		
Shri Sharad V. Parekh			81.84					80.08		
Rent paid				135.83	135.83	-	-	45.29	77.51	122.80
Remuneration to Directors			399.05		399.05	-	-	314.74	-	314.74
Lease Charges Received	5.23				5.23	1.34				1.34
Re-payment of Loans Given						-	-		3,178.24	3,178.24
Starshine Land Developers Pvt. Ltd.						-	-		3,178.24 (*)	-
Interest on Loan Given						-	-		192.77	192.77
Starshine Land Developers Pvt. Ltd.						-	-		192.77	
Equity contribution						-	200.50	-	-	200.50
Nilkamal Bito Storage Systems Pvt. Ltd.						-	-	-	-	
Cambro Nilkamal Private Limited						-	200.50			
Reimbursement of Expenses (net of recovery)		7.46			7.46	-	10.64	-	-	10.64
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)	120.65	160.64	-	(1.70)	279.59	150.18	23.44	-	(1.33)	172.29
Others	120.65	160.64	-	(1.70)		150.18	23.44	-	(1.33)	

(*) Maximum balance of Loan outstanding during the Year ₹ Nil (Previous Year ₹ 3,178.24 lacs)

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 |
| | | Starshine Land Developers Pvt.Ltd. |
| | | Mrs. Dhruvi Nakul Kumar |

Note:

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

Mrs. Nalini V. Parekh, Mrs. Maya S. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Mrs. Purvi N. Parekh, Mrs. Rajul M Gandhi, Mrs. Dhruvi Nakul Kumar, Miss Priyanka H. Parekh, 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.

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

- 38.** (a) (i) Operating Lease in respect of Property taken on Lease: (₹ in Lacs)

Particulars		2011-12	2010-11
a	Lease payments recognised in the Statement of Profit and Loss [includes contingent rent of ₹ 41.77 lacs (Previous year ₹ 135.91 lacs)]	3,193.43	2,465.42
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	749.31	360.53
	ii) Later than one year and not later than 5 years	1208.83	392.14
	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		2011-12	2010-11
a	Lease payments recognised in the Statement of Profit and Loss	25.68	6.42
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	44.94	70.62
	iii) Later than 5 years	-	-

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

- (b) Assets acquired under finance lease arrangement: (₹ in Lacs)

Particulars		2011-12	2010-11
Future minimum Lease Payments under agreements.			
i) Not later than one year		-	10.30
ii) Later than one year and not later than 5 years		-	-
iii) Later than 5 years		-	-
Present Value of Minimum Lease Payment		-	10.10
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value			
Total Minimum Lease Payments		-	10.30
Less : Interest		-	0.20
Present Value of Minimum Lease Payment		-	10.10

- 39.** The Company has an investment of ₹ 2,215.50 lacs in Nilkamal Bito Storage Systems Private Limited (NBSSPL), a Joint Venture Company. NBSSPL has incurred losses over the years, however, it has earned profit during

the year. The Company has, at the close of the year, assessed the carrying value of investment in NBSSPL and no provision there against is considered necessary at present for diminution in the carrying value of the investment.

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

- a) Amount of ₹ 236.72 lacs (Previous Year ₹ 191.92 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	2011-12 Gratuity	2010-11 Gratuity
1	Components to employer expense		
	a) Current Service Cost	92.94	78.01
	b) Interest Cost	40.43	25.76
	c) Expected return of plan assets	(12.66)	(8.25)
	d) Actuarial (Gain)/Loss	(14.64)	73.74
	e) Total expense recognised in the Profit and Loss Account	106.07	169.26
2	Net Liability recognised in Balance Sheet		
	a) Present Value of Obligation	567.61	475.60
	b) Fair Value of Plan Assets	(201.35)	(143.91)
	c) Liability recognised in the Balance Sheet	366.26	331.69
3	Change in Defined Benefit Obligation (DBO) during the year		
	a) Present Value of Obligation as at beginning of the year	475.60	308.49
	b) Current Service cost	92.94	78.01
	c) Interest Cost	40.43	25.76
	d) Actuarial (Gain)/Loss	(19.86)	74.39
	e) Benefits paid	(21.50)	(11.05)
	f) Present Value of Obligation as at the close of the year	567.61	475.60
4	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at beginning of the year	143.91	85.01
	b) Contribution to the fund	50.00	50.00
	c) Expected return of plan assets	12.66	8.25
	d) Actuarial Gain/(Loss)	(5.22)	0.65
	e) Fair Value of Plan Assets as at the close of the year	201.35	143.91
5	Actuarial Assumptions		
	a) Discount Rate (per annum)	8.50%	8.35%
	b) Expected Rate of Return on Assets (per annum)	7.50%	7.50%
	c) Salary Escalation Rate	6.50%	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	2011-12	2010-11	2009-10	2008-09
1	Present Value of the defined benefit obligation	567.61	475.60	308.49	234.80
2	Fair value of the plan assets	201.35	143.91	85.01	47.00
3	Surplus / (deficit) in the plan	(366.26)	(331.69)	(223.48)	(187.80)
4	Experience adjustment on plan assets	(5.22)	0.65	8.55	(7.98)
5	Experience adjustment on plan liabilities	(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 ₹ 51.48 Lacs (Previous Year ₹ 75.00 Lacs)				

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

(₹ in Lacs)

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

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

(₹ in Lacs)

Particulars	2011-12	2010-11
a) Directly incurred by the Company	69.50	-
b) Share of the Company in contingent liabilities which have been incurred jointly with other ventures	-	-
c) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	-	-
d) Share of other ventures in contingent liabilities incurred by jointly controlled entity.	-	-

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

(₹ in Lacs)

Particulars	2011-12	2010-11
a) Direct Capital commitments by the Company	-	-
b) Share of the Company in capital commitments which have been incurred jointly with other ventures	149.50	149.50
c) Share of the Company in capital commitments of the jointly controlled entity.	-	-

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

(₹ in Lacs)

	2011-12	2010-11
A) Assets :		
Tangible Assets	1,143.09	1,084.89
Intangible Assets	2.20	-
Intangible Assets under development	10.15	1.56
Long-term loans and advances	22.64	9.38
Inventories	610.70	291.06
Trade Receivables	743.76	454.81
Cash and Bank Balances	75.50	197.59
Short-term loans and advances	49.09	52.89
Other current assets	24.89	20.91
B) Liabilities :		
Deferred Tax Liabilities (Net)	7.22	47.00
Long Term Provisions	7.93	9.43
Short Term Borrowings	238.11	140.23
Trade Payables	491.64	301.14
Other Current Liabilities	168.99	162.51
Short Term Provisions	26.47	9.68

		2011-12	2010-11
C)	Income:		
	Revenue from Operations (Net)	2,823.59	1,916.22
	Other Income	14.42	9.86
D)	Expenditure:		
	Cost of materials and components consumed	1,463.55	958.62
	Purchases of Stock-in-trade	395.31	28.98
	Manufacturing and Operating Costs	281.70	302.78
	(Increase)/Decrease in Stock of finished goods, work in progress and stock-in-trade	(263.12)	34.36
	Employee benefits expense	217.52	210.75
	Finance costs	31.85	51.36
	Depreciation and Amortisation	131.27	118.19
	Other Expenses	305.66	261.33
	Tax Expenses (Net)	(24.29)	(2.19)

43. 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.

44. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

AS PER OUR REPORT OF EVEN DATE

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

S. Venkatesh
Partner
Membership No. : F-037942

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

Mayur A. Vora
Partner
Membership No. : F-030097

Place: Mumbai
Date: May 11, 2012

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

PERFORMANCE AT A GLANCE

(₹ in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Net Sales	75,731	88,909	102,805	125,170	143,461
Profit Before Tax	7,785	1,182	6,589	7,004	7,105
Profit After Tax	5,736	610	4,724	5,246	5,560
Share Capital	1,278	1,278	1,278	1,492	1,492
Reserves and Surplus	19,521	19,862	23,839	34,086	38,952
Shareholder's Funds	20,799	21,140	25,117	35,578	40,444
Loan Funds	32,064	28,520	27,873	30,246	36,167
Total Capital Employed	52,863	49,660	52,991	65,824	76,612
Deffered Tax Liability	1,200	1,378	1,352	1,564	1,847
Gross Block	40,176	43,696	45,801	56,153	63,382
Net Block	22,811	23,288	22,391	29,776	33,232
Investments	2,898	2,378	2,429	2,530	2,530
Net Current Assets	28,354	25,373	29,522	35,083	42,698

RATIO

Financial Performance %	2007-08	2008-09	2009-10	2010-11	2011-12
Domestic Turnover/Total Turnover	98.12	98.23	98.16	96.52	96.76
Exports/Total Turnover	1.75	1.59	1.43	3.21	3.08
Other Income/Total Turnover	0.13	0.17	0.41	0.28	0.15
Raw Material/Total Turnover	55.23	54.45	53.76	54.18	53.39
Duties & Levies/Total Turnover	14.92	13.68	11.45	12.20	12.53
Overheads/Total Turnover	16.65	18.94	19.41	19.02	19.43
Adv & Sales Exps/Total Turnover	1.41	1.46	1.29	1.87	2.02
Interest/Total Turnover	3.02	3.84	2.12	2.11	2.42
Profit Before Interest & Tax /Total Turnover	6.54	4.99	7.77	7.01	6.74
Profit Before Tax/Total Turnover	3.52	1.15	5.65	4.90	4.32
Depreciation//Total Turnover	2.61	3.02	2.76	2.30	2.46
Tax/Total Turnover	1.12	0.55	1.60	1.23	0.94
Net Profit After Tax /Total Turnover	2.41	0.59	4.05	3.67	3.38
Cash Profit /Total Turnover	5.02	3.61	6.81	5.97	5.85
Return on Capital Employed	20.89	8.92	14.02	13.92	13.38
Return on Net Worth	33.87	2.91	20.42	17.29	14.63

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

Balance Sheet Ratios					
Debt-Equity	1.54	1.35	1.11	0.85	0.89
Debtors Turnover (days)	54	38	42	39	45
Inventory Turnover	77	56	56	66	69
Current Ratio	4.41	4.09	3.84	3.71	3.63
Quick Ratio	2.49	2.43	2.33	1.98	1.95
Depreciation/Gross Block (%)	6.01	7.23	7.16	6.31	6.44
Asset Turnover	3.54	3.92	4.78	4.85	4.38
Per Share Data - ₹					
EPS	16.79	4.77	36.96	36.80	37.26
CEPS	35.01	29.16	62.13	59.91	64.39
Book Value	162.72	165.38	196.50	238.42	271.03
Shareholder Statitics					
DPS	6.50	2.00	5.00	4.00	4.00
Dividend (%)	65	20	50	40	40
Dividend Payout (₹)	972	299	746	694	694
Dividend Payout (%)	16.95	49.03	15.79	13.22	10.48

Auditors' Report on the Consolidated Financial Statements of Nilkamal Limited

The Board of Directors of Nilkamal Limited

1. We have audited the attached consolidated balance sheet 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) as at 31st March, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 ₹ 3,372.33 lacs as at 31st March, 2012, total revenue of ₹ 5,089.88 lacs, net profit of ₹ 460.56 lacs and net cash outflows amounting to ₹ 87.46 lacs for the year then ended. These financial statements and other financial information 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.
4. 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 sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached 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 31st March, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: F-037942

Mayur A. Vora

Partner
Membership Number: F-030097

Place: Mumbai

Date: May 11, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in Lacs)

	Note No.	As At 31 st March, 2012	As At 31 st March, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	1,492.25	1,492.25
(b) Reserves and Surplus	2	39,922.32	34,452.76
2 Minority Interest		397.43	335.51
3 Non-Current Liabilities			
(a) Long Term Borrowings	3	11,138.18	7,081.82
(b) Deferred Tax Liability (net)	4	1,917.60	1,666.58
(c) Long Term Provisions	5	498.22	371.96
4 Current Liabilities			
(a) Short Term Borrowings	6	22,139.27	19,546.51
(b) Trade Payables		9,475.49	7,151.45
(c) Other Current Liabilities	7	9,314.37	8,689.28
(d) Short Term Provisions	8	1,999.26	1,664.52
TOTAL		98,294.39	82,452.64
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		34,522.23	27,103.63
(ii) Intangible Assets		361.72	606.50
(iii) Capital work-in-progress		877.29	3,824.65
(iv) Intangible Assets under development		10.15	127.62
(b) Non-Current Investments	10	0.32	0.32
(c) Long Term Loans and Advances	11	5,130.39	4,357.52
2 Current Assets			
(a) Current Investments	12	-	161.05
(b) Inventories	13	28,890.17	23,701.27
(c) Trade Receivables	14	21,168.11	15,592.00
(d) Cash and Bank Balance	15	2,291.31	2,895.88
(e) Short Term Loans and Advances	16	4,661.10	4,067.34
(f) Other Current Assets	17	381.60	14.86
TOTAL		98,294.39	82,452.64

The notes form an integral part of these Consolidated financial statements

AS PER OUR REPORT OF EVEN DATEFor **DALAL & SHAH**

Firm Registration No. : 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership No. : F-037942

For **VORA & ASSOCIATES**

Firm Registration No. : 111612W

Chartered Accountants

Mayur A. Vora

Partner

Membership No. : F-030097

Place: Mumbai

Date: May 11, 2012

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 31ST MARCH 2012

			(₹ In Lacs)
	Note No.	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I. Revenue from Operations (Gross)	18	173,103.86	149,971.11
Less: Duties and Levies		21,452.07	18,165.02
Revenue from Operations (Net)		151,651.79	131,806.09
II. Other Income	19	156.16	354.06
III. Total Revenue (I+II)		151,807.95	132,160.15
IV. Expenses:			
Cost of materials consumed	20	59,807.91	49,943.11
Purchases of traded goods		35,877.90	36,713.79
Changes in inventories of finished goods, work-in-progress and traded goods	21	(3,263.05)	(5,347.07)
Employee benefits expense	22	9,697.73	8,182.31
Finance Cost	23	4,053.95	3,095.34
Depreciation and amortization expenses		4,314.00	3,510.62
Other expenses	24	33,562.52	28,695.09
Less: Trial Run Expenses Capitalised		64.83	21.56
Total Expenses		143,986.13	124,771.63
V. Profit Before Tax (III-IV)		7,821.82	7,388.52
VI. Tax Expense:			
Current Tax		1,557.70	1,881.51
MAT Credit		(170.00)	-
Deferred Tax		250.31	206.02
Taxation for earlier years written Back		(5.35)	(122.03)
VII. Net Profit After Tax		6,189.16	5,423.02
Add / (Less) Prior Period Adjustment (Net)		-	(16.04)
Less: Minority Interest		78.66	66.37
VIII. Profit for the year		6,110.50	5,340.61
IX. Earnings per equity share of ₹ 10 each			
(1) Basic		40.95	37.47
(2) Diluted		40.95	37.47
Weighted average number of equity shares outstanding		14,922,525	14,254,085

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. : F-037942

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

Mayur A. Vora
Partner
Membership No. : F-030097

Place: Mumbai
Date: May 11, 2012

FOR AND ON BEHALF OF THE BOARD

Sharad V. Parekh **Hiten V. Parekh**
Managing Director Executive Director

Paresh B. Mehta **Priti P. Dave**
Financial Controller Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended on 31 st March, 2012		Year Ended on 31 st March, 2011	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,821.82		7,388.52
Adjustments for :				
Depreciation and Amortisation	4,314.00		3,510.62	
Loss on Fixed Assets Sold / Discarded (Net)	90.59		35.64	
Finance Cost	4,053.95		3,095.34	
Interest Received	(149.46)		(335.40)	
Provision/(Write back) for doubtful debts and advances	125.32		94.05	
Bad Debts Written off /(Written Back)	60.60		37.51	
		8,495.00		6,437.76
Operating Profit before Working Capital changes		16,316.82		13,826.28
Adjustments for :				
Trade and Other Receivables	(6,990.25)		(505.69)	
Inventories	(5,011.52)		(7,044.39)	
Trade Payable & Other Liabilities	3,532.81		708.10	
Direct Taxes Paid (Net of Refund)	(1,356.20)		(2,112.02)	
		(9,825.16)		(8,954.00)
Net Cash Flow from Operating Activities.....A		6,491.66		4,872.28
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets and capital work-in-progress	(9,270.00)		(11,662.10)	
Capital Subsidy Received	-		25.00	
Sale of Fixed Assets	246.04		235.90	
Loans repaid by Erstwhile subsidiary	-		3,178.24	
Redemption of Current Investment	161.05		249.84	
Interest Received	170.86		775.71	
Net Cash Flow from Investing Activities.....B		(8,692.05)		(7,197.41)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	7,692.28		4,362.41	
Repayment of Long Term Borrowings	(3,929.49)		(4,340.82)	
Proceeds from Short Term Borrowings [Net]	2,592.76		1,754.60	
Changes in External Commercial borrowing pending utilisation	128.84		(1,100.74)	
Issue of Equity Share Capital	-		5,907.34	
Finance Cost (Net)	(4,086.19)		(3,204.35)	
Dividend paid (including tax on dividend)	(693.73)		(448.05)	
Net Cash Flow from Financing Activities.....C		1,704.47		2,930.39
CHANGE IN FOREIGN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION.....D		89.69		(3.34)
Net Increase in Cash and Cash Equivalents (A+B+C+D)		(406.23)		601.92
Cash and Cash Equivalents as at the beginning of the year	1,775.61		1,173.69	
Cash and Cash Equivalents as at the year end	1,369.38		1,775.61	
		(406.23)		601.92

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. : F-037942

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

Mayur A. Vora
Partner
Membership No. : F-030097

Place: Mumbai
Date: May 11, 2012

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 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2011
Note 1 - Share Capital						
<u>Authorised</u>						
2,20,00,000 Equity Shares of ₹ 10/- each	2,200.00	-	2,200.00	2,200.00	-	2,200.00
30,00,000 Preference Shares of ₹ 10/- each	300.00	-	300.00	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 (Previous year 1,49,22,525 Equity Shares of ₹ 10/- each) [Refer Note 28]	1,492.25	-	1,492.25	1,492.25	-	1,492.25
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	754.55	3.83	758.38
Add: Received during the year	-	-	-	5,785.98	-	5,785.98
Less: Expenses incurred on issue of Equity Shares	-	-	-	91.57	1.09	92.66
			<u>6,451.70</u>			<u>6,451.70</u>
c. Translation Reserve						
As per last account	127.58	-	127.58	93.00	-	93.00
Add/(Less): Exchange Difference during the year	52.79	-	52.79	34.58	-	34.58
			<u>180.37</u>			<u>127.58</u>
d. General Reserve						
As per last account	15,560.98	-	15,560.98	15,036.40	-	15,036.40
Add: Transferred from Surplus	575.42	-	575.42	524.58	-	524.58
			<u>16,136.40</u>			<u>15,560.98</u>
e. Surplus						
As per last Account	12,456.47	(1,274.13)	11,182.34	8,013.87	(953.61)	7,060.26
Add/(Less): Net Profit/(Net Loss) for the year	5,810.98	288.82	6,110.50	5,661.13	(320.52)	5,340.61
Proposed Dividend [Dividend for current year ₹ 4 per share (Previous year ₹ 4 per share)]	(596.90)		(596.90)	(596.90)	-	(596.90)
Tax on proposed Dividend	(96.83)	-	(96.83)	(97.05)	-	(97.05)
Transfer to General Reserve	(575.42)	-	(575.42)	(524.58)	-	(524.58)
			<u>16,023.69</u>	12,456.47	(1,274.13)	<u>11,182.34</u>
TOTAL			<u>39,922.32</u>			<u>34,452.76</u>
Note 3 - Long Term Borrowings						
<u>Secured</u>						
Term loan from banks						
(i) Rupee Loans	7,912.76	-	7,912.76	5,636.79	-	5,636.79
(ii) Foreign currency Loans	3,180.00	-	3,180.00	1,344.38	-	1,344.38
<u>Unsecured</u>						
From Others	45.42	-	45.42	100.65	-	100.65
TOTAL			<u>11,138.18</u>			<u>7,081.82</u>

For Security and Terms of repayment: Refer note 29

Note 4 - Deferred Tax Liability (Net)

(₹ In Lacs)

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

	2011 - 2012	2010 - 2011	2009 - 2010
Deferred Tax Liability on account of :			
Depreciation	2,263.93	1,947.88	1,698.21
Deferred Tax Asset on account of :			
Employee Benefits	268.35	112.83	163.17
Provision for Doubtful Debts	77.98	56.49	52.55
Others	-	111.98	23.28
	346.33	281.30	239.00
Deferred Tax Liability - Net	1,917.60	1,666.58	1,459.21
Above includes share in Joint Venture (Net)	7.22	47.00	49.20

	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2011
Note 5 - Long Term Provisions						
Provision For Employee Benefits [Refer note 33]	490.29	7.93	498.22	362.53	9.43	371.96
TOTAL			498.22			371.96

Note 6 - Short Term Borrowings**Secured****Working capital loan from banks**

(a) Rupee Loans	21,511.13	238.11	21,749.24	17,897.98	140.23	18,038.21
(b) Buyers Credit Facility	390.03	-	390.03	-	-	-

Unsecured

(a) Short Term Rupee Loan from Banks	-	-	-	1,508.30	-	1,508.30
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TOTAL**22,139.27****19,546.51**

For Security: [Refer note 29]

Note 7- Other Current Liabilities**(a) Current maturities of long-term debt**

(i) Rupee Loans	2,916.88	-	2,916.88	3,159.69	128.05	3,287.74
(ii) Foreign Currency Loan	636.00	-	636.00	560.16	-	560.16
(iii) Current maturities of finance lease obligations	9.29	-	9.29	10.10	-	10.10
(iv) Unsecured Loans from Others	55.23	-	55.23	49.70	-	49.70
(b) Interest accrued but not due on borrowings	114.70	-	114.70	145.43	1.51	146.94
(c) Unclaimed dividends	20.95	-	20.95	19.53	-	19.53
(d) Advance received from customers	906.22	138.09	1,044.31	766.54	24.39	790.93
(e) Security Deposit Received*	2,716.28	-	2,716.28	2,331.86	-	2,331.86
(f) Other Payables						
i) Statutory Dues	987.69	30.92	1,018.61	735.87	8.55	744.42
ii) Others	782.12	-	782.12	747.90	-	747.90

TOTAL**9,314.37****8,689.28****Note: There are no amounts due for transfer to Investor Education and Protection Fund**

* Security deposits received from customers in the ordinary course of business are expected to be of a continuing nature and normally not expected to be settled within twelve months after the reporting date. The Company has however, presented the same as a current liability, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(₹ In Lacs)

Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2011
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Note 8 - Short Term Provisions

a) Provision For Employee Benefits [refer note 33]	360.69	6.18	366.87	372.92	1.32	374.24
b) Others Provisions						
i) Provision For Excise Duty on Closing Stock	584.52	19.15	603.67	417.93	8.36	426.29
ii) Provision For Product Warranties [Refer note 27]	140.91	-	140.91	113.68	-	113.68
iii) Provision For Wealth Tax	8.71	-	8.71	7.45	-	7.45
iv) Proposed Dividend	596.90	-	596.90	596.90	-	596.90
v) Tax on proposed dividend	96.83	-	96.83	96.83	-	96.83
vi) Provision for Tax (Net of advances)	185.37	-	185.37	49.13	-	49.13
TOTAL			1,999.26			1,664.52

Note 9 : Fixed Assets

(₹ in Lacs)

Name Of Assets	Gross Block					Depreciation / Amortisation					Net Block	
	Balance As At 1 st April, 2011	Additions	Disposal /Adjust- ments	Exchange Transla- tion	Balance As At 31 st March, 2012	Upto 1 st April, 2011	For the Year	Disposal /Adjust- ments	Exchange Transla- tion	Upto 31 st March, 2012	Balance As At 31 st March 2012	Balance As At 31 st March, 2011
Consolidated with Sub- sidiaries												
Tangible Assets:												
I Land												
Freehold Land	997.44	209.20	-	1.19	1,207.83	-	-	-	-	-	1,207.83	997.44
Leasehold Land (a)	224.71	-	-	-	224.71	21.65	2.50	-	-	24.15	200.56	203.06
II Buildings	10,065.81	3,754.15	-	5.56	13,825.52	2,401.75	397.39	-	1.87	2,801.01	11,024.51	7,664.06
III Plant and Machinery	32,360.57	5,548.32	440.12	14.79	37,483.56	21,089.18	2,603.69	200.12	11.07	23,503.82	13,979.74	11,271.39
IV Furniture and Fixtures	4,093.37	603.92	16.79	0.73	4,681.23	1,722.20	347.63	16.26	0.62	2,054.19	2,627.04	2,371.17
V Office Equipments	944.48	248.29	6.60	1.88	1,188.05	357.33	66.43	4.25	0.39	419.90	768.15	587.15
VI. Vehicles												
(a) Under Finance Lease	216.07	10.07	-	7.77	233.91	54.61	21.33	-	1.71	77.65	156.26	161.46
(b) Others	1,327.94	360.29	156.79	0.81	1,532.25	282.66	134.45	64.02	0.10	353.19	1,179.06	1,045.28
VII. Others												
Interiors at Showroom	2,221.88	678.58	-	-	2,900.46	502.97	161.72	-	-	664.69	2,235.77	1,718.91
Total	52,452.27	11,412.82	620.30	32.73	63,277.52	26,432.35	3,735.14	284.65	15.76	29,898.60	33,378.92	26,019.92
Intangible Assets:												
Software	209.73	200.84	-	1.17	411.74	174.64	45.09	-	-	219.73	192.01	35.09
Models, Designs and Commercial Rights	2,012.52	-	-	-	2,012.52	1,442.30	402.50	-	-	1,844.80	167.72	570.22
Total	54,674.52	11,613.66	620.30	33.90	65,701.78	28,049.29	4,182.73	284.65	15.76	31,963.13	33,738.65	26,625.23
Add : Share of Joint Ventures	1,526.83	192.65	1.95	-	1,717.53	441.93	131.27	0.97	-	572.23	1,145.30	1,084.90
Grand Total	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	27,710.13
Previous Year	48,692.42	8,077.18	(c) 609.77	41.52	56,201.35	25,293.51	3,510.62	337.87	24.96	28,491.22	27,710.13	

- 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.
- c) Includes ₹ 25.00 Lacs being Capital Subsidy received from Government of Jammu and Kashmir.

	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	(₹ In Lacs) As At 31 st March, 2011
Note 10 - 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 11 - Long Term Loans and Advances						
Unsecured, Considered Good						
(i) Capital Advances	835.39	8.20	843.59	496.63	-	496.63
(ii) Security Deposit	1,897.40	10.32	1,907.72	1,507.67	8.42	1,516.09
(iii) Deposit with Government Authorities	1,076.22	-	1,076.22	1,060.06	-	1,060.06
(iv) Deposit with related party	724.56	-	724.56	724.56	-	724.56
(v) Other Loans and Advances	523.58	2.63	526.21	422.92	-	422.92
(vi) Taxes Paid in Advance (Net provision)	50.60	1.49	52.09	136.31	0.95	137.26
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			5,130.39			4,357.52
Note 12 - Current Investments						
Non Traded investments (Unquoted)						
Sri Lankan Government Treasury Investment	-	-	-	161.05	-	161.05
TOTAL			-			161.05
Note 13 - Inventories						
I. Raw Material (including Goods in Transit Current Year ₹ 765.49)	5,836.28	249.72	6,086.00	4,576.97	205.62	4,782.59
II. Work in Progress	1,905.48	38.96	1,944.44	1,484.48	3.43	1,487.91
III. Finished Goods	6,499.16	10.14	6,509.30	5,035.31	10.14	5,045.45
IV. Traded Goods (including Goods in Transit Current Year ₹ 310.23)	12,202.34	266.21	12,468.55	10,728.84	37.69	10,766.53
V. Stores and Spare Parts	1,651.00	11.59	1,662.59	1,392.55	10.93	1,403.48
VI. Packing Material	219.29	-	219.29	215.31	-	215.31
TOTAL			28,890.17			23,701.27
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	7.77	-	7.77	0.51	-	0.51
(b) Unsecured, Considered good	1,144.53	66.58	1,211.11	705.32	53.14	758.46
(c) Doubtful	244.09	21.57	265.66	185.31	7.09	192.40
Less: Provision For Doubtful Debts	(244.09)	(21.57)	(265.66)	(185.31)	(7.09)	(192.40)
Trade receivables outstanding for a period less than six months from the date they are due for payment						
(a) Secured, Considered good	2,432.61	-	2,432.61	2,145.91	-	2,145.91
(b) Unsecured, Considered good	16,977.88	538.74	17,516.62	12,285.45	401.67	12,687.12
TOTAL			21,168.11			15,592.00

	Consolidated with Subsidiaries	Share of Joint Ventures	As At 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	(₹ In Lacs) As At 31 st March, 2011
Note 15 - Cash and Bank balance						
I. Cash and Cash Equivalents						
a) Balance in Current Accounts	789.03	43.00	832.03	1,172.74	92.54	1,265.28
b) Cheques on Hand / Remittance in Transit	328.98	-	328.98	260.08	-	260.08
c) Cash on Hand	205.69	2.68	208.37	245.94	4.31	250.25
			1,369.38			1,775.61
II. Other Bank Balances						
a) Earmarked balance with Bank (Unclaimed Dividend)	20.95	-	20.95	19.53	-	19.53
b) Bank Deposits with less than 3 months maturity	(*)371.16	20.00	391.16	(*)1000.00	100.74	1,100.74
c) Bank Deposits with 3-12 months maturity	(*)500.00	9.82	509.82	-	-	-
			921.93			1,120.27
TOTAL			2,291.31			2,895.88

(*) Pending utilisation of External Commercial Borrowings

Note 16 - Short term loans and advances
Unsecured, Considered Good

(i) Loans and Advances to related parties	89.61	0.82	90.43	151.07	40.78	191.85
(ii) Security Deposit	407.04	-	407.04	315.22	-	315.22
(iii) Other Loans and Advances			-			-
(a) Advances recoverable in cash or kind	2,877.36	-	2,877.36	2,680.34	-	2,680.34
(b) Balance with excise department	1,071.56	48.27	1,119.83	705.23	12.12	717.35
(c) Taxes paid in advance (net of Provisions)	156.09	-	156.09	130.83	-	130.83
(d) Interest Receivable	10.32	0.03	10.35	10.84	20.91	31.75
Security Deposit Considered Doubtful	52.05	-	52.05	-	-	-
Less: Provision for doubtful advance	(52.05)	-	(52.05)	-	-	-
TOTAL			4,661.10			4,067.34

Note 17 - Other Current Assets

Claims and Other Receivable	-	11.13	11.13	-	-	-
Mat Credit Receivable	170.00	-	170.00	-	-	-
Other Receivables	186.73	13.74	200.47	14.86	-	14.86
TOTAL			381.60			14.86

	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	(₹ In Lacs) Year Ended 31 st March, 2011
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Note 18 - Revenue from operations (Gross)
Revenue from operations

Sales of Manufactured / Traded Goods	169,400.27	2,538.68	171,938.95	147,427.65	1,765.76	149,193.41
Sales of Services	352.35	17.77	370.12	337.81	57.80	395.61
Other Operating Revenue						
a) Sale of Scrap	439.33	7.41	446.74	364.02	8.56	372.58
b) Technical and Management Fees	445.46	(103.44)	342.02	115.52	(115.52)	-
c) Others	6.03	-	6.03	6.92	2.59	9.51
Revenue from operations (Gross)			173,103.86			149,971.11

	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31 st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	(₹ In Lacs) Year Ended 31 st March, 2011
Note 19 - Other Income						
Interest income	141.75	7.71	149.46	335.04	0.36	335.40
Others	-	6.70	6.70	11.60	7.06	18.66
TOTAL			156.16			354.06
Note 20 - Cost of Materials Consumed						
a) Opening Stock of Raw Materials	4,576.97	205.62	4,782.59	3,300.43	270.85	3,571.28
b) Purchases	58,868.33	1,477.50	60,345.83	50,261.02	893.40	51,154.42
c) Total of (a) + (b)			65,128.42			54,725.70
Less:						
d) Closing Stock of Raw Materials	5,096.62	223.89	5,320.51	4,576.97	205.62	4,782.59
TOTAL			59,807.91			49,943.11
Note 21 - Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods						
Opening Stock						
Work in Progress	1,484.48	3.43	1,487.91	1,272.65	25.51	1,298.16
Finished Goods	5,035.31	10.14	5,045.45	4,100.23	86.47	4,186.70
Traded Goods	10,728.84	37.69	10,766.53	6,409.61	-	6,409.61
			17,299.89			11,894.47
Closing Stock						
Work in Progress	1,905.48	38.96	1,944.44	1,484.48	3.43	1,487.91
Finished Goods	6,499.16	10.14	6,509.30	5,035.31	10.14	5,045.45
Traded Goods	11,893.07	265.25	12,158.32	10,728.84	37.69	10,766.53
			20,612.06			17,299.89
Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	38.33	10.79	49.12	61.46	(3.10)	58.36
TOTAL			(3,263.05)			(5,347.06)
Note 22 - Employee benefits expense						
Salary Wages & Bonus	8,481.78	192.51	8,674.29	7,116.61	192.17	7,308.78
Contribution to Provident and Other funds	270.27	4.20	274.47	216.89	4.32	221.21
Workmen and staff welfare expenses	728.17	20.80	748.97	638.06	14.26	652.32
TOTAL			9,697.73			8,182.31
Note 23 - Finance Cost						
(a) Interest on Term Loan	1,570.30	-	1,570.30	1,123.79	22.17	1,145.96
(b) Interest Paid to Banks	1,661.70	31.71	1,693.41	1,430.12	32.62	1,462.74
Less: Interest Received	-	5.04	5.04	-	8.70	8.70
Interest Capitalised	-	-	-	90.48	0.14	90.62
(c) Other Interest	256.00	-	256.00	211.24	-	211.24
(d) Bank Charges	306.17	8.22	314.39	270.16	9.05	279.21
(e) Other Borrowing Costs	149.37	5.18	154.55	76.94	5.28	82.22
(f) Applicable Net Foreign Exchange Loss on Borrowings	70.34	-	70.34	13.29	-	13.29
TOTAL			4,053.95			3,095.34

						(₹ In Lacs)
	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2012	Consolidated with Subsidiaries	Share of Joint Ventures	Year Ended 31st March, 2011
Note 24 - Other Expenses						
Stores, Spare Parts Consumed	1,828.33	148.69	1,977.02	1,461.08	139.79	1,600.87
Power and Fuel	4,410.83	20.12	4,430.95	4,002.55	53.98	4,056.53
Repairs :			-			
Building	56.96	-	56.96	98.40	-	98.40
Machinery	167.47	0.70	168.17	157.36	0.15	157.51
Others	741.01	2.83	743.84	623.59	2.05	625.64
Labour Charges	4,258.45	49.59	4,308.04	3,831.88	45.65	3,877.53
Rent	3,286.66	8.76	3,295.42	2,537.65	2.67	2,540.32
Rates and Taxes	196.46	0.29	196.75	146.79	0.56	147.35
Insurance	161.62	4.43	166.05	139.40	3.53	142.93
Postage and Telephone Expense	393.51	0.06	393.57	363.38	0.03	363.41
Loss on Sale of Fixed Assets/ Discarded (Net)	90.28	0.31	90.59	33.84	1.80	35.64
Packing Material Consumed	1,190.56	-	1,190.56	1,021.89	-	1,021.89
Travelling Expenses	1,125.51	32.97	1,158.48	1,006.14	25.13	1,031.27
Commission, Discount and Rebate	1,949.42	-	1,949.42	1,447.19	-	1,447.19
Advertisements and Sales Promotion Expense	2,286.33	-	2,286.33	1,928.43	-	1,928.43
Computer Expenses	202.48	0.59	203.07	97.43	1.22	98.65
Carriage outward	7,116.80	67.11	7,183.91	6,252.40	69.86	6,322.26
Land Lease Rent	3.10	0.54	3.64	3.10	0.54	3.64
Board Meeting Fees	6.70	-	6.70	6.65	-	6.65
Provision for Wealth Tax	8.84	-	8.84	6.62	-	6.62
Bad Debts written off / (back)	55.75	4.85	60.60	30.56	6.95	37.51
Provision/ Write back for Doubtful Debts and Advances	110.84	14.48	125.32	86.96	7.09	94.05
Net Foreign Exchange Loss	61.72	-	61.72	44.20	-	44.20
Sundry Expenses	3,441.88	54.69	3,496.57	2,948.68	57.92	3,006.60
TOTAL			<u>33,562.52</u>			<u>28,695.09</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 2012.

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. 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.

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 cycles to be less than 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.

- The financial statements of the Company and Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating material intra-group balances and intra-group balances and intra-group transactions and the unrealised profits or losses.
- 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 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, 2012	% Ownership held as at 31 st March, 2011
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%	76%
Nilkamal Eswaran Market-ing Private Limited	Sri Lanka	76%	76%
Nilkamal Crates and Bins FZE	Ajman, UAE	100.00%	100.00%

- 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 2012	% Ownership held as at 31 st March, 2011
Nilkamal Bito Storage Sys-tems Private Limited	India	50.00%	50.00%
Cambro Nilkamal Private Limited	India	50.00%	50.00%

C) Exchange Translation:

All the foreign subsidiaries have been identified as non-integral operations. Accordingly, the summarised revenue and expense transactions of the Subsidiary Companies at the year-end reflected in the 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 Estimate:

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

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 or net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is '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, 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) 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 current year, 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.

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

L) Borrowing Costs:

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

M) Recognition of Income and Expenditure:

- i) Sale of Goods is recognised on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods. Gross sales are inclusive of excise duty, 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.

N) 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

O) Taxation:

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

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 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)

		31 st March, 2012	31 st March, 2011
i)	Excise matters	339.09	10.94
ii)	Sales Tax matters *	1260.93	1048.12
iii)	a) On account of corporate guarantee given to the Department of Customs for availing custom duty benefits under Export Promotion Capital Goods Scheme on behalf of Joint venture for facilities availed by them (amount outstanding at close of the year)	59.50	-
	b) On account of surety to Cambro Nilkamal Private Limited for claiming exemption from the payment of Central Excise Duty for export of excisable goods to foreign country or to SEZ/EOU unit without payment of Central Excise Duty	10.00	-

* 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 and Sales 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) ₹ 709.66 Lacs (Previous Year ₹ 1,747.28 Lacs).
- Export commitment on EPCG license utilisation remaining to be executed ₹ 375.20 lacs. (Previous ₹ 1,814.57 lacs).

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

(₹ in Lacs)

	2011-12	2010-11
Opening Balance	113.68	156.24
Additions	445.12	346.53
Utilisations	417.89	389.09
Closing Balance	140.91	113.68

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, 2012		As At 31 st March, 2011	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Nilkamal Builders Private Limite	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%	1,730,006	11.59%
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%	1,017,440	6.82%
Reliance Capital Trustee Co. Ltd. A/C – Reliance Regular Savings Fund - Equity Option	1,000,000	6.70%	984,592	6.60%
IDFC Premier Equity Fund	-	-	873,319	5.85%

c) During the year 2007-08, 4,207,644 Equity Shares of ₹ 10/- each were issued pursuant to the scheme of amalgamation for consideration other than cash.

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

Particulars	Equity Shares			
	2011-12		2010-11	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Shares outstanding at the beginning of the year	14,922,525	1,492.25	12,782,344	1,278.23
Shares Issued during the year	-	-	2,140,181	214.02
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 ₹ 21,556.93 lacs (March 31, 2011: ₹ 17,897.98 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.

Subsidiaries

Working Capital facilities of ₹ 344.23 lacs, (March 31, 2011: ₹ Nil) 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 ₹ 238.11 lacs, (March 31, 2011: ₹ 140.23 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.

- b) Term loans of ₹ 10,983.75 lacs (March 31, 2011: ₹ 6,967.92 lacs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immoveable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamilnadu) together with all building and structures thereon and all Plant and 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 ₹ 1,272 lacs (March 31, 2011: ₹ Nil).
- c) Term loan of ₹ 13.31 lacs (March 31, 2011: Nil) are secured against respective assets.

Subsidiaries

- d) Term loan of ₹ 80.70 lacs (March 31, 2011: Nil) are secured by Quaternary mortgage over Land, Building and Plant and Machinery.
- e) Term loan of ₹ 15.00 lacs (March 31, 2011: ₹13.25 lacs) are secured against specific assets.

f) Terms of Repayment

Rupee Term Loan

- i) Term loan amounting to ₹ 249.94 lacs (March 31, 2011: ₹ 583.30 lacs) Repayable in equal quarterly installments, last installment due in Decemeber, 2013. Rate of interest as at year end 14.50 % p.a. (Previous year 13.00% p.a.).
- ii) Term loan amounting to ₹ 333.32 lacs (March 31, 2011: ₹ 500.00 lacs) Repayable in equal quarterly installments, last installment due in May, 2015. Rate of interest as at year end.14.25% p.a. (Previous year 12.75% p.a.)
- iii) Term loan amounting to ₹ 1,000.00 lacs (March 31, 2011: ₹ 1,000.00 lacs) Repayable in equal quarterly installments, last installment due in June, 2016. Rate of interest as at year end 12.75% p.a. (Previous year 11.50% p.a.).
- iv) Term loan amounting to ₹ 2,062.50 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in January, 2016. Rate of interest as at year end 12.75% p.a. (Previous year Nil p.a.).
- v) Term loan amounting to ₹ 400.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 13.75% p.a. (Previous year Nil p.a.).
- vi) Term loan amounting to ₹ 500.00 lacs (March 31, 2011: ₹1,000.00 lacs) Repayable in equal quarterly installments, last installment due in March, 2014. Rate of interest as at year end 13.75 % p.a. (Previous year 13.00% p.a.).
- vii) Term loan amounting to ₹ 585.00 lacs (March 31, 2011: ₹ 917.00 lacs) Repayable in equal quarterly installments, last installment due in December, 2014. Rate of interest as at year end 13.75 % p.a. (Previous year 12.50 % p.a.).
- viii) Term loan amounting to ₹ 344.00 lacs (March 31, 2011: ₹ 672.00 lacs) Repayable in equal quarterly installments, last installment due in March, 2014. Rate of interest as at year end 14.50% p.a.. (Previous year 12.25% p.a.)
- ix) Term loan amounting to ₹ 929.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in January, 2016. Rate of interest as at year end 14.50% p.a. (Previous year Nil p.a.).
- x) Term loan amounting to ₹ 400.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 14.00% p.a. (Previous year Nil p.a.).
- xi) Term loan amounting to ₹ 999.99 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in July, 2016. Rate of interest as at year end 13.50% p.a. (Previous year Nil p.a.).
- xii) Term Loan amounting to ₹13.31 Lacs (March 31, 2011 ₹ Nil). Repayable in equal monthly installments, last installment due in December, 2014. Rate of interest as at year end 11.50 % p.a. (Previous year nil p.a.).
- xiii) Term Loan amounting to ₹ Nil (March 31, 2011 ₹166.66 lacs). Repayable in equal quarterly installments, last installment due in September, 2012. Rate of interest as at year end Nil % p.a. (Previous year 11.25 % p.a.).
- xiv) Term Loan amounting to ₹ Nil (March 31, 2011 ₹114.58 lacs). Repayable in equal quarterly installments, last installment due in February, 2013. Rate of interest as at year end Nil % p.a. (Previous year 11.00 % p.a.).
- xv) Term Loan amounting to ₹ Nil (March 31, 2011 ₹420.00 lacs). Repayable in equal quarterly installments, last installment due in September, 2012. Rate of interest as at year end Nil % p.a. (Previous year 13.00 % p.a.).
- xvi) Term Loan amounting to ₹ Nil (March 31, 2011 ₹250.00 lacs). Repayable in equal quarterly installments, last installment due in January, 2013. Rate of interest as at year end Nil % p.a. (Previous year 12.25 % p.a.).

Subsidiaries

- xvii) Term loan amounting to ₹ 80.70 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2015. Rate of interest as at year end 14.00% p.a (Previous year Nil p.a.).
- xviii) Term loan amounting to ₹ 15.00 lacs (March 31, 2011: ₹ 13.25 lacs) Repayable in equal monthly installments, last installment due in January, 2016. Rate of interest as at year end 9.68% p.a. (Previous year 9.68% p.a.)

Foreign Currency Loan

- i) Term loan amounting to ₹ 1,908.00 lacs (March 31, 2011: ₹1,344.38 lacs) Repayable in equal half yearly installments, last installment due in March, 2016. Rate of interest as at year end 2.89 % p.a. (March 31, 2011 2.81% p.a.).
- ii) Term loan amounting to ₹ 1,272.00 lacs (March 31, 2011: ₹ Nil) Repayable in equal quarterly installments, last installment due in March, 2017. Rate of interest as at year end 2.97% p.a. (March 31, 2011 Nil p.a.).

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

Term loan amounting to ₹ 45.42 lacs (March 31, 2011: ₹100.65 lacs) Repayable in equal quarterly installments, last installment due in November, 2013. Rate of interest as at year end 10.69% p.a. (March 31, 2011 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 7.

30. Related Party Disclosures

(₹ in Lacs)

	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives
	2011 – 2012	2011 – 2012	2010 – 2011	2010 – 2011
Paid for Services and Labour Charges	-	60.60	-	48.19
Rent Paid	-	135.83	45.29	77.51
Purchase of fixed assets	204.60		200.20	
Remuneration paid	399.05	-	314.74	-
Loan Repaid	-	-	-	3,178.24
Interest on Loan Given	-	-	-	192.77
Other receivable / (Payables) (Net)	-	(1.70)	-	(1.33)
Deposits receivable	-	724.56	-	720.00

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
Starshine Land Developers Pvt. Ltd.
Mrs. Dhruvi Nakul Kumar |

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, M Dhruvi Nakul Kumar, Miss Priyanka H. Parekh, 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.

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

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

(₹ in Lacs)

Particulars		2011-12	2010-11
A	Lease payments recognised in the Statement of Profit and Loss (includes contingent rent of ₹ 41.77 Lacs (Previous year ₹ 135.91 Lacs))	3,208.11	2,540.32
B	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	749.31	360.53
	ii) Later than one year and not later than 5 years	1,208.83	392.14
	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.

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

(₹ in Lacs)

Particulars		2011-12	2010-11
A	Lease payments recognised in the Statement of Profit and Loss	25.68	6.42
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	44.94	70.62
	iii) Later than 5 years	-	-

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

(b) Assets acquired under finance lease arrangement:

(₹ in Lacs)

Particulars		2011-12	2010-11
Future minimum Lease Payments under agreements.			
	i) Not later than one year	9.29	20.81
	ii) Later than one year and not later than 5 years	18.82	11.05
	iii) Later than 5 years	-	-
Present Value of Minimum Lease Payment		24.29	31.66
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value			
Total Minimum Lease Payments		28.11	35.49
Less : Interest		3.82	3.83
Present Value of Minimum Lease Payment		24.29	31.66

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

- a) Amount of ₹ 240.72 Lacs (Previous Year ₹195.92 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	2011-12 Gratuity	2010-11 Gratuity
1	Components to employer Expense		
	a) Current Service Cost	94.90	79.79
	b) Interest Cost	40.86	26.15
	c) Expected return of plan assets	(12.66)	(8.25)
	d) Past Service Cost	-	-
	e) Actuarial (Gain)/Loss	(14.90)	72.09
	f) Total expense recognised in the Profit and Loss Account	108.20	169.78
2	Net (Asset)/Liability recognised in Balance Sheet		
	a) Present Value of Obligation	574.86	480.72
	b) Fair Value of Plan Assets	(201.35)	(143.91)
	c) (Asset)/Liability recognised in the Balance Sheet	373.51	336.81
3	Change in Defined Benefit Obligation (DBO) during the year		
	a) Present Value of Obligation as at beginning of the year	480.72	313.09
	b) Current Service cost	94.90	79.79
	c) Interest Cost	40.86	26.15
	d) Past Service Cost	-	-
	e) Actuarial (Gain)/Loss	(20.12)	72.74
	f) Benefits paid	(21.50)	(11.05)
	g) Present Value of Obligation as at the close of the year	574.86	480.72
4	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at beginning of the year	143.91	85.01
	b) Contribution to the fund	50.00	50.00
	c) Expected return of plan assets	12.66	8.25
	d) Actuarial Gain/(Loss)	(5.22)	0.65
	e) Fair Value of Plan Assets as at the close of the year	201.35	143.91
5	Actuarial Assumptions		
	a) Discount Rate (per annum)	8.50%	8.35%
	b) Expected Rate of Return on Assets (per annum)	7.50%	7.50%
	c) Salary Escalation Rate	6.50%	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	2011-12	2010-11	2009-10	2008-09
1	Present Value of the defined benefit obligation	574.86	480.72	313.09	238.57
2	Fair value of the plan assets	201.35	143.91	85.01	47.00
3	Surplus / (deficit) in the plan	(373.51)	(336.81)	(228.08)	(191.58)
4	Experience adjustment on plan assets	(5.22)	0.65	8.55	(7.98)
5	Experience adjustment on plan liabilities	(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 ₹ 51.48 Lacs (Previous Year ₹75.00 Lacs)				

34. 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.
- 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	2011-12				2010-11			
		Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Others	Total
1	Segment Revenue(Net Sales)	131,134.77	19,127.10	2,433.89	152,695.76	113,372.50	17,214.96	1,916.22	132,503.68
	Less: Inter Segment Revenue	1,043.97			1,043.97	697.59			697.59
	Net Income from Operations	130,090.80	19,127.10	2,433.89	151,651.79	112,674.91	17,214.96	1,916.22	131,806.09
2	Segment Result before Tax & interest	12,471.17	(377.78)	236.27	12,329.66	10,750.78	190.02	41.72	10,982.52
	Add/(Less): Minority Interest	78.66			78.66	66.37			66.37
		12,392.51	(377.78)	236.27	12,251.00	10,684.41	190.02	41.72	10,916.15
	Less: Unallocated expense(Net of Unallocated Income)				453.89				498.66
	Operating Profit				11,797.11				10,417.49
	Less: Interest (Net)				4,053.95				3,095.34
	Add: Exceptional Income				-				-
	Add/(Less): Prior Period Adjustment				-				(16.04)
	Profit Before Tax				7,743.16				7,306.11
	Less: Provision for Taxes(Net)				1,632.66				1,965.50
	Net Profit After Tax				6,110.50				5,340.61
3	Other Information								
	Segment Assets	80,905.78	12,427.88	2,213.02	95,546.69	66,692.09	10,467.94	1,884.12	79,044.15
	Add: Unallocated Assets				2,747.70				3,408.49
	Total Assets				98,294.39				82,452.64
	Segment Liabilities	13,398.16	2,701.81	545.37	16,645.35	10,968.86	2,428.23	349.37	13,746.46
	Add: Minority Interest	397.43	-	-	397.43	335.51	-	-	335.51
		13,795.59	2,701.81	545.37	17,042.78	11,304.37	2,428.23	349.37	14,081.97
	Add: Unallocated Liabilities								
	Loan Liabilities				36,894.85				30,536.03
	Others				2,942.19				1,889.63
	Total liabilities				56,879.82				46,507.63
	Capital Expenditure	8,005.94	1,023.63	50.75	9,080.32	11,337.14	331.22	14.77	11,683.13
	Depreciation and Amortisation	3,882.60	311.20	120.20	4,314.00	3,116.54	275.89	118.19	3,510.62
	Significant Non Cash Expenses other than Depreciation and Amortisation	166.59	-	19.33	185.92	147.43	5.73	14.04	167.20

B. Geographical Segment:

(₹ in Lacs)

Sr. No.	Particulars	Year Ended 31 st March, 2012			Year Ended 31 st March, 2011		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue(Net Sales)	142,150.25	9,501.54	151,651.79	123,960.43	7,845.66	131,806.09
2	Carrying cost of Segment Assets	92,128.51	3,418.18	95,546.69	76,790.47	2,253.68	79,044.15
3	Addition to Fixed Assets and -Intangible Assets	8,325.92	754.40	9,080.32	11,428.50	254.63	11,683.13

35. Statement of Subidiaries

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	61.13	-	25.67
2	Reserve and Surplus	1,215.83	16.63	643.79
3	Total Assets	3,054.72	64.10	826.99
4	Total Liabilities (Excluding Minority interest)	1,374.51	42.22	157.53
5	Turnover and Other Income	5,174.18	114.33	1,398.38
6	Profit Before Taxation	475.68	15.12	119.04
7	Provision for Taxation (incl Deferred Tax)	109.64	2.16	-
8	Profit after Tax	366.04	12.96	119.04
9	Dividend	59.77	0.80	51.23

36. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

AS PER OUR REPORT OF EVEN DATE

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

FOR AND ON BEHALF OF THE BOARD

S. Venkatesh
Partner
Membership No. : F-037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

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

Mayur A. Vora
Partner
Membership No. : F-030097

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 11, 2012

@home stores

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:** Nelson Manickam Road, Aminjikarai. Tel: (044) 23741531/32 **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 • **MULUND:** Nirmal Lifestyle Mall, L.B.S. Marg. Tel: (022) 25675191 / 25926995 • **NAVI MUMBAI:** Near Galleria Mall, Sector 19, Palm Beach Road, Vashi. Tel: (022) 27834012/13 **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

CORPORATE OFFICE : Nilkamal Ltd., Nilkamal House, 14th Street, MIDC, Andheri (East), Mumbai - 400 093.
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