

Board of Directors

Mr. D.B. Engineer	-	Director
Mr. K. R. Ramamoorthy	-	Director
Mr. Mahendra V. Doshi	-	Director
Mr. R.P. Goyal	-	Director
Mr. Rajesh G. Kapadia	-	Director
Mr. Hiten V. Parekh	-	Executive Director
Mr. Manish V. Parekh	-	Executive Director
Mr. Nayan S. Parekh	-	Executive Director
Mr. Sharad V. Parekh	-	Managing Director
Mr. Vamanrai V. Parekh	-	Chairman

Financial Controller

Mr. Paresh B. Mehta

Company Secretary

Ms. Priti P. Dave

Bankers

State Bank of India
Corporation Bank
IDBI Bank Ltd.
HSBC
DBS Bank

Auditors

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

Barjora Factory

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

Jammu Factory

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

Kharadpada Factory

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

Noida Factory

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

Puducherry Factory

19/3-5, 18/1 & 21/6, Pit-Olaivaikkal Village,
Koodapakam Villianoor Road,
Villianoor Taluk, Puducherry – 605 110.

Sinnar Factory

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

**Registered Office and
Vasona Factory**

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

Corporate Office

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

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NOTICE

NOTICE is hereby given that the **24th ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli on **Saturday the 31st day of July, 2010 at 11.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2010.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Rajesh G. Kapadia, Director of the Company, who retires by rotation and who does not seek re-appointment as a Director be and is hereby not re-appointed as a Director of the Company."
4. To appoint a Director in place Mr. Dadi B. Engineer, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Hiten V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
6. 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 2010-11.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and Schedule XIII (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and subject to such sanctions as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Sharad V. Parekh, as the Managing Director of the Company for a period of five years with effect from 13th July, 2010 upto 12th July, 2015 on such terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out below and in the agreement to be entered into between the Company and Mr. Sharad V. Parekh, a draft whereof is placed before this meeting which is hereby sanctioned with specific liberty to the Board of Directors, (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to alter and vary any of the terms and conditions of the said agreement and/or the remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Sharad V. Parekh.
 1. SALARY:
Rs. 4,05,000 per month in the scale of Rs. 4,00,000 to Rs. 7,50,000.
The annual increments will be decided by the Board of Directors each year.
 2. PERQUISITES:
In addition to above, Mr. Sharad V. Parekh shall also be entitled to the following perquisites:
Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement for self and family, mediclaim insurance for self and family, personal accident insurance, telephone, fax and other communication facilities, entertainment expenses in the course of business of the Company, leave travel allowance for self and family, club fees upto two clubs, use of Company's cars, contribution to provident fund, superannuation fund and gratuity fund, leave encashment, amenities, facilities and other benefits in accordance with the rules of the Company or as may be approved from time to time by the Remuneration Committee.
 3. General Conditions:
 - (i) The total remuneration payable to Mr. Sharad V. Parekh shall not exceed such limits as may be prescribed by the Central Government.
 - (ii) Mr. Sharad V. Parekh will be entitled to such other privileges, facilities and amenities in accordance

with the Company's rules and regulations as may be applicable to other employees of the Company within the overall limits prescribed under the Companies Act, 1956.

- (iii) The terms and conditions of appointment may be varied, altered, increased or enhanced from time to time by the Remuneration Committee as it may in its discretion deem fit, subject to the limits laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained.
- (iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mr. Sharad V. Parekh, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which shall be deemed to include its Committee constituted thereof), subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. Sharad V. Parekh be suitably amended to give effect to such statutory amendment, modification or relaxation without any further reference to the members of the Company in General Meeting."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and Schedule XIII (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and subject to such sanctions as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Hiten V. Parekh, as the Executive Director of the Company for a period of five years with effect from 13th July, 2010 upto 12th July, 2015 on such terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out below and in the agreement to be entered into between the Company and Mr. Hiten V. Parekh, a draft whereof is placed before this meeting which is hereby sanctioned with specific liberty to the Board of Directors, (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to alter and vary any of the terms and conditions of the said agreement and/or the remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Hiten V. Parekh.

1. SALARY:

Rs. 4,00,000 per month in the scale of Rs. 4,00,000 to Rs. 7,50,000.

The annual increments will be decided by the Board of Directors each year.

2. PERQUISITES:

In addition to above, Mr. Hiten V. Parekh shall also be entitled to the following perquisites:

Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement for self and family, mediclaim insurance for self and family, personal accident insurance, telephone, fax and other communication facilities, entertainment expenses in the course of business of the Company, leave travel allowance for self and family, club fees upto two clubs, use of Company's cars, contribution to provident fund, superannuation fund and gratuity fund, leave encashment, amenities, facilities and other benefits in accordance with the rules of the Company or as may be approved from time to time by the Remuneration Committee.

3. General Conditions:

- (i) The total remuneration payable to Mr. Hiten V. Parekh shall not exceed such limits as may be prescribed by the Central Government.
- (ii) Mr. Hiten V. Parekh will be entitled to such other privileges, facilities and amenities in accordance with the Company's rules and regulations as may be applicable to other employees of the Company within the overall limits prescribed under the Companies Act, 1956.
- (iii) The terms and conditions of appointment may be varied, altered, increased or enhanced from time to time by the Remuneration Committee as it may in its discretion deem fit, subject to the limits laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained.
- (iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mr. Hiten V. Parekh, the Company has no

profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which shall be deemed to include its Committee constituted thereof), subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. Hiten V. Parekh be suitably amended to give effect to such statutory amendment, modification or relaxation without any further reference to the members of the Company in General Meeting."

9. To consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and Schedule XIII (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and subject to such sanctions as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Manish V. Parekh, as the Executive Director of the Company for a period of five years with effect from 1st April, 2010 upto 31st March, 2015 on such terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out below and in the agreement to be entered into between the Company and Mr. Manish V. Parekh, a draft whereof is placed before this meeting which is hereby sanctioned with specific liberty to the Board of Directors, (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to alter and vary any of the terms and conditions of the said agreement and/or the remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Manish V. Parekh.

1. SALARY:

Rs. 3,75,000 per month in the scale of Rs. 3,75,000 to Rs. 7,00,000.

The annual increments will be decided by the Board of Directors each year.

2. PERQUISITES:

In addition to above, Mr. Manish V. Parekh shall also be entitled to the following perquisites:

Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement for self and family, mediclaim insurance for self and family, personal accident insurance, telephone, fax and other communication facilities, entertainment expenses in the course of business of the Company, leave travel allowance for self and family, club fees upto two clubs, use of Company's cars, contribution to provident fund, superannuation fund and gratuity fund, leave encashment, amenities, facilities and other benefits in accordance with the rules of the Company or as may be approved from time to time by the Remuneration Committee.

3. General Conditions:

- (i) The total remuneration payable to Mr. Manish V. Parekh shall not exceed such limits as may be prescribed by the Central Government.
- (ii) Mr. Manish V. Parekh will be entitled to such other privileges, facilities and amenities in accordance with the Company's rules and regulations as may be applicable to other employees of the Company within the overall limits prescribed under the Companies Act, 1956.
- (iii) The terms and conditions of appointment may be varied, altered, increased or enhanced from time to time by the Remuneration Committee as it may in its discretion deem fit subject to the limits laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained.
- (iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mr. Manish V. Parekh, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which shall be deemed to include its Committee constituted thereof), subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors (which shall be

deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. Manish V. Parekh be suitably amended to give effect to such statutory amendment, modification or relaxation without any further reference to the members of the Company in General Meeting."

10. To consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and Schedule XIII (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force) and subject to such sanctions as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Nayan S. Parekh, as the Executive Director of the Company for a period of five years with effect from 1st April, 2010 upto 31st March, 2015 on such terms and conditions including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out below and in the agreement to be entered into between the Company and Mr. Nayan S. Parekh, a draft whereof is placed before this meeting which is hereby sanctioned with specific liberty to the Board of Directors, (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to alter and vary any of the terms and conditions of the said agreement and/or the remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Nayan S. Parekh.

1. SALARY:

Rs. 3,65,000 per month in the scale of Rs. 3,25,000 to Rs. 6,50,000.

The annual increments will be decided by the Board of Directors each year.

2. PERQUISITES:

In addition to above, Mr. Nayan S. Parekh shall also be entitled to the following perquisites:

Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement for self and family, mediclaim insurance for self and family, personal accident insurance, telephone, fax and other communication facilities, entertainment expenses in the course of business of the Company, leave travel allowance for self and family, club fees upto two clubs, use of Company's cars, contribution to provident fund, superannuation fund and gratuity fund, leave encashment, amenities, facilities and other benefits in accordance with the rules of the Company or as may be approved from time to time by the Remuneration Committee.

3. General Conditions:

- (i) The total remuneration payable to Mr. Nayan S. Parekh shall not exceed such limits as may be prescribed by the Central Government.
- (ii) Mr. Nayan S. Parekh will be entitled to such other privileges, facilities and amenities in accordance with the Company's rules and regulations as may be applicable to other employees of the Company within the overall limits prescribed under the Companies Act, 1956.
- (iii) The terms and conditions of appointment may be varied, altered, increased or enhanced from time to time by the Remuneration Committee as it may in its discretion deem fit, subject to the limits laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained.
- (iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mr. Nayan S. Parekh, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which shall be deemed to include its Committee constituted thereof), subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. Nayan S. Parekh be suitably amended to give effect to such statutory amendment, modification or relaxation without any further reference to the members of the Company in General Meeting."

Notes:

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 7 to 10 above, are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 4 and 5 of the Notice, are also annexed.
2. 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.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th July, 2010 to 31st July, 2010 (both days inclusive) for the purpose of determining eligibility of Members entitled to Dividend. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid after 31st July, 2010.
5. Members holding shares in dematerialized form are requested to intimate all change pertaining to their bank details, NECS, ECS, mandates, nominations, power of attorney, change of address/name, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents 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 Registrars and Transfer Agents, M/s. Link Intime India Private Limited.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.
7. Reserve Bank of India has initiated National Electronic Clearing Service (NECS) for credit of dividend directly to the bank account of members.

Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) with their Depository Participant.

Members holding shares in physical form are requested to provide 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 Registrars and Transfer Agents, M/s. Link Intime India Private Limited.
8. Members, who have not yet encashed their dividend warrant(s) for the financial years 2003-2004 onwards, are requested to write to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078 accordingly. **It may be noted that once such unclaimed dividends are transferred on expiry of seven years, to the Investor Education and Protection Fund as stated herein no claim shall lie in respect thereof.**
9. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations in respect of shares held by them in physical form are requested to send the necessary particulars in form 2B (available on request) to the Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited.
10. The Company has applied to the Central Government for exemption from attaching the accounts and reports of all its subsidiaries under Section 212 of the Companies Act, 1956. Shareholders requiring the same may write to the Company.
11. 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.
12. All intimation regarding change of address, merging of folios, request for making nominations, from shareholders holding shares in physical form and request for revalidation of dividend warrant may be directed to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited.
13. Members/ Proxies should bring the attendance slips filled in for attending the meeting.

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

Priti P. Dave
Company Secretary

Place : Mumbai
Date : May 15, 2010

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

Item No. 7 and 8

Mr. Sharad V. Parekh and Mr. Hiten V. Parekh were appointed as Managing Director and Executive Director respectively, at the Nineteenth Annual General Meeting held on 10th September, 2005. Their respective terms as such were for a period of five years valid upto 12th July, 2010.

Taking into consideration the achievements, knowledge, abilities and their contributions to the Company the Board of Directors of the Company at their meeting held on 15th May, 2010 re-appointed Mr. Sharad V. Parekh and Mr. Hiten V. Parekh as the Managing Director and Executive Director respectively for a period of five years with effect from 13th July, 2010 on the terms of remuneration mentioned in the respective resolutions, with powers to the Board (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s let down in the Companies Act, 1956, or any statutory amendments or relaxation thereof.

The Department of Company Affairs has vide notification dated 16th January, 2002 amended Schedule XIII to the Companies Act, 1956 revising the limits for payment of managerial remuneration by Companies in case of loss or inadequacy of profits. Though it is expected that the Company would make sufficient profits but as a matter of abundant caution the following information as prescribed in the amended Schedule XIII to the Companies Act, 1956 is being provided. However, in the event the remuneration exceeds the limits under Schedule XIII, the Company will apply to the Central Government for necessary approval.

A] General Information:

The Company is in the business of manufacturing moulded plastic articles consisting of moulded plastic furniture, material handling products etc. and operating in retail chain of home decor stores. The Company was incorporated on 5th December, 1985 and commenced its commercial production in 1990. The Company is not a new Company so the date of commencement of activities as per prospectus does not apply. The financial performance of the Company for the year ended 31st March, 2010 is as follows:

(Rs. in Lacs)	
Total Income	103,281.93
Net Profit before Tax	6,588.75
Net worth	25,117.41

During the financial year 2009-2010, the Company's Exports were Rs. 1,672.74 Lacs and the Foreign Exchange Earnings were Rs. 1,776.28 Lacs. During the financial year there were no foreign investments made by the Company.

B] Information about the appointee:

i) Mr. Sharad V. Parekh, aged 65 years, is the Managing Director of the Company. Mr. Sharad V. Parekh is the co-founder of Nilkamal Group. He has over 40 years experience in the Plastic Industry. He looks after marketing and administration of business. With the right mix of entrepreneurial and management skills, he has led the Nilkamal Group to its current status by emphasizing on performance, rightsizing operations and increased focus on the customer. In view of his experience and expertise Mr. Sharad V. Parekh is best suited to his present responsibilities.

During the financial year 2009-2010, Mr. Sharad V. Parekh was paid a total remuneration of Rs. 8,369,792/-.

The proposed remuneration for Mr. Sharad V. Parekh is given in Resolution no. 7 placed before the members.

Taking into consideration the profile of Mr. Sharad V. Parekh, the industry benchmarks, responsibilities, the remuneration being paid is similar to other persons at similar levels.

ii) Mr. Hiten V. Parekh, aged 47 years, is the Executive Director of the Company. Mr. Hiten V. Parekh is a B. Com graduate and holds a diploma in Quality System and Management. He has over 25 years experience in the manufacturing sector. With his hands on experience in the production and technical activities, Mr. Hiten V. Parekh monitors new project development and the day to day operations of the Company.

During the financial year 2009-2010, Mr. Hiten V. Parekh was paid a total remuneration of Rs 8,484,600/-.

The proposed remuneration for Mr. Hiten V. Parekh is given in Resolution no. 8 placed before the members.

Taking into consideration the profile of Mr. Hiten V. Parekh, the industry benchmarks, responsibilities, the remuneration being paid is similar to other persons at similar levels.

C] Other Information:

The Company's income and profits have grown substantially during the year ended 31st March, 2010 on account of stability experienced in raw material prices coupled with value and volume growth and prudent control measures.

The Company has been taking steps to further improve its income and profits in the coming years by way of expansion of manufacturing capacities of its plants, extension of product category, reducing cost and enhancing productivity.

All the relevant disclosures pertaining to the Directors of the Company and which are required to be disclosed in the Report of the Board of Directors under the heading "Corporate Governance" attached to the annual report have been disclosed therewith.

The board recommends the special resolutions for approval.

The draft of the Agreement to be executed between the Company and Mr. Sharad V. Parekh, Mr. Hiten V. Parekh, respectively as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and will also be available at the Meeting.

This may also be treated as an abstract of the terms of contract/agreement between the Company and Mr. Sharad V. Parekh, Mr. Hiten V. Parekh, respectively pursuant to Section 302 of the Companies Act, 1956.

Mr. Sharad V. Parekh and Mr. Hiten V. Parekh are interested in the resolutions at the said items of notice as it pertains to remuneration payable to each of them. Further, Mr. Vamanrai V. Parekh, Mr. Manish V. Parekh and Mr. Nayan S. Parekh are interested in the resolutions at the said items, being related inter se. Except the aforesaid, none of the other Directors of the Company are, in anyway, concerned or interested in the resolutions set above.

Item No. 9 & 10

Mr. Manish V. Parekh and Mr. Nayan S. Parekh were appointed as Whole Time Directors at the Nineteenth Annual General Meeting held on 10th September, 2005. Their respective terms were for a period of five years and expired on 31st March, 2010.

Taking into consideration the achievements, knowledge, abilities and their contributions to the Company the Board of Directors of the Company at their meeting held on 15th May, 2010 re-appointed Mr. Manish V. Parekh and Mr. Nayan S. Parekh as the Executive Directors for a period of five years with effect from 1st April, 2010 on the terms of remuneration mentioned in the respective resolutions, with powers to the Board (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s let down in the Companies Act, 1956, or any statutory amendments or relaxation thereof.

The Department of Company Affairs has vide notification dated 16th January, 2002 amended Schedule XIII to the Companies Act, 1956 revising the limits for payment of managerial remuneration by Companies in case of loss or inadequacy of profits. Though it is expected that the Company would make sufficient profits but as a matter of abundant caution the following information as prescribed in the amended Schedule XIII to the Companies Act, 1956 is being provided. However, in the event the remuneration exceeds the limits under Schedule XIII, the Company will apply to the Central Government for necessary approval.

A] General Information:

The Company is in the business of manufacturing moulded plastic articles consisting of moulded plastic furniture, material handling products etc. and operating in retail chain of home decor stores. The Company was incorporated on 5th December, 1985 and commenced its commercial production in 1990. The Company is not a new Company so the date of commencement of activities as per prospectus does not apply. The financial performance of the Company for the year ended 31st March, 2010 is as follows:

(Rs. in Lacs)

Total Income	103,281.93
Net Profit before Tax	6,588.75
Net worth	25,117.41

During the financial year 2009-2010, the Company's Exports were Rs. 1,672.74 Lacs and the Foreign Exchange Earnings were Rs. 1,776.28 Lacs. During the financial year there were no foreign investments made by the Company.

B] Information about the appointee:

- i) Mr. Manish V. Parekh, aged 41 years, is the Whole-time Director of the Company since 1st April, 2000. Mr. Manish V. Parekh is a B.Com graduate having over 17 years rich experience in the marketing. He monitors the daily functions of the plastic furniture division of the Company as well as @home division of the Company.

During the financial year 2009-2010, Mr. Manish V. Parekh was paid a total remuneration of Rs. 7,928,542/-.

The proposed remuneration for Mr. Manish V. Parekh is given in Resolution no. 9 placed before the members.

Taking into consideration the profile of Mr. Manish V. Parekh, the industry benchmarks, responsibilities, the remuneration being paid is similar to other persons at similar levels.

- ii) Mr. Nayan S. Parekh, aged 38 years, is the Whole- time Director of the Company since 1st April, 2000. Mr. Nayan S. Parekh has a degree in B. S. Plastic Engineering from University of Massachusetts, USA. He has over 15 years experience in the manufacturing sector. He strives hard to innovate, design and provide material handling solutions comparable to international standard. He looks after the manufacturing and operations of material handling section.

During the financial year 2009-2010, Mr. Nayan S. Parekh was paid a total remuneration of Rs. 6,768,446/-.

The proposed remuneration for Mr. Nayan S. Parekh is given in Resolution no. 10 placed before the members.

Taking into consideration the profile of Mr. Nayan S. Parekh, the industry benchmarks, responsibilities, the remuneration being paid is similar to other persons at similar levels.

C] Other Information:

The Company's income and profits have grown substantially during the year ended 31st March, 2010 on account of stability experienced in raw material prices coupled with value and volume growth and prudent control measures.

The Company has been taking steps to further improve its income and profits in the coming years by way of expansion of manufacturing capacities of its plants, extension of product category, reducing cost and enhancing productivity.

All the relevant disclosures pertaining to the Directors of the Company and which are required to be disclosed in the Report of the Board of Directors under the heading "Corporate Governance" attached to the annual report have been disclosed therewith.

The board recommends the special resolutions for approval.

The draft of the Agreement to be executed between the Company and Mr. Manish V. Parekh, Mr. Nayan S. Parekh, respectively, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and will also be available at the Meeting.

This may also be treated as an abstract of the terms of contract/agreement between the Company and Mr. Manish V. Parekh, Mr. Nayan S. Parekh, respectively pursuant to Section 302 of the Companies Act, 1956.

Mr. Manish V. Parekh and Mr. Nayan S. Parekh are interested in the resolutions at the said items of notice as it pertains to remuneration payable to each of them. Further, Mr. Vamanrai V. Parekh, Mr. Sharad V. Parekh and Mr. Hiten V. Parekh are interested in the resolutions at the said items, being related inter se. Except the aforesaid, none of the other Directors of the Company are, in anyway, concerned or interested in the resolutions set above.

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

Place: Mumbai
Date: May 15, 2010

Priti P. Dave
Company Secretary

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Dadi B. Engineer	Mr. Sharad V. Parekh	Mr. Hiten V. Parekh	Mr. Manish V. Parekh	Mr. Nayan S. Parekh
Date of birth	01-12-1923	06-05-1945	27-05-1963	04-02-1969	08-03-1972
Date of appointment	07-01-1991	14-06-1990	09-12-1985	01-04-2000	01-04-2000
Expertise in specific area	Indirect Taxation, Corporate and Civil Law.	Industrialist with wide and rich experience in Plastic Industry	Industrialist with enriched and diverse experience in Corporate Management	Industrialist with rich experience in Marketing Management	Industrialist with enriched and diverse experience in Manufacturing Sector
Qualifications	B. A., LL. B., Advocate and Attorney	Inter Commerce	B.Com, Diploma in Quality System and Management	B.Com.	B.S. Plastics Engineering U.S.A
Directorship in other Public Limited Companies	1. Atlas Copco Limited 2. Forvol International Services Limited 3. Fiora Services Limited 4. Foods & Inns Limited 5. Forbes & Company Limited 6. PCS Industries Limited 7. Welspun India Limited 8. Zuari Industries Limited	---	---	---	---
Membership of Committees in other Public Limited Companies	Audit Committee 1. Zuari Industries Limited 2. Atlas Copco Limited 3. Forbes & Company Limited 4. Foods & Inns Limited 5. Welspun India Limited Remuneration Committee 1. Atlas Copco Limited Shareholders' / Investors' Grievance Committee 1. Zuari Industries Limited 2. Atlas Copco Limited Share Transfer Committee 1. Zuari Industries Limited	---	---	---	---
Number of Shares Held	Nil	12,92,908	11,39,455	6,71,789	10,17,440

DIRECTORS REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2010.

Dear Members,

Your Directors have pleasure to present this 24th ANNUAL REPORT of the Company together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS:

(Rs.in Lacs)

	2009-2010	2008-2009
Gross Turnover and Other Income	116639.51	103203.30
Net Turnover and Other Income	103281.93	89086.33
Profit before Depreciation and Tax	9806.26	4299.67
Less: Depreciation on Fixed Assets	3217.51	3117.10
Profit before Tax	6588.75	1182.57
Less: Provision for Taxes	1864.89	572.44
Profit after Tax	4723.86	610.13
Amount Available for Appropriations	9615.73	5290.97
Less: Appropriations:		
i) Proposed Final Dividend	383.47	255.65
ii) Interim Dividend	255.65	-
iii) Total Tax on Dividend	107.14	43.65
iv) Transfer to General Reserves	1900.00	100.00
Leaving a Balance to be carried forward	6969.47	4891.87
Earnings Per Share (before charging of loss on sale of investment and other liability related to its subsidiary at Bangladesh) (Rs.)	41.12	8.85
Earnings Per Share (after charging of loss on sale of investment and other liability related to its subsidiary at Bangladesh) (Rs.)	36.96	4.77
Cash Earnings Per Share (before charging of loss on sale of investment and other liability related to its subsidiary at Bangladesh) (Rs.)	66.29	33.23
Cash Earnings Per Share (after charging of loss on sale of investment and other liability related to its subsidiary at Bangladesh) (Rs.)	62.13	29.16
Book Value per Share (Rs.)	196.50	165.38

DIVIDEND

Your Company paid an Interim Dividend of Rs. 2/- per equity share (20%) in January, 2010. The Board of Directors now recommend a Final Dividend of Rs. 3/- per equity share (30%) which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company, making the aggregate dividend at Rs. 5/- per equity share (50%), against previous year's Rs. 2/- per equity share (20%). The requisite amount of Rs. 746.26 Lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

RESERVES

Your Directors have proposed to carry a sum of Rs. 1,900 Lacs to the General Reserve Account out of the profits available.

YEAR IN RETROSPECT

The financial year 2009-2010 has shown signs of recovery in the major economies of the world which were affected by the economic slowdown in the previous financial year. During the year under review, Governments around the world acted quickly and decisively, and in a coordinated manner, which helped to prevent the situation slipping into a full scale depression.

Your Company has successfully managed to overcome the effects of the global economic downturn which became evident with its performance during the year under review. The gross turnover of the Company has increased to Rs. 116,163 Lacs as compared to Rs. 103,026 Lacs in the previous year. During the financial year 2009-2010, the operating profit of the Company has increased to Rs. 12,276 Lacs as compared to Rs. 8,262 Lacs in the previous year. The plastic business has achieved a volume growth of 27% and value growth of 21%.

The retail business of the Company i.e. @home division has achieved a gross turnover of Rs. 13,278 Lacs resulting into a growth of 7% as compared to the previous year. During the year under review the Company had sixteen @home stores in eleven cities. The Company's development programs for its retail business are progressing satisfactorily and further it has plans to expand its presence, product range and reach towards becoming a strong player in this market.

AWARDS AND RECOGNITIONS

During the year under review, the moulded plastic furniture business of the Company have been awarded the "Top Exporter of Plastic Furniture" for the year 2008-09 by the Plastics Export Promotion Council. We have been accorded the status of "Star Export House" by the Ministry of Commerce and Industry for a period of five years, effective from 1st April, 2009.

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

As on 31st March, 2010, the Company had three subsidiaries out of which Nilkamal Eswaran Plastics Private Limited and Nilkamal Eswaran Marketing Private Limited are based at Colombo, Sri Lanka and Nilkamal Crates and Bins-FZE at Ajman, U.A.E.

During the year under review, all the subsidiaries of the Company has performed well and are expected to exhibit the same growth in the current financial year.

During the year under review the Company sold its entire investment in its two subsidiaries after considering the economic situations and viability of the projects. The Company had disposed off its stake in Starshine Land Developers Private Limited on 23rd July, 2009. Further the investment in Nilkamal Padma Plastics Private Limited, Bangladesh was sold on 31st March, 2010 to the local Joint Venture Partner.

The statement pursuant to Section 212 of the Companies Act, 1956 is annexed to this report.

The business of Indo German Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited in its third year of operation has achieved turnover of Rs. 3,630 Lacs as compared to Rs. 2,810 Lacs for previous year and has incurred net loss for the financial year 2009-2010 of Rs. 804 Lacs against Rs. 372 Lacs of the previous year.

EXPORTS

Company's Exports during the year were Rs. 1,673 Lacs as compared to Rs. 1,644 Lacs in the previous year.

FIXED DEPOSITS

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

AUDITORS AND AUDITORS' REPORT

The Joint Auditors M/s. Dalal & Shah and M/s. Vora & Associates, retire at the ensuing Annual General Meeting. It has been decided that M/s. Dalal & Shah and M/s. Vora & Associates, would be re-appointed as the Joint Statutory Auditors of the Company.

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

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

DIRECTORS

Mr. Dadi B. Engineer, Mr. Rajesh G. Kapadia and Mr. Hiten V. Parekh, Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. Rajesh G. Kapadia has expressed his unwillingness to be

re-appointed at the ensuing Annual General Meeting due to his other professional commitments and accordingly shall not be re-appointed as the Director of the Company. Mr. Dadi B. Engineer and Mr. Hiten V. Parekh being eligible have offered themselves for re-election.

The Board of Directors put on record the efforts and contribution of Mr. Rajesh G. Kapadia for six years. His association with the Company for such a long period and the guidance provided by him from time to time has been remarkable.

Brief resume of the Directors proposed to be re-appointed, nature of the expertise in specific functional areas, name of the Companies in which they hold Directorships and Memberships/ Chairmanships of the Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreements 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 form part of the Annual Report and Accounts.

PARTICULARS OF EMPLOYEES

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and as amended and forming part of the Directors' Report for the year ended 31st March, 2010 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 15, 2010

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

Energy conservation is one of the priority area for the Company being a low cost option to mitigate the gap between demand & supply as well as to reduce our cost of production. Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. The Company's constant efforts to reduce and optimise the use of energy consumption have shown positive results. Better controls are planned to achieve further reduction in energy consumption.

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-
Moulded plastic furniture, Material handling products etc.
2. Benefits derived as a result of the above R & D-
Development in manufacturing processes, improvement in quality of products, improvement in productivity.
3. Future Plan of Action-
To continue to modify process parameters to improve the quality and productivity of our major products.
4. Expenditure on R & D-

a) Capital	Nil
b) Recurring	Rs. 60.66 Lacs
c) Total	Rs. 60.66 Lacs
d) Total R&D as percentage of total turnover	0.05 %

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation-
The Company makes constant efforts to upgrade the technology in order to ensure use of contemporary and novel methods of manufacturing. Training is offered to plant personnel in absorption of specific skills to absorb and adapt technology. Improvement of product quality are done by acting on customer feedbacks.
2. Benefits derived as a result of the above efforts-
 - Improvement in quality and productivity and reduction in cost.
 - 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-

(Rs. in lacs)

	2009-2010	2008-2009
Foreign Exchange Earned	1,776.28	1,626.88
Foreign Exchange Used	12,010.64	8,719.10

For and on behalf of the Board

Place: Mumbai
Date: May 15, 2010

Vamanrai V. Parekh
Chairman

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

1.	Name of the subsidiary	Nilkamal Eswaran Plastics Private Limited	Nilkamal Eswaran Marketing Private Limited	Nilkamal Crates and Bins - FZE
2.	Country	Sri Lanka	Sri Lanka	U.A.E.
3.	Financial Year of the subsidiary company ended on	31 st March, 2010	31 st March, 2010	31 st March, 2010
4.	Number of shares held by Nilkamal Limited with its nominees in the subsidiary at the end of the financial year of the subsidiary company.	15,20,000 equity shares of SLR 10 each fully paid-up.	Being a wholly owned subsidiary of Nilkamal Eswaran Plastics (Pvt) Ltd., Nilkamal Limited holds 76% of the equity share capital through its subsidiary.	Wholly owned subsidiary incorporated in Ajman - UAE 1 share of AED 1,85,000/- fully paid up.
5.	Holding Company's Interest	76%	76%	100%
6.	The net aggregate amount of the subsidiary company's Profit/(Loss) so far it concerns the members of the holding Company. a. Not dealt with in the holding Company Accounts – 1. For the Financial year ended 31 st March, 2010 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary b. Dealt with in the holding Company Accounts 1. For the Financial year ended 31 st March, 2010 2. For the previous financial years of the subsidiary company since it became the holding Company's subsidiary.	SLR 49,584,047 SLR 21,121,163 SLR 10,640,000 SLR 3,040,000	SLR 1,584,602 SLR 1,550,098 NIL NIL	AED 1,088,664 AED 1,786,350 NIL NIL

For and on behalf of the Board

Vamanrai V. Parekh
Chairman

Sharad V. Parekh
Managing Director

Place: Mumbai
Date: May 15, 2010

Paresh B. Mehta
Finance Controller

Priti P. Dave
Company Secretary

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company looks upon a sound Corporate Governance as a mechanism which protects the interest of all the stakeholders by instilling the core values of transparency, integrity, professionalism and accountability in all the facets of its operations. The Company believes that a strong system of corporate governance is an essential pre-requisite for creating long-term shareholder value.

The Company acknowledges its responsibilities towards its shareholders, customers, employees, vendors, dealers and the society at large and hence it upholds the objective of sustainable growth by ethical and efficient conduct of business which will ultimately lead to better performance, increased investor confidence and higher value creation.

Further to implement the Corporate Governance practices, Nilkamal Limited has a well defined policy framework consisting of the following:

- Code of Conduct and Ethics for Board of Directors and Senior Management Personnel.
- Code of Conduct for Prevention of Insider Trading

I. BOARD OF DIRECTORS

THE COMPOSITION OF THE BOARD

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. During the fiscal 2010, the Board consisted of Ten Directors; Six amongst them being Non-Executive Directors which includes a Non-executive Chairman. Five out of the Six Non-executive Directors are Independent Directors. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law, and public enterprises.

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

Membership and Chairmanship of all the Directors who are on various committees, the composition of the Board and the number of outside Directorships and Committee position as held by each of the Directors as on 31st March, 2010 is as follows:

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2009-2010	Attendance at the Last AGM	AS ON 31-3-2010		
				No. of Directorship in other Public Companies*	Committee membership in other Companies#	Chairmanship in committees in which they are members#
D. B. Engineer	Independent, Non-Executive Director	4	No	8	7	3
K. R. Ramamoorthy	Independent, Non-Executive Director	5	Yes	8	7	1
Mahendra V. Doshi	Independent, Non-Executive Director	4	No	4	3	1
R. P. Goyal	Independent, Non-Executive Director	4	No	2	2	2
Rajesh G. Kapadia	Independent, Non-Executive Director	3	No	8	8	5
Hiten V. Parekh	Promoter, Executive Director	5	Yes	—	—	—
Manish V. Parekh	Promoter, Executive Director	5	Yes	—	—	—
Nayan S. Parekh	Promoter, Executive Director	4	No	—	—	—
Sharad V. Parekh	Promoter, Executive Director	5	Yes	—	—	—
Vamanrai V. Parekh	Promoter, Non Executive Director	5	Yes	—	—	—

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

Includes Audit Committee and Shareholders' Grievance Committee only.

There were five Board Meetings of the Company held during the financial year 2009-2010, on the following dates: 27th May, 2009, 13th June 2009, 24th July 2009, 14th October 2009 and 16th January 2010.

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

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

AUDIT COMMITTEE

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

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

Name of Director	Category	No. of Meetings	
		Held	Attended
K. R. Ramamoorthy	Independent, Non- ExecutiveChairman	5	5
Mahendra V. Doshi	Independent, Non-Executive	5	4
D. B. Engineer	Independent, Non-Executive	5	4
R. P. Goyal	Independent, Non-Executive	5	4
Vamanrai V. Parekh	Promoter, Non-Executive	5	5

The Company Secretary acts as the Secretary to the Committee.

The Managing Director and Whole Time Directors were invited to attend the Audit Committee meetings held during the year 2009-2010. Senior Executives representing Finance, Accounts and Internal Audit functions were also invited to attend and participate at the Audit Committee Meetings. Representatives of Statutory Auditors and Internal Auditors also attended the Audit Committee meetings.

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

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

REMUNERATION COMMITTEE:

The Remuneration Committee was constituted by the Board of Directors at its meeting held on 24th July, 2009.

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.

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

- i) 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;
- ii) To determine on behalf of the Board of Directors the remuneration payable to the other non executive directors.
- iii) 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 the performance of the Company, trend in industry, appointee's qualifications, experience, past performance, past remuneration, etc.

REMUNERATION OF DIRECTORS

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

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

Remuneration of Directors for the Financial Year 2009-2010.**(Sitting fees include fees for attending the Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings)**

Director	Salary & perquisites (Rs.)	Sitting fees (Rs.)	Total (Rs.)	No. of Shares held as on 31-3-2010
D.B. Engineer	Nil	1,10,000	1,10,000	Nil
K.R. Ramamoorthy	Nil	1,35,000	1,35,000	Nil
Mahendra V. Doshi	Nil	1,10,000	1,10,000	32,000
R.P. Goyal	Nil	1,00,000	1,00,000	100
Rajesh G. Kapadia	Nil	45,000	45,000	Nil
Vamanrai V. Parekh	Nil	1,25,000	1,25,000	17,30,006
Hiten V. Parekh	84,84,600	Nil	84,84,600	11,39,455
Manish V. Parekh	79,28,542	Nil	79,28,542	6,71,789
Nayan S. Parekh	67,68,446	Nil	67,68,446	10,17,440
Sharad V. Parekh	83,69,792	Nil	83,69,792	12,92,908

Note:- No amount by way commission was paid to any Directors during the financial year ended 31st March, 2010.

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.

SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

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

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

The Company Secretary is the Compliance Officer to this Committee.

Report on complaints received from the Investors during the period 1st April, 2009 to 31st March, 2010.

Opening Balance	No. of complaints/letters received during the Year	No. of complaints/letters attended	Closing Balance
Nil	16	16	Nil

The Company has assigned its share transfer and dematerialisation work to Link Intime India Private Limited, Registrar and Transfer Agents. As on 31st March, 2010 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

GENERAL BODY MEETINGS.

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

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
23 rd AGM	13-8-2009	11.30 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli	NIL
22 nd AGM	9-8-2008	11.00 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli	1) To raise funds by offer and issue of further securities. 2) To issue equity shares through Qualified Institutions Placement.
21 st AGM	18-8-2007	11.30 a.m.	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli	NIL

Details of Extraordinary General Meetings held during the year:

Sr. No	Date	Time	Venue	Purpose
1	12-02-2010	11.30 a.m	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli	To pass a Special Resolution for further issue of securities by way of Qualified Institutions Placements

POSTAL BALLOTS

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

DISCLOSURES

a) RELATED PARTY TRANSACTIONS:

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

b) COMPLIANCE WITH REGULATIONS:

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

c) RISK MANAGEMENT:

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

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date & Time	: 31 st July, 2010 at 11.00 a.m.
Venue	: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Village Vasona, Union Territory of Dadra & Nagar Haveli.
Financial Calendar	: Financial Year : 1 st April, 2010 to 31 st March, 2011. Results for Quarter ending June 30, 2010 – Before 14 th August, 2010. Results for Quarter ending September 30, 2010 – Before 14 th November, 2010. Results for Quarter ending December 31, 2010 – Before 14 th February, 2011. Results for Quarter/Year ending March 31, 2011– Before 30 th May, 2011.
Date of Book Closure	: From 24 th July, 2010 to 31 st July, 2010 (both days inclusive).
Dividend Payment Date	: A Final dividend of Rs. 3/- per share has been recommended by the Board of Directors, which is subject to approval from the Shareholders at the ensuing Annual General Meeting, which if approved will be paid on or after 31 st July, 2010.
Listing on Stock Exchanges	: The Company's equity shares are listed on the following two Stock Exchanges in India.

Name of the Stock Exchange	Stock Code
1. The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	523385
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	NILKAMAL

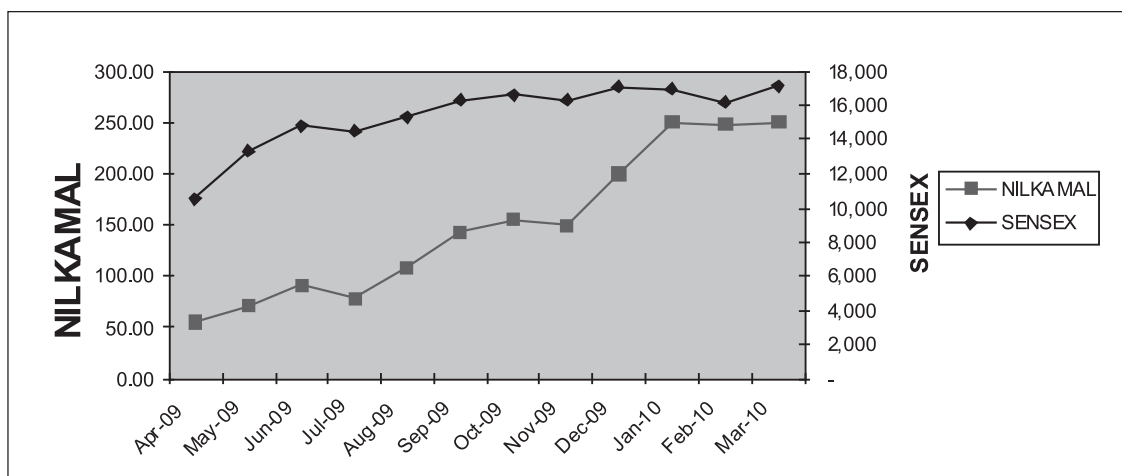
Demat ISIN in NSDL and CDSL for Equity Shares: INE310A01015

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

Market Price Data

The Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
Month	High	Low	Month	High	Low
April, 2009	65.00	45.00	April, 2009	69.90	44.95
May, 2009	88.00	55.10	May, 2009	94.00	56.60
June, 2009	111.90	68.60	June, 2009	111.90	68.00
July, 2009	94.80	60.75	July, 2009	94.25	60.75
August, 2009	138.50	80.15	August, 2009	138.45	81.30
September, 2009	154.00	132.00	September, 2009	153.00	130.50
October, 2009	174.40	137.00	October, 2009	174.95	135.00
November, 2009	172.80	128.00	November, 2009	172.70	127.25
December, 2009	245.50	153.90	December, 2009	246.50	152.05
January, 2010	285.00	215.00	January, 2010	284.80	216.00
February, 2010	279.45	216.60	February, 2010	279.90	222.00
March, 2010	271.30	230.40	March, 2010	270.95	230.25

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the Financial Year 2009-2010. *



* 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 Agent for physical shares of the Company. Link Intime is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

Slab of Equity Shares	No. of Shareholders	% of Shareholders	Amount (Rs.)	% of Shareholding
0-5000	7,294	91.74	85,40,090	6.68
5001 to 10000	342	4.30	27,58,120	2.16
10001 to 20000	150	1.89	22,72,070	1.78
20001 to 30000	36	0.45	9,16,730	0.72
30001 to 40000	21	0.26	7,28,620	0.57
40001 to 50000	23	0.29	10,85,880	0.85
50001 to 100000	35	0.44	24,44,720	1.91
100001 and above	50	0.63	10,90,77,210	85.33
Total	7,951	100.00	12,78,23,440	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	71.25	91,07,385
Mutual Funds & UTI	4	4.19	5,35,142
Banks, Financial Institutions, Insurance Companies	2	0.00	375
FII	3	0.01	1,800
Bodies Corporate	395	4.78	6,10,212
Individuals	7,414	17.83	22,79,727
NRIs & OCB	106	1.94	2,47,703
Total	7,951	100	1,27,82,344

Dematerialisation of shares and liquidity:

97.82% of the Company's Share Capital is dematerialised as on March 31, 2010. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Plant Locations:

Barjora Unit	Plot No. 1498/2613, WBIDC, Barjora Mejia Road, P.S. Barjora, District: Bankura, West Bengal.
Jammu Unit	Plot No. 1107, IGC, Phase – II, Samba – 184 121, Jammu & Kashmir.
Kharadapada Unit	Survey No. 389, 391, 393, 396 & 401, Naroli – Kharadpada Road, Village: Kharadpada, Silvassa -396230 U.T. of Dadra & Nagar Haveli.
Noida Unit	Plot No.26, B/C Sector No.31, Surajpur – Kasna Road, Greater Noida – 203 207 (U.P.)
Pondicherry Unit	19/3-5, 18/1 & 21/6, Pit -Olaivaikkal Village, Koodapakam Villianoor Road, Villianoor Taluk, Puducherry – 605 110.
Sinnar Unit	STICE, Plot No.971/1A, Sinnar Shirdi Road, Sinnar-422 103, Dist, Nashik, Maharashtra.
Vasona Unit	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
Registered Office	Survey No. 354/2 & 354/3, Near Rakoli Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli
Corporate Office	Nilkamal House, Plot No.77/78, Road No.13/14, MIDC, Andheri (E), Mumbai – 400 093.

Address for Correspondence:

Investors can communicate at the following addresses:

- Ms. Priti P. Dave - Company Secretary
Nilkamal Limited
77/78, Nilkamal House,
Road No. 13/14, MIDC,
Andheri-East, Mumbai 400 093.
E-mail:- investor@nilkamal.com
Tel:- 022-42358888 Fax:- 022-28361923
- Link Intime India Private Limited
C-13, Kantilal Maganlal Estate,
Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai 400 078.
Tel: 022-25963838
Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members,
Nilkamal Limited

We have examined the compliance of conditions of Corporate Governance by Nilkamal Limited, for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreements 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 Agreements.

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

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Bharat B. Chovatia

Partner
Membership Number: 031756

Place: Mumbai

Date: May 15, 2010

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

The financial year 2009-2010 started with a bleak mindset on global economy. The year under review was expected to face the force of the economic crisis across the world. However, the Indian economy displayed a remarkable resilience and has almost bounced back from the after effects of the recent global melt-down.

There were visible signs of recovery indicated by the emergence of the manufacturing sector from stagnant or negative growth, the strong rally in equity markets, the huge mobilisation of funds by private corporates from the capital market etc. However, the poor monsoon during 2009-10, after successive good rains in the past seven years, casted a shadow on recovery. As a result the annual inflation climbed to a high of 9.8% in February, 2010.

The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows into the economy. Yet, over the span of the year, the Indian economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

Your Company has successfully managed to overcome the effects of the global economic downturn which became evident with its performance during the year under review. Your Company has shown its enormous potential that lies on the horizon. Our focus on business has made us improve quarter by quarter in the financial year 2009-10. On the business front, the Company had delivered a healthy performance by achieving the gross turnover of Rs. 116,163 Lacs against Rs. 103,024 Lacs in the previous year. During the financial year 2009-2010, the operating profit of the Company has increased to Rs. 12,276 Lacs as compared to Rs. 8,262 Lacs in the previous year.

Plastic Division

The plastic business has achieved a volume growth of 27% and value growth of 21%. During the Financial Year 2009-10 it has achieved total turnover of Rs. 102,885 Lacs as compared to Rs. 90,496 Lacs in the previous year.

The **Moulded Furniture Business** of the company saw a bounce back in terms of top line growth of 30% in revenue terms & 34% in volume terms over the previous financial year with a market share of 39% in the industry comprising of two national players and around 60 regional players spread across the country. The Furniture Business of the Company is enjoying the leading position in the market with a sizeable gap between its closest competitors in this segment.

The prominent reason behind the growth witnessed by the Furniture Business is the stability in raw material prices unlike 2008-09 period wherein severe volatility impacted the net realisations. The stability of raw material prices maintained an uninterrupted consumer demand throughout 2009-10 and going forward we see prices remaining stable without much volatility as the global supply situation for polymers primarily used by the Company would be well balanced due to commissioning of new plants in India and overseas. The Furniture Business is gearing up for a 20% growth rate on an year-on-year basis mainly by building up on the range of Seating Solution with introduction of more value added products and pan India penetration by commissioning depots and increasing the service quotient to augment the leadership position further.

One sees consistent growth happening in our industry without a break in cycle for the next few years. The challenge, however, would be constant innovations, a well spread out distribution module and the ability to keep the products affordable even during a fluctuating polymer price regime. We feel that with the infrastructure in place and a formidable leadership position attained, the Moulded Furniture Business is poised for a sustainable growth by offering value added products like storage solutions, utility based products to the already penetrated 3 Crore Nilkamal household who are by now well aware of the strengths and value for money proposition of Nilkamal furniture. There is also a growing trend for Hybrid designer chairs for commercial establishments like food courts, malls and offices where vibrant colours and aesthetic looks contribute to the overall ambience which is also a strength of your Company.

The **Material Handling Business** has achieved volume growth of 18% & value growth of 14%. The Company is already a Market leader for its **One Stop Material Handling Shop**, philosophy of all under **One Roof**, consolidated its position in Plastic Crates, Bins, Pallets, Material Handling Equipments, Vertical Storage Systems & also Automated Storage & Retrieval Systems.

Various New products introduced in the Roto Moulded, Vaccum Formed, Blow Moulding, PU Filled Insulated segments have been received well in the market.

The Company further consolidated its Business of Marketing of Range of Hospitality products of World Leaders like CAMBRO Manufacturing of USA & TIGRE of Korea by enhancing the Product Range.

The Joint-venture with BITO Lagertechnik, Germany for manufacture of metallic storage systems has further strengthened its positioning in the market and continues to receive large projects.

The renewed Industrial & Infrastructure Developments on the recovery of World economy, coming out recession,

posses tremendous opportunities for Material Handling Business as all such Development now focuses also on efficient methods of material storage & handling.

Governments thrust on development of Agriculture & Horticulture Sectors with focus on efficient methods of handling of products, posses an enormous opportunity for the Company.

The Implementation of GST regime, would bring enormous opportunities for Material Handling Business by requirements of large, efficient, planned Warehousing for all sectors.

The rise in price of crude & its effective rise in price of plastic raw material & uncertainties in availability 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. @home has become a trusted brand among the consumers & acquired a reputation of a serious player in the Indian retail industry in the home décor category. @home has currently 16 stores across India.

@home, in the year 2009 – 10 was spread across 12 major cities with 16 stores in India with total retail space of around 268000 sq ft. (carpet area). Its turnover of FY 2009 – 10 was 132.77 Crores, witnessing a growth of approx 7%.

With economic upturn & increase in consumer demand with positive sentiments back in market, organized retail growth is poised to pick up in the FY 2010 – 11. With encouraging trend in consumer buying, @home targets to achieve 25 – 30% same store sales growth in the FY 2010 -11, which is the trend observed in the last few months.

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

@home has invested significantly in back end systems & all the business functions, which are ready to take on the expansion plans as per market requirements.

The total Indian furniture market is estimated to be more than Rs. 70,000 Crores. The industry is dominated by the unorganised 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.

Management believes that entry of more organised players will accelerate the shift from unorganized to organised market. Organised 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 Rs.12,276 Lacs against Rs. 8,262 Lacs in the previous year, an increase of 48.57% over the previous year.

The operating margin of the Company increased to 11.94 % as compared to 9.29% in the previous year. Whereas the operating margin of plastic business of the Company has increased to 14.69% as compared to 11.92% in the previous year. This is on account of volume & value growth, improved COGS ratio, high brand establishment cost incurred for '@home' retail business etc.

Interest

Interest and Financial cost has been reduced by Rs. 1,493 Lacs i.e. from Rs. 3,963 Lacs to Rs. 2,470 Lacs. This is due to improved gross margin along with reduction in average utilisation of borrowed funds & it's cost.

Net Profit

The Company has made net profit of Rs. 5,305 Lacs (excluding loss on sale of investment & discharge of other liability of Bangladesh subsidiary totaling to Rs. 581 Lacs) as against Rs. 1,130 Lacs (excluding provision for diminution in value of investment in Bangladesh subsidiary of Rs. 521 Lacs) The improvement in profitability is due to improved operating margin and saving in finance cost.

Dividend

The Company has paid an interim dividend of Rs. 2/- per equity share (20%) and has proposed final dividend of Rs. 3/- per equity share (30%) for the current year. The total outflow amounts to Rs. 746.26 Lacs including dividend distribution tax.

Capital Employed

The total Capital Employed stood at Rs. 53,438 Lacs against Rs. 49,660 Lacs of previous year. Return on Capital Employed is 17.57% against 10.04% of previous year, while Return on Equity is 28.21% against 5.64% of previous year.

The total debt to equity stands at 1.09 time against 1.33 time of the previous financial year.

Subsidiary and Joint Venture Performance

The Sri Lankan Subsidiary has achieved turnover of SLR 8,129 Lacs and net profit of SLR 652 Lacs as compared to previous year turnover of SLR 7,239 Lacs and net profit of SLR 278 Lacs.

During the year under review, the Company has received towards Technical and Management Fees of Rs. 85 Lacs (previous year Rs. 76 Lacs) and dividend of Rs. 87 Lacs (previous year Rs. 13 Lacs) from the said subsidiary.

The subsidiary at Ajman has achieved a turnover of AED 89 Lacs with net profit of AED 11 Lacs against previous year turnover of AED 106 Lacs with net profit of AED 18 Lacs.

In July 2009, the Company has sold its investment held in Indian Subsidiary engaged in real estate development business at cost. With this the Company has exited from real estate business.

In March 2010, Company has exited from its operation in Bangladesh by selling its investment to Local Joint Venture Partner. Over a period of time Company has suffered total loss of Rs. 1,101 Lacs.

The Joint Venture Company – Nilkamal BITO Storage Systems Pvt. Ltd. is in manufacturing of storage systems of metal for providing intra-logistics solutions. In third year of operation, it has achieved turnover of Rs. 3,630 Lacs and has incurred a total loss of Rs. 804 Lacs as compare to Previous Year turnover of Rs. 2,810 Lacs and Net loss of Rs. 372 Lacs. The Company has contributed Rs. 2,215 Lacs towards equity of the said joint venture. The continuous growth of Indian economy shall provide growth opportunity for this business in years to come. The Company has received Rs. 119 Lacs (previous year Rs. 93 Lacs) towards Technical and Management Fees from the said Joint Venture Company.

Internal Control Systems and Their Adequacy

All the Company's major business processes are currently run on SAP, the latest in ERP. The Company has adequate Internal Audit System commensurate with the size and nature of operations. Independent firms of Chartered Accountants carries out the Internal Audit at all of its manufacturing sites and @home stores.

The Internal Auditors periodically interact with the Audit Committee of the Board of Directors to discuss the terms of reference and frequency of the audit, significant audit observations and their disposals and remedies if any.

Regular Internal Audits at majority of our locations are undertaken to ensure that the highest standards of internal control are maintained. Reports of the Internal Auditors are regularly placed and reviewed by the Audit Committee in light of the management response to audit observations. The Committee also meets the Statutory Auditors to ascertain their views on adequacy of internal controls and their observations on financial reports.

Human Resources Management and Industrial Relations

We believe that people are the backbone of the organization and hence we lay great emphasis on optimizing their performance. We currently have a pool of around 2,333 individuals in our fold. The entrepreneurial spirit has been a hallmark of the organisation and to preserve this spirit, employee's engagement levels are being monitored, and where necessary actions are taken to reinforce people's bonding with the Company. Periodic training provided by the HR department aims at higher competency development and preparing the workforce for future challenges ahead.

Occupational health and safety are given the utmost importance in the Company. The Company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities trusting them with the freedom to act and to take responsibility.

The relationship between the Company and the employees were cordial and the Company experienced peace and harmony through out the year.

Cautionary Statement

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

To

The Members,
Nilkamal Limited

1. We have audited the attached Balance Sheet of Nilkamal Limited as at 31st March, 2010, and the related Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 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 2010;
 - (ii) in the case of the Profit and Loss Account, 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: 037942

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

Bharat B. Chovatia

Partner
Membership Number: 031756

Place: Mumbai
Date: May 15, 2010

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, 2010

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 has 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 has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them at the close of the year.
(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. (a) The company has granted secured/unsecured loans, to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregate Rs.6005.74 lacs and Rs.3178.24 lacs respectively.
(b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
(c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
(d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
(e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business 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 Lacs 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. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
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, cess 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 income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of disputes are as follows:

Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax (including Value Added Tax)	243.90	2001 to 2005	Supreme Court
	47.72	2005 to 2007	High Court
	25.14	2002 to 2004 and 2006 to 2008	Departmental Authorities
Excise Duty	9.62	1999 to 2001	High Court

10. The Company has no accumulated losses as at 31st March, 2010 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 holder during the year.
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. In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name.
14. According to the information and explanations given to us, and the representations made by the management, the Company has given guarantees for loans taken by a subsidiary from Banks. The terms and conditions of such guarantees are, prima-facie, not prejudicial to the interests of the Company.
15. 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.
16. 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.
17. 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.
18. The Company has, during the year, issued short term privately placed debentures which have been repaid before the due date for creation of any security in favour of the debenture holders.
19. The Company has not raised any money by public issues during the year.
20. 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 such case by the management.
21. The other clauses, (iii)(f), (iii)(g) and (xiii) of paragraph 4 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 aforesaid Order.

For Dalal & Shah

Firm Registration Number: 102021W
Chartered Accountants

For Vora & Associates

Firm Registration Number: 111612W
Chartered Accountants

S. Venkatesh

Partner
Membership Number: 037942

Bharat B. Chovatia

Partner
Membership Number: 031756

Place: Mumbai
Date: May 15, 2010

Balance Sheet

Nilkamal Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT 31.03.2010 Rs. in Lacs	AS AT 31.03.2009 Rs. in Lacs
I SOURCES OF FUNDS			
1. SHAREHOLDERS' FUND			
(a) Share Capital	A	1,278.23	1,278.23
(b) Reserves and Surplus	B	23,839.18	19,861.58
		25,117.41	21,139.81
2. LOAN FUNDS			
(a) Secured Loans	C	27,873.39	25,520.46
(b) Unsecured Loans	D	-	3,000.00
		27,873.39	28,520.46
3. DEFERRED TAX LIABILITY (NET) [Refer Note 19]		1,351.68	1,378.03
TOTAL		54,342.48	51,038.30
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	E	44,931.80	43,101.76
Less: Depreciation/Amortisation		23,410.16	20,407.93
Net Block		21,521.64	22,693.83
(b) Capital Work In Progress [Refer Note 8]		869.44	594.03
		22,391.08	23,287.86
2. INVESTMENTS	F	2,429.09	2,377.59
3. CURRENT ASSETS, LOANS AND ADVANCES	G		
(a) Inventories		15,640.03	13,624.64
(b) Sundry Debtors		13,250.00	10,520.45
(c) Cash and Bank Balances		1,303.11	1,355.45
(d) Loans and Advances		9,741.48	8,091.16
		39,934.62	33,591.70
LESS:CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	H	9,022.86	7,165.31
(b) Provisions	I	1,389.45	1,053.54
		10,412.31	8,218.85
NET CURRENT ASSETS		29,522.31	25,372.85
TOTAL		54,342.48	51,038.30
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

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. : 037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

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

Bharat B. Chovatia

Partner
Membership No. : 031756

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 15, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	SCHEDULE	Year Ended on 31.03.2010 Rs. in Lacs	Year Ended on 31.03.2009 Rs. in Lacs
I INCOME			
Gross Sales and Income from Services	J	116,162.60	103,025.61
Less : Duties and Levies		13,357.58	14,116.97
NET SALES		102,805.02	88,908.64
Other Income	K	476.91	177.69
TOTAL		103,281.93	89,086.33
II EXPENDITURE			
Materials consumed / Cost of goods traded / Variation in stocks	L	62,709.49	56,190.16
Employees' Remuneration and Benefits	M	5,660.56	5,090.18
Operating and Other Expenses	N	22,635.99	19,543.56
Financial Expenses	O	2,469.63	3,962.76
Depreciation/Amortisation		3,217.51	3,117.10
TOTAL		96,693.18	87,903.76
Profit before Taxation		6,588.75	1,182.57
Provision for taxation			
Current Tax		1,850.00	290.00
Deferred Tax [Refer Note 19]		(26.35)	177.79
Fringe Benefit Tax		-	105.00
Taxation for earlier years written off / (written back)		41.24	(0.35)
NET PROFIT AFTER TAX		4,723.86	610.13
Balance of Profit Brought Forward		4,891.87	4,680.84
PROFIT AVAILABLE FOR APPROPRIATION		9,615.73	5,290.97
III APPROPRIATIONS			
Proposed Dividend		383.47	255.65
Interim Dividend		255.65	-
Tax on Dividend		107.14	43.45
Transfer to General Reserve		1,900.00	100.00
Balance carried to Balance Sheet		6,969.47	4,891.87
		9,615.73	5,290.97
Earnings per Equity Share of Rs. 10/- Each [Refer Note 24]			
Basic and Diluted Earnings per Share		36.96	4.77
SIGNIFICANT ACCOUNTING POLICIES	P		
NOTES TO ACCOUNTS	Q		

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. : 037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

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

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 15, 2010

Cash Flow Statement

Nilkamal Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009 - 2010		2008 - 2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		6,588.75		1,182.57
Adjustments for :				
Depreciation and Amortisation	3,217.51		3,117.10	
Loss on Fixed Assets sold / discarded (Net)	186.88		63.48	
Financial Expenses (Net)	2,469.63		3,962.76	
Provision/(Write back) for doubtful debts and advances (Net)	35.21		88.70	
Bad Debts Written off	30.54		-	
Exchange (Gain) / Loss on Foreign Currency Loans	(167.16)		452.36	
Dividend Received	(86.87)		(12.71)	
Wealth Tax Provision	5.50		4.60	
Diminution/ Loss on sale of Investment of Subsidiary Company	438.00		520.64	
		6,129.24		8,196.93
Operating Profit before Working Capital changes		12,717.99		9,379.50
Adjustments for :				
Trade and Other Receivables	(1,350.96)		2,829.17	
Inventories	(1,929.30)		1,913.54	
Trade Payable & Other Liabilities	1,522.43		208.74	
Direct Taxes Paid (Net of Refund)	(1,940.61)		(549.51)	
		(3,698.44)		4,401.94
Net Cash Flow from Operating Activities.....A		9,019.55		13,781.44
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets and Capital Work in Progress	(2,144.67)		(3,477.82)	
Sale of Fixed Assets	76.81		67.50	
Redemption of Government Securities	-		0.18	
Purchase of Share in Subsidiary Company	-		(0.50)	
Sales of Shares in a Subsidiary	0.50		-	
Loans given to earstwhile subsidiary	(3,178.24)		-	
Loan Given to Subsidiary Company (Net)	-		(1,890.46)	
Interest Received on loans	376.91		94.13	
Equity contribution to the joint venture company	(390.00)		-	
Short Term Investment in Mutual Fund	(100.00)		-	
Dividend received from Subsidiary	86.87		12.71	
Net Cash Flow from Investing Activities.....B		(5,271.82)		(5,194.26)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	500.00		5,676.66	
Repayment of Long Term Borrowings	(3,662.29)		(2,375.34)	
Proceeds of Unsecured Loans (Net)	(3,000.00)		(809.44)	
Increase / (Decrease) of Working Capital Loans (net)	5,682.38		(6,487.68)	
Capital Subsidy Received	-		30.00	
Interest Paid (Net)	(2,949.94)		(4,251.01)	
Dividend paid (including tax on dividend)	(598.20)		(448.32)	
Net Cash Flow from Financing Activities.....C		(4,028.05)		(8,665.13)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(280.32)		(77.95)
Cash and Cash Equivalents as at the beginning of the year	1,120.61		1,198.56	
Cash and Cash Equivalents as at the year end	840.29		1,120.61	
		(280.32)		(77.95)
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balance as at the year end		1,303.11		1,355.45
Less:				
Balances in Fixed Deposit accounts pledged with various - government authorities	71.70		93.13	
Balances in Fixed Deposit accounts kept as margin money with - the bankers	391.12		141.71	
		462.82		234.84
Cash and Cash Equivalents as at the year end	840.29		1,120.61	
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

For and on behalf of the Board

S. Venkatesh

Partner
Membership No. : 037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

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

Bharat B. Chovatia

Partner
Membership No. : 031756

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 15, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
SCHEDULE : 'A'		
SHARE CAPITAL		
AUTHORISED:		
2,20,00,000 Equity Shares of Rs. 10/-each	2,200.00	2,200.00
30,00,000 Preference Shares of Rs. 10/- each	300.00	300.00
	<u>2,500.00</u>	<u>2,500.00</u>
ISSUED, SUBSCRIBED AND PAID UP:		
1,27,82,344 Equity Shares of Rs. 10/- each (Of the above 42,07,644 Equity Shares of Rs. 10/- each have been issued pursuant to the Scheme of amalgamation for consideration other than cash)	1,278.23	1,278.23
TOTAL	<u>1,278.23</u>	<u>1,278.23</u>
SCHEDULE : 'B'		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Account	1,115.16	1,085.16
Add: Capital Subsidy Received	-	30.00
	<u>1,115.16</u>	<u>1,115.16</u>
SECURITIES PREMIUM ACCOUNT		
As per last Account	754.55	754.55
GENERAL RESERVE		
As per last Account	13,100.00	13,000.00
Add: Transfer from Profit and Loss Account	1,900.00	100.00
	<u>15,000.00</u>	<u>13,100.00</u>
PROFIT AND LOSS ACCOUNT		
Surplus as per Annexed Account	6,969.47	4,891.87
TOTAL	<u>23,839.18</u>	<u>19,861.58</u>
SCHEDULE : 'C'		
SECURED LOANS		
(A) Working Capital Loans From Banks [Refer Note 7 (A) (a)]		
(i) Rupee Loans	17,284.12	11,443.61
(ii) Foreign Currency Loan	-	158.14
(B) Term Loans From Banks [Refer Note 7 (A)]		
(i) Rupee Loans	9,462.83	12,411.74
(ii) Foreign Currency Loans	1,126.44	1,506.97
TOTAL	<u>27,873.39</u>	<u>25,520.46</u>
SCHEDULE : 'D'		
UNSECURED LOANS:		
From Banks :-		
Short Term Rupee Loans	-	1,000.00
Commercial Paper [Refer Note 7 (B)]	-	2,000.00
TOTAL	<u>-</u>	<u>3,000.00</u>

SCHEDULE : 'E'
FIXED ASSETS

(Rs. in Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS ON 01.04.2009	ADDITIONS DURING THE YEAR	DEDU/ADJU	AS ON 31.03.2010	AS ON 01.04.2009	ADDITIONS DURING THE YEAR	DEDU/ADJU	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
A - TANGIBLE ASSETS										
1 FREEHOLD LAND	154.82	-	8.32	146.50	-	-	-	-	146.50	154.82
2 LEASEHOLD LAND [a]	224.72	-	-	224.72	16.66	2.50	-	19.16	205.56	208.06
3 BUILDING	8,681.97	125.82	16.09	8,791.70	1,699.90	265.32	2.52	1,962.70	6,829.00	6,982.07
4 PLANT & MACHINERY	24,464.04	1,449.26	86.20	25,827.10	16,072.82	1,910.68	81.69	17,901.81	7,925.29	8,391.22
5 FURNITURE FIXTURES & OFFICE EQUIPMENTS	4,134.85	254.40	64.83	4,324.42	1,405.38	343.19	57.76	1,690.81	2,633.61	2,729.47
6 VEHICLES	907.62	210.01	79.25	1,038.38	229.22	88.05	36.66	280.61	757.77	678.40
7 VEHICLES UNDER HIRE PURCHASE ARRANGEMENT	164.88	-	-	164.88	12.01	15.66	-	27.67	137.21	152.87
8 INTERIORS AT SHOWROOM	2,189.51	254.59	223.97	2,220.13	262.20	133.59	36.65	359.14	1,860.99	1,927.31
B - INTANGIBLE ASSETS										
1 MODELS, DESIGNS AND OTHER COMMERCIAL RIGHTS	2,012.52	-	-	2,012.52	637.29	402.50	-	1,039.79	972.73	1,375.23
2 SOFTWARE	166.83	14.62	-	181.45	72.45	56.02	-	128.47	52.98	94.38
GRAND TOTAL	43,101.76	2,308.70	478.66	44,931.80	20,407.93	3,217.51	215.28	23,410.16	21,521.64	22,693.83
PREVIOUS YEAR	38,783.78	4,524.19	206.21	43,101.76	17,365.84	3,117.10	75.01	20,407.93	22,693.83	

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

As at
31.03.2010
Rs. in LacsAs at
31.03.2009
Rs. in Lacs**SCHEDULE : 'F'****INVESTMENTS (Unquoted, unless otherwise stated)****i) Long Term****Investments in Government Securities at cost**National Savings Certificates 0.32 0.32
(Pledged with Government Authorities)**Investments in Subsidiary Companies :**15,20,000 Equity Shares of SLR 10/- each
of Nilkamal Eswaran Plastics Pvt. Ltd., Sri Lanka. 93.62 93.62Nil (1,31,45,942) Equity Shares of BDT 10/- each
of Nilkamal Padma Plastics Pvt. Ltd., Bangladesh. - 958.64Less :- Provision for dimunition ([Refer Note 9(a)] - 520.64- 438.00
Nil (Previous year 5,001) - 0.50
Equity Shares of Rs. 10/- each
of Starshine Land Developers Pvt. Ltd.1 (1) Equity Shares of DHS 1,85,000
of Nilkamal Crates & Bins, FZE 19.65 19.65**Investments in Joint Venture :**22,20,000 (18,30,000) Equity Shares of Rs. 10/- each
of Nilkamal Bito Storage Systems Private
Limited [Refer Note 9(b)] 2,215.50 1,825.50**ii) Current Investment :**SBIMF Magnum Insta Cash Fund 100.00 -
(5,97,068.74 Units, NAV Rs.16.75/- per unit)**TOTAL****2,429.09****2,377.59**

	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
SCHEDULE : 'G'		
INVENTORIES		
Stores and Spare parts	1,074.20	1,396.45
Packing Materials	158.87	150.68
Stock in Trade		
Raw Materials	3,014.33	1,783.90
Semi-Finished Goods / Work in Process	1,272.66	857.04
Finished Goods and Traded Goods	10,119.97	9,436.57
TOTAL	15,640.03	13,624.64
SUNDRY DEBTORS [Refer Note 10]		
i) Outstanding for a period exceeding Six months		
a) Considered Good	549.32	671.92
b) Considered Doubtful	158.20	126.42
	707.52	798.34
ii) Other Debts (Considered Good)	12,700.68	9,848.53
	13,408.20	10,646.87
Less: Provision for Doubtful Debts	158.20	126.42
TOTAL	13,250.00	10,520.45
CASH AND BANK BALANCES		
Cash on hand	78.95	97.77
Balance with Scheduled Banks		
i) Current Accounts	761.34	1,022.84
ii) On Fixed Deposit Accounts [Includes Rs. 71.70 Lacs Pledged with various government authorities (Previous year Rs. 93.13 Lacs), Rs. 391.12 Lacs kept as margin money with the bankers, (Previous - year Rs. 141.71 Lacs)]	462.82	234.84
TOTAL	1,303.11	1,355.45
LOANS AND ADVANCES		
(Unsecured, Considered Good, Unless otherwise Specified)		
Loan to Subsidiary Company [Refer Note 6]	-	1,890.46
Advances Recoverable in Cash or in kind or for the value to be received [Refer Note 6 and 11]		
Considered Good	6,206.03	3,472.17
Considered Doubtful	56.66	56.66
	6,262.69	3,528.83
Less: Provision for Doubtful advance	(56.66)	(56.66)
	6,206.03	3,472.17
Employee Loans	207.98	174.09
Balance with Excise Department	8.54	2.88
Taxes paid in Advance (Net of Provisions)	537.91	488.54
Deposits [Refer Note 12]	2,781.02	2,063.02
TOTAL	9,741.48	8,091.16

Schedules forming part of the Accounts
Nilkamal Limited

	As at 31.03.2010 Rs. in Lacs	As at 31.03.2009 Rs. in Lacs
SCHEDULE : 'H'		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 13)	4,456.25	3,764.88
Unclaimed Dividend (Refer Note below)	20.04	17.38
Other Liabilities	4,392.35	3,220.47
Interest Accrued but not due on loans	154.22	162.58
TOTAL	9,022.86	7,165.31
SCHEDULE : 'I'		
PROVISIONS		
Provision for Excise Duty on Closing Stock	298.17	212.08
Provision for Product Warranties [Refer Note 5]	156.24	118.08
Provision for Wealth Tax	6.03	4.60
Proposed Dividend	383.47	255.65
Tax on Proposed Dividend	63.69	43.45
For Employee Benefits	481.85	419.68
TOTAL	1,389.45	1,053.54
Note :- There are no amounts due for transfer to Investor Education and Protection Fund.		
	Year ended on 31.03.2010 Rs. in Lacs	Year ended on 31.03.2009 Rs. in Lacs
SCHEDULE : 'J'		
GROSS SALES AND INCOME FROM SERVICES		
a) Gross Turnover of Goods		
Local	114,170.14	101,113.37
Exports	1,672.74	1,644.43
	115,842.88	102,757.80
b) Gross Income from Services		
Service Charges	222.93	232.86
Export of Services	96.79	34.95
	319.72	267.81
TOTAL	116,162.60	103,025.61
SCHEDULE : 'K'		
OTHER INCOME		
Technical and Management Fees	192.39	159.04
Dividend from a Subsidiary Company	86.87	12.71
Proceeds on Maturity of Keyman Policy	186.70	-
Miscellaneous Receipts	10.95	5.94
TOTAL	476.91	177.69

	Year ended on 31.03.2010 Rs. in Lacs	Year ended on 31.03.2009 Rs. in Lacs
SCHEDULE : 'L'		
MATERIALS CONSUMED / COST OF GOODS TRADED / VARIATION IN STOCKS :		
a) Opening Stock of Raw Materials	1,783.90	3,024.60
b) Purchases	40,277.79	30,006.70
c) Total of [a] + [b]	<u>42,061.69</u>	<u>33,031.30</u>
LESS:		
d) Closing Stock of Raw Materials	3,014.33	1,783.90
I RAW MATERIALS CONSUMED [c-d]	<u>39,047.36</u>	<u>31,247.40</u>
II TRADING PURCHASES	24,705.27	23,983.03
III VARIATION IN THE STOCK OF FINISHED/ SEMI-FINISHED / WORK IN PROCESS / TRADED GOODS		
Opening Stock		
Work in Process	242.45	447.86
Semi Finished Goods	614.59	822.06
Finished and Traded Goods	9,436.57	10,347.70
	<u>10,293.61</u>	<u>11,617.62</u>
Closing Stock		
Work in Process	444.60	242.45
Semi Finished Goods	828.06	614.59
Finished and Traded Goods	10,119.97	9,436.57
	<u>11,392.63</u>	<u>10,293.61</u>
Add / (Less) : Variation in excise duty on Opening and Closing stock of Finished Goods	55.88	(364.28)
	<u>(1,043.14)</u>	<u>959.73</u>
TOTAL (I+II+III)	<u>62,709.49</u>	<u>56,190.16</u>
SCHEDULE : 'M'		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salary, Wages and Bonus	5,058.96	4,507.25
Contribution to Provident and Other funds	148.38	148.24
Workmen and Staff Welfare Expenses	453.22	434.69
TOTAL	<u>5,660.56</u>	<u>5,090.18</u>

Schedules forming part of the Accounts

Nilkamal Limited

	Year ended on 31.03.2010 Rs. in Lacs	Year ended on 31.03.2009 Rs. in Lacs
SCHEDULE : 'N'		
OPERATING AND OTHER EXPENSES		
Stores and Spare Parts Consumed	1,407.99	1,294.47
Power and Fuel	3,332.91	2,624.75
Repairs :		
Building	171.83	21.94
Machinery	180.16	49.34
Others	402.37	319.99
Labour Charges Paid	2,628.84	1,673.80
Rent	2,321.81	2,119.60
Rates and Taxes	104.74	145.88
Insurance	121.13	121.67
Postage and Telephone Expenses	354.99	397.23
Loss on Fixed Assets Sold / Discarded (Net)	186.88	63.48
Packing Material Consumed	747.76	558.74
Travelling Expenses	792.98	829.43
Commission	476.18	276.62
Advertisements and Publicity Expenses	1,422.51	1,508.70
Carriage Outward	4,390.95	3,738.01
Land Lease Rent	3.10	3.10
Board Meeting Fees	6.25	5.82
Provision for Wealth Tax	5.50	4.60
Bad Debts written off	30.54	-
Provision / (Write back) for Doubtful Debts and Advances	35.21	88.70
Discounts & Schemes	1,005.13	949.46
Payment to Auditors		
- Audit Fees	16.00	13.00
- In Other Capacity	9.84	2.93
- Reimbursement of Expenses	0.20	0.25
Loss on Sale of Investments in Subsidiary	438.00	-
Provision for Diminution in value of Investments in Subsidiary	-	520.64
Sundry Expenses	2,042.19	2,211.41
TOTAL	22,635.99	19,543.56
SCHEDULE : 'O'		
FINANCIAL EXPENSES		
Interest -		
On Term Loans	1,378.01	1,141.27
Other Interest	1,326.45	3,044.23
	2,704.46	4,185.50
Less: Interest Received		
On Loans (TDS Rs. 47.99 Lacs, Previous year Rs. 94.13 Lacs)	479.96	415.42
On Others (TDS Rs. 1.49 Lacs, Previous year Rs. 3.51 Lacs)	45.26	38.52
	2,179.24	3,731.56
Bank Charges	188.68	179.39
Processing and other charges on Loans	101.71	51.81
TOTAL	2,469.63	3,962.76

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

The financial statements of the Company have been prepared under historical cost convention on an accrual basis, the applicable Accounting Standards and other relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

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

c) Fixed Assets:

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

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

d) Impairment of Assets:

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

e) Depreciation and Amortisation:

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

f) Valuation of Inventories:

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

g) 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.

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

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

Post Employment / Retirement Benefits

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

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

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

Termination Benefits

Termination benefits are recognised as and when incurred.

i) Foreign Currency Translations:

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

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

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

j) Borrowing Costs:

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

k) Recognition of Income and Expenditure:

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

l) Premises taken on Lease:

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

m) Taxation:

Income-tax expense comprises Current Tax 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 realisation.

n) Expenditure during Construction Period:

In case of new projects and in case of substantial modernisation / expansion at existing units of the Company, all pre-operative expenditure specifically for the project, incurred upto the date of completion, is capitalised and added pro-rata to the cost of fixed assets.

o) Government Grants:

Grants received from Government agencies / departments which are in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve. Revenue grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

p) Provisions:

A provision is recognised 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.

SCHEDULE: 'Q'

NOTES TO THE ACCOUNTS:

1. Contingent Liabilities not provided for in respect of:

		(Rs. in Lacs)	
		31 st March, 2010	31 st March, 2009
i)	Excise matters	10.94	101.32
ii)	Sales Tax matters *	923.23	132.58
iii)	Corporate Guarantees given on behalf of Subsidiary Company, Bangladesh Taka (BDT) Nil. (Previous year (BDT) 888.99 Lacs). (amount outstanding at the close of the year)	Refer Note 9(a)	646.80

* Includes Rs. 844 Lacs towards disputed Sales Tax liability under the Kerala General Sales Tax Act, 1963 against which the Company has received conditional stay from Hon'ble 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.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 653.24 Lacs (Previous Year Rs. 487.91 Lacs).
3. Remuneration to Directors comprise of (a) Salary, allowances, etc. Rs. 315.51 Lacs (Previous Year Rs. 155.82 Lacs) and (b) Other Perquisites Rs. 1.58 Lacs (Previous Year Rs.Nil).
4. Sundry Expenses include net effect of changes in the foreign currency rates :
Loss / (Gain) on revenue items included in Profit and Loss Account for the year Rs. (294.80) Lacs. (Previous Year Rs. 342.29 Lacs).

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

		(Rs. in Lacs)	
		2009-10	2008-09
	Opening Balance	118.08	131.96
	Additions	308.42	216.35
	Utilisations	270.26	230.23
	Closing Balance	156.24	118.08

6. The Company, divested its entire stake in Starshine Land Developers Private Limited (a Subsidiary Company) (SLDPL) at cost, on 23rd July, 2009. In terms of the Share Purchase Agreement, loan given to SLDPL is to be repaid over a period of time. Advance recoverable in cash or in kind or for the value to be received in Schedule 'G', includes loan to SLDPL as at 31st March, 2010 Rs. 3,178.24 Lacs. ((Maximum balance of loan outstanding to SLDPL upto 23rd July, 2009 is Rs. 6,005.74 Lacs and Rs. 3,178.24 Lacs thereafter (Previous year Rs. 5,705.46 Lacs).

7. (A) Secured Loans :

- a) The Working Capital Facilities amounting to Rs. 17,284.12 Lacs. (Previous Year Rs. 11,601.75 Lacs.) and a Term Loan amounting to Rs. 1,125 Lacs (Previous Year Rs. 1,500 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 immoveable property and personal guarantees of Director/s.
- b) Other Term Loans from Banks amounting to Rs. 9,408.59 Lacs (Previous Year Rs. 12,321.80 Lacs) are secured on first pari passu basis by way of Equitable mortgage created on Company's immoveable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry, Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir) together with all building and structures thereon and all Plant & Machinery, second pari passu charge by way of hypothecation of current assets of the Company and personal guarantees of Director/s.
- c) Vehicle Loans amounting to Rs. 55.68 Lacs (Previous Year Rs. 96.91 Lacs) are secured against respective assets.

(B) Unsecured Loans:

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

8. Capital Work in Progress includes advances for Capital Expenditure Rs. 565.21 Lacs (Previous Year Rs. 223.33 Lacs).
9. a) The Company, during the year, sold its entire stake in Nilkamal Padma Plastics Private Limited (Bangladesh) (NPPPL) for an aggregate consideration of BDT 1. The carrying value of investments in NPPPL amounting to Rs. 438 Lacs has been charged to Profit and Loss Account during the Current Year. Further, a sum of Rs. 143.00 Lacs (included in Sundry Expenses in Schedule 'N') has been incurred to release the Corporate Guarantee given by the Company to the lenders of NPPPL, which has since been discharged after the close of the year.
- b) The Company has an investment of Rs. 2,215.50 Lacs (including Rs. 390 Lacs made during the year) in Nilkamal Bito Storage Systems Private Limited (NBSSPL), a Joint Venture Company. NBSSPL has incurred losses over the years. Considering the efforts taken by the Management of NBSSPL to improve its performance, the Company has at the close of the year assessed the carrying value of investment in NBSSPL and no provision thereagainst is considered necessary at present for diminution in the carrying value of the investment.
10. **Sundry Debtors :**
 - a) Outstanding for more than six months includes Secured debts Rs. 3.93 Lacs (Previous Year Rs. 29.34 Lacs).
 - b) Other Debts includes Secured debts Rs. 1,544.97 Lacs (Previous Year Rs. 1,298.24 Lacs).
 - c) Includes Rs. 78.77 Lacs (Previous Year Rs. 51.24 Lacs), outstanding from Nilkamal Bito Storage Systems Pvt. Ltd., a Joint Venture Company.
11. Advance recoverable in Cash or in Kind includes Rs. 442.11 Lacs (Previous Year Rs. 336.91 Lacs) being Interest Receivable on Loans and other Deposits.
12. Deposits include Security Deposit for premises, etc., of Rs. 720.00 Lacs (Previous Year Rs. 645.25 Lacs), Maximum balance during the year Rs. 720 Lacs (Previous Year Rs. 645.25 Lacs) being amounts paid to a firm in which the Directors of the Company are interested and Rs. 10.00 Lacs (Previous Year Rs. 10.00 Lacs) to the Directors of the Company, Maximum balance during the year Rs. 10.00 Lacs (Previous Year Rs. 10.00 Lacs).
13. i) Principal outstanding of amount payable as on 31st March, 2010, relating to supplier registered as Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil. Interest due thereon is Rs. Nil.
- ii) Amount of interest paid along with the amount of payments made beyond the amount due is Rs. Nil.
- iii) Amount of interest due and payable where the principal is already due is Rs. Nil.
- iv) The amount of interest accrued and remaining unpaid at the end of each accounting year Rs. Nil.

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

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

Particulars	2009-10				2008-09		
	75,120 TPA				70,740 TPA		
Product Manufactured	Moulded Plastics Articles				Moulded Plastics Articles		
	Opening Stock		Production	Net Turnover		Closing Stock	
	Quantity (pcs. in Lacs)	Amount (Rs. in Lacs)	Quantity (pcs. in Lacs)	Quantity* (pcs. in Lacs)	Amount (Rs. in Lacs)	Quantity (pcs in Lacs)	Amount (Rs. in Lacs)
2009 - 10	16.76	2,581.50	362.74	353.12	66,339.95	26.38	3,710.36
2008 - 09	32.74	5,068.95	288.56	304.54	57,161.63	16.76	2,581.50

* Including samples

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

- b) Purchase for Resale:-

	Opening Stock		Purchase		Net Turnover		Closing Stock	
	Quantity (in Lacs)	Amount (Rs. in Lacs)	Quantity (in Lacs)	Amount (Rs. in Lacs)	Quantity * (in Lacs)	Amount (Rs. in Lacs)	Quantity (in Lacs)	Amount (Rs. in Lacs)
2009-10								
Moulded Plastic Articles and Others - Pcs	13.59	3,322.06	626.50	16,185.03	480.74	21,826.92	159.35	3,014.87
Polymers (Kgs.) & Others	1.01	54.24	31.77	2,030.82	32.41	2,179.88	0.37	21.45
Readymade Home furniture, Furnishing, Accessories & Others — Pcs	4.60	3,478.77	11.52	6,489.42	10.67	11,946.12	5.45	3,373.29
2008-09								
Moulded Plastic Articles and Others - Pcs	30.85	2,154.94	248.98	12,878.91	266.24	15,629.31	13.59	3,322.06
Polymers (Kgs.) & Others	2.54	138.74	67.73	4,376.49	69.26	4,561.65	1.01	54.24
Readymade Home furniture, Furnishing, Accessories & Others — Pcs	3.78	2,985.07	11.84	6,727.63	11.02	11,158.20	4.60	3,478.77

* Including Samples.

- c) Sale of Process Scrap Rs. 192.43 Lacs (Previous Year Rs. 130.04 Lacs).

- d) Details of Raw Material Consumed:-

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	Qty. (Tonnes)	Value	Qty. (Tonnes)	Value
Polyethylene	31,050	20,165.86	24,639	16,489.53
Polypropylene	28,943	16,609.91	21,510	13,707.08
Others		2,271.59		1,050.79
Total		39,047.36		31,247.40

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

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	Value	%	Value	%
Imported	5,018.77	12.85	655.08	2.10
Indigenous	34,028.59	87.15	30,592.32	97.90
Total	39,047.36	100.00	31,247.40	100.00

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

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	Value	%	Value	%
Imported	52.09	3.70	19.26	1.49
Indigenous	1,355.90	96.30	1,275.21	98.51
Total	1,407.99	100.00	1,294.47	100.00

g) Earnings in Foreign Currency :-

- i) FOB Value of exports Rs. 1,507.83 Lacs (Previous year Rs. 1,502.92 Lacs).
- ii) Technical and Management Fees Rs. 84.79 Lacs (Previous year Rs. 76.30 Lacs).
- iii) Income earned from export of services Rs. 96.79 Lacs (Previous Year Rs. 34.95 Lacs).
- iv) Dividend Received from a Subsidiary Company Rs. 86.87 Lacs (Previous Year Rs. 12.71 Lacs).

h) CIF Value of Imports:-

(Rs. in Lacs)

Particulars	2009-10	2008-09
Capital Goods	593.83	1,253.29
Raw Material	6,767.13	1,277.06
Traded Goods	4,328.41	5,693.02
Stores, Spares & Others	90.21	31.06
Total	11,779.58	8,254.43

i) Expenditure in Foreign Currency:-

(Rs. in Lacs)

Particulars	2009-10	2008-09
Travelling Expenses	79.11	143.55
Interest	90.81	124.05
Legal and Professional Charges	11.79	131.87
Others	49.35	65.20
Total	231.06	464.67

15. Disclosure in respect of derivative instruments:-

a) Derivatives contracts entered by the Company and outstanding as on 31st March, 2010 :-

(In Lacs)

Particulars	Currency	2009-10		2008-09	
		Forward	Swap	Forward	Swap
Loan Taken - Principal	USD	-	25.00	3.09	25.00
Others	USD	-	-	0.06	-

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

c) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2010.

(In Lacs)

Particulars	Currency	2009-10	2008-09
Receivables	USD	21.65	5.17
	EURO	1.13	0.80
	GBP	-	0.05
Payables	USD	20.46	15.33
	EURO	0.92	0.27
	GBP	0.02	0.04
Loan Taken	USD	25.00	25.00
Cash & Bank Balances	USD	1.32	4.71
	EURO	0.27	0.36

16. Related Party Disclosures:

(Rs. in Lacs)

	Subsidiaries	Joint Ventures	Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
	2009-10	2009-10	2009-10	2009-10	2009-10	2008-09	2008-09	2008-09	2008-09	2008-09
Sales of Finished Goods / Others	205.70	4.13	-	-	209.83	284.37	12.93	-	-	297.30
Purchases of raw materials, intermediaries and finished goods	8.13	100.73	-	-	108.86	-	110.52	-	-	110.52
Paid for services & labour charges	-	-	-	39.40	39.40	-	-	-	40.16	40.16
Received for services & labour charges	-	122.77	-	-	122.77	-	94.93	-	-	94.93
Technical and Management Fees received	84.79	118.68	-	-	203.47	76.30	92.88	-	-	169.18
Dividend received	86.87	-	-	-	86.87	12.71	-	-	-	12.71
Nilkamal Eswaran Plastic Pvt Ltd	86.87	-	-	-	-	12.71	-	-	-	-
Purchase of fixed assets	71.03	6.84	-	-	77.87	14.68	128.60	-	-	143.28
Rent paid	-	-	60.39	77.51	137.90	-	-	60.00	54.34	114.34
Interest paid	-	-	-	-	-	-	1.48	-	-	1.48
Remuneration to Directors	-	-	317.09	-	317.09	-	-	155.82	-	155.82
Loan received	-	-	-	-	-	-	800.00	-	-	800.00
Re-payment of Loan received	-	-	-	-	-	-	800.00	-	-	800.00
Loan Given	4,470.78	-	-	-	4,470.78	5,705.46	-	-	-	5705.46
Starshine Land Developers Pvt. Ltd.	4,470.78	-	-	-	-	5,705.46	-	-	-	-
Re-payment of Loans Given	3,183.00	-	-	-	3,183.00	3,815.00	-	-	-	3815.00
Starshine Land Developers Pvt. Ltd.	3,183.00	-	-	-	-	3,815.00	-	-	-	-
Interest on Loan Given	168.91	-	-	311.05	479.96	415.42	-	-	-	415.42
Starshine Land Developers Pvt. Ltd.	168.91	-	-	311.05	-	415.42	-	-	-	-
Equity contribution	-	390.00	-	-	390.00	-	-	-	-	-
Nilkamal Bito Storage Systems Pvt. Ltd.	-	390.00	-	-	-	-	-	-	-	-
Purchase of Shares	-	-	-	-	-	-	-	0.50	-	0.50
Reimbursement of Expenses (net of recovery)	-	8.46	-	-	8.46	2.20	4.74	-	-	6.94
Balances Outstanding at the year end:	-	-	-	-	-	-	-	-	-	-
Fixed Deposit (kept as Lien with bank)	-	-	-	-	-	140.00	-	-	-	140.00
Nilkamal Padma Plastics Pvt. Ltd.	-	-	-	-	-	140.00	-	-	-	-
Corporate Guarantee Outstanding	-	-	-	-	-	646.80	-	-	-	646.80
Nilkamal Padma Plastics Pvt. Ltd.	-	-	-	-	-	646.80	-	-	-	-
Interest Payable	-	-	-	-	-	-	1.14	-	-	1.14
Loan Receivable	-	-	-	3,178.24	3,178.24	1,890.46	-	-	-	1,890.46

	Subsidiaries	Joint Ventures	Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total	Subsidiaries	Joint Venture	Key Management Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Total
	2009-10	2009-10	2009-10	2009-10	2009-10	2008-09	2008-09	2008-09	2008-09	2008-09
Starshine Land Developers Pvt. Ltd.				3,178.24		1,890.46				
Technical & Management Fees receivable	30.52	32.25	-	-	62.77	28.60	12.23	-	-	40.83
Nilkamal Eswaran Plastic Pvt Ltd	30.52					28.60				
Nilkamal Bito Storage System Pvt Ltd		32.25					12.23			
Interest Receivable	-	-	-	431.97	431.97	321.29	-	-	-	321.29
Starshine Land Developers Pvt. Ltd.				431.97		321.29				
Deposits Receivable	-	-	10.00	720.00	730.00	-	-	10.00	645.25	655.25
Nilkamal Crates & Containers				720.00					645.25	
Others			10.00					10.00		
Other Receivables / (Payables) (Net)	66.97	55.29	-	(2.84)	119.42	98.90	35.34	-	(1.69)	132.55
Others	66.97	55.29		(2.84)		98.90	35.34		(1.69)	

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

NOTES:

Names of related parties and description of relationship

i	Subsidiaries	
	a) Foreign	Nilkamal Eswaran Plastics Pvt Ltd. Nilkamal Eswaran Marketing Pvt.Ltd. Nilkamal Padma Plastics Pvt. Ltd. (ceased to be a Subsidiary w.e.f 1 st January, 2010) Nilkamal Crates & Bins, FZE.
	b) Indian	Starshine Land Developers Pvt. Ltd. (ceased to be a Subsidiary w.e.f. 23 rd July, 2009)
ii	Joint Venture	Nilkamal Bito Storage Systems Pvt Ltd.
iii	Key Management Personnel	Shri Vamanrai V. Parekh Shri Sharad V. Parekh Shri Hiten V. Parekh Shri Manish V. Parekh Shri Nayan S. Parekh
iv	Enterprise owned or significantly influenced by key Management personnel or their relatives, where transactions have taken place	Nilkamal Crates & Containers Starshine Land Developers Pvt. Ltd. (w.e.f. 23 rd July, 2009)

Note:

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

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

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

17. 'Nilkamal' brand used by Nilkamal Limited, is owned by Nilkamal Crates & Containers against interest free deposit of Rs. 370 Lacs.
18. Interest Expense in Schedule 'O' represents Interest on Fixed Loans and Debentures Rs. 1,416.42 Lacs (Previous Year Rs. 1,347.41 Lacs); Discount on issue of Commercial Papers Rs. 59.86 Lacs (Previous Year Rs. 54.97 Lacs) and Other Interest Rs. 1,228.18 Lacs (Previous Year Rs. 2,783.12 Lacs).

19. Deferred Tax Asset / Liabilities:

Major components of Deferred Tax Assets and Liabilities arising on account of timing differences are:

(Rs. in Lacs)

Particulars	2009-10		2008-09		2007-08	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Depreciation		1,578.17		1,580.60		1,463.59
Employee Benefits	150.89		134.48		114.15	
Provision for Doubtful Debts	52.55		33.91		71.92	
Others	23.05		34.18		77.28	
Total	226.49	1,578.17	202.57	1,580.60	263.35	1,463.59

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

(Rs. in Lacs)

Particulars	2009-10	2008-09
a Lease payments recognised in the Profit and Loss Account (includes contingent rent of Rs. 3.95 Lacs (Previous year NIL))	2,321.81	2,119.60
b Future minimum Lease Payments under non cancelable agreements.		
i) Not later than one year	756.08	909.54
ii) Later than one year and not later than 5 years	505.59	558.82
iii) Later than 5 years	-	-

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

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

(b) Assets acquired under finance lease arrangement:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Future minimum Lease Payments under agreements.		
i) Not later than one year	49.16	49.16
ii) Later than one year and not later than 5 years	10.30	59.46
iii) Later than 5 years	-	-
Present Value of Minimum Lease Payment	55.68	96.91
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value		
Total Minimum Lease Payments	59.46	108.62
Less : Interest	3.78	11.71
Present Value of Minimum Lease Payment	55.68	96.91

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

- a) Amount of Rs. 148.38 Lacs (Previous Year Rs. 148.24 Lacs) towards defined contribution plans is recognised as expense in the Profit and Loss Account.
- b) Defined Benefit Plan Disclosures:

(Rs. in Lacs)

Sr. No.	Particulars	2009-10 Gratuity	2008-09 Gratuity
1	Components to employer Expense		
	a) Current Service Cost	51.88	49.25
	b) Interest Cost	19.96	10.92
	c) Expected return of plan assets	(4.46)	(4.09)
	d) Past Service Cost	26.58	-
	e) Actuarial (Gain) / Loss	(25.94)	44.63
	f) Total expense recognised in the Profit and Loss Account	68.02	100.71
2	Net (Asset) / Liability recognised in Balance Sheet		
	a) Present Value of Obligation	308.49	234.81
	b) Fair Value of Plan Assets	(85.01)	(47.00)
	c) (Asset) / Liability recognised in the Balance Sheet	223.48	187.81
3	Change in Defined Benefit Obligation (DBO) during the year		
	a) Present Value of Obligation as at beginning of the year	234.81	145.54
	b) Current Service cost	51.88	49.25
	c) Interest Cost	19.96	10.92
	d) Past Service Cost	26.58	-
	e) Actuarial (Gain) / Loss	(17.39)	36.40
	f) Benefits paid	(7.35)	(7.30)
	g) Present Value of Obligation as at the close of the year	308.49	234.81
4	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at beginning of the year	47.00	51.14
	b) Contribution to the fund	25.00	-
	c) Expected return of plan assets	4.46	4.09
	d) Actuarial Gain / (Loss)	8.55	(8.23)
	e) Fair Value of Plan Assets as at the close of the year	85.01	47.00
5	Actuarial Assumptions		
	a) Discount Rate (per annum)	8.50%	7.50%
	b) Expected Rate of Return on Assets (per annum)	7.50%	7.50%
	c) Salary Escalation Rate	5.00%	5.00%
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.

22. Information on Joint Ventures:

a) Jointly Controlled Entity :

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

b) Contingent Liability in respect of the Joint Venture: (Rs. in Lacs)

Particulars	2009-10	2008-09
Share of the Company in Contingent Liability incurred by the jointly controlled entity	-	10.53

c) Capital Commitment in respect of the Joint Venture: (Rs. in Lacs)

Particulars	2009-10	2008-09
Share of the Company in Capital Commitments of the Jointly Controlled Entity	-	-

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

(Rs. in Lacs)

	2009-10	2008-09
A) Assets :		
a) Fixed Assets (Net Block)	1,203.48	1,313.61
Capital Work-in-Progress	-	-
b) Current Assets, Loans and Advances		
Inventories	398.84	388.68
Sundry Debtors	649.31	260.16
Cash and Bank Balances	3.95	5.03
Loans and Advances	28.47	150.91
Other Current Assets	137.78	15.49
B) Liabilities :		
a) Loan Funds :		
Secured Loans	647.58	621.71
b) Current Liabilities and Provisions :		
Current Liabilities	406.76	148.96
Provisions	37.61	29.89
c) Deferred Tax Liability (Net)	49.20	39.75
C) Income:		
Net Sales	1,806.40	1,388.18
Other Income	8.84	16.68
D) Expenditure:		
Material Costs	1,275.90	780.70
Manufacturing and Other Costs	269.27	168.14
Decrease in Stock	29.85	33.28
Employment Costs	229.47	177.22
Administrative, Selling and General Expenses	210.95	186.22
Financial Expenses (Net)	74.32	84.86
Depreciation and Amortisation	118.93	119.54
Provision for Taxes	9.44	17.08
Prior Period Items	-	23.58

24. Computation of Profit for Earnings per share :

	2009-10	2008-09
Profit for the year after tax (Rs. in Lacs)	4,723.86	610.13
Nominal Value per Share in Rupees	10.00	10.00
Weighted average number of equity shares Outstanding during the year	12,782,344	12,782,344

25. 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.

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

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. : 037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

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

Bharat B. Chovatia

Partner
Membership No. : 031756
Place: Mumbai
Date: May 15, 2010

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Financial information of Subsidiaries for the year ended 31st March 2010

(Rs. in Lacs)

Sr. No.	Particulars	Nilkamal Eswaran Plastic Private Limited, Sri Lanka	Nilkamal Eswaran Marketing Private Limited, Sri Lanka	Nilkamal Crates and Bins - FZE, (Ajman-U.A.E)
1	Share Capital	59.07	-	22.43
2	Reserve and Surplus	861.28	3.48	484.24
3	Total Assets	1,831.43	53.83	650.77
4	Total Liabilities @	562.13	49.24	132.72
5	Investment other than investment in Subsidiary	310.88	-	-
6	Turnover and other Income	2,928.00	117.49	1,125.51
7	Profit Before Taxation	432.95	7.92	104.15
8	Provision for Taxation (inc.Deferred Tax)	206.51	5.75	-
9	Profit After Taxation	226.44	2.17	104.15
10	Dividend	41.35	2.13	-

@ Excludes Deferred Tax Liabilities

Note - In Respect of Foreign Subsidiaries

- a) Items No. 1 to 4 are Translated at Exchange Rate as on March 31, 2010 as Follows :
1 US \$ (United State Dollar) - INR 44.67 (Indian Rupees)
- b) Item Nos. 5 to 8 are Translated at monthly Closing Rate

Balance Sheet Abstract

Nilkamal Limited

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

I. Registration Details

Registration No.

1	2	5	2	0	9	D	N	2	0	0	2	P	L	C	1	6	2
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 State Code

5	4
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Balance Sheet Date

3	1	-	0	3	-	2	0	1	0
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II. Capital raised during the year (Amount Rs. in Lacs)

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

Note: 42,07,644 Equity Shares of Rs. 10/- each were allotted to shareholders of Nilkamal Crates & Bins Pvt. Ltd. and Stackwell Marketing Services Pvt. Ltd. on Amalgamation with the Company effective from April 1, 2007.

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

Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>4</td><td>3</td><td>4</td><td>2</td></tr></table>			5	4	3	4	2	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>4</td><td>3</td><td>4</td><td>2</td></tr></table>			5	4	3	4	2
		5	4	3	4	2											
		5	4	3	4	2											

Source of Funds

Paid Up-Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>2</td><td>7</td><td>8</td></tr></table>				1	2	7	8	Reserves & Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>3</td><td>8</td><td>3</td><td>9</td></tr></table>			2	3	8	3	9
			1	2	7	8											
		2	3	8	3	9											
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>7</td><td>8</td><td>7</td><td>3</td></tr></table>			2	7	8	7	3	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>						-	-
		2	7	8	7	3											
					-	-											
Deferred Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>1</td><td>3</td><td>5</td><td>2</td></tr></table>				1	3	5	2									
			1	3	5	2											

Application of Funds

Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>2</td><td>3</td><td>9</td><td>1</td></tr></table>			2	2	3	9	1	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>4</td><td>2</td><td>9</td></tr></table>				2	4	2	9
		2	2	3	9	1											
			2	4	2	9											
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>9</td><td>5</td><td>2</td><td>2</td></tr></table>			2	9	5	2	2									
		2	9	5	2	2											
Misc. Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>						-	-	Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td></tr></table>						-	-
					-	-											
					-	-											

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

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

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

Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>3</td><td>.</td><td>9</td><td>0</td></tr></table>	3	9	2	3	.	9	0	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Material Handling Crates</td></tr></table>	Material Handling Crates
3	9	2	3	.	9	0					
Material Handling Crates											
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>1</td><td>.</td><td>0</td><td>0</td></tr></table>	9	4	0	1	.	0	0	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Plastic Moulded Furniture</td></tr></table>	Plastic Moulded Furniture
9	4	0	1	.	0	0					
Plastic Moulded Furniture											
Item Code No.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>0</td><td>3</td><td>.</td><td>8</td><td>9</td></tr></table>	9	4	0	3	.	8	9	Product Description	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Readymade Furniture other than Plastics</td></tr></table>	Readymade Furniture other than Plastics
9	4	0	3	.	8	9					
Readymade Furniture other than Plastics											

For and on behalf of the Board

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 15, 2010

Auditor's 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 entity; hereinafter referred to as the "Group" (Refer Note B in Schedule P to the attached consolidated financial statements) as at 31st March 2010, the related consolidated Profit and Loss Account 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 included in the consolidated financial statements, which constitute total assets of Rs. 2,475.21 Lacs and net assets of Rs. 1,874.86 Lacs as at 31st March 2010, total revenue of Rs. 4,965.43 Lacs and net cash inflows amounting to Rs. 123.52 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. Further, the financial statements of the jointly controlled entity included in the consolidated financial statements, have been audited by one of the joint auditors.
5. 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.
6. 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 2010;
 - (b) in the case of the consolidated Profit and Loss Account, 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

S. Venkatesh
Partner
Membership Number: 037942

Place: Mumbai
Date: May 15, 2010

For **Vora & Associates**
Firm Registration Number: 111612W
Chartered Accountants

Bharat B. Chovatia
Partner
Membership Number: 031756

Consolidated Balance Sheet

Nilkamal Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	Consolidated	Share of	AS AT	Consolidated	Share of	AS AT
		with Subsidiaries Rs. in Lacs.	Joint Venture Rs. in Lacs.	31.03.2010 Rs. in Lacs.	with Subsidiaries Rs. in Lacs.	Joint Venture Rs. in Lacs.	31.03.2009 Rs. in Lacs.
I SOURCES OF FUNDS							
1. SHAREHOLDERS' FUND							
(a) Share Capital	A	1,278.23	-	1,278.23	1,278.23	-	1,278.23
(b) Reserves and Surplus	B	25,012.98	(934.82)	24,078.16	20,304.16	(531.91)	19,772.25
Joint Venture Control Account		(2,215.50)	2,215.50	-	(1,825.50)	1,825.50	-
		<u>24,075.71</u>	<u>1,280.68</u>	<u>25,356.39</u>	<u>19,756.89</u>	<u>1,293.59</u>	<u>21,050.48</u>
2. MINORITY INTEREST		292.46	-	292.46	267.56	-	267.56
3. LOAN FUNDS							
(a) Secured Loans	C	27,884.78	647.58	28,532.36	26,424.23	621.71	27,045.94
(b) Unsecured Loans	D	-	-	-	11,516.66	-	11,516.66
		<u>27,884.78</u>	<u>647.58</u>	<u>28,532.36</u>	<u>37,940.89</u>	<u>621.71</u>	<u>38,562.60</u>
4. DEFERRED TAX LIABILITY (NET) (Refer Note 6)		1,410.01	49.20	1,459.21	1,434.83	39.75	1,474.58
TOTAL		<u>53,662.96</u>	<u>1,977.46</u>	<u>55,640.42</u>	<u>59,400.17</u>	<u>1,955.05</u>	<u>61,355.22</u>
II APPLICATION OF FUNDS							
1. FIXED ASSETS							
(a) Gross Block	E	47,163.48	1,528.94	48,692.42	46,543.18	1,521.27	48,064.45
Less: Depreciation and Amortisation		24,968.38	325.46	25,293.84	22,756.20	207.67	22,963.87
Net Block		<u>22,195.10</u>	<u>1,203.48</u>	<u>23,398.58</u>	<u>23,786.98</u>	<u>1,313.60</u>	<u>25,100.58</u>
(b) Capital Work In Progress (including advances on capital account)		869.44	-	869.44	594.03	-	594.03
		<u>23,064.54</u>	<u>1,203.48</u>	<u>24,268.02</u>	<u>24,381.01</u>	<u>1,313.60</u>	<u>25,694.61</u>
2. INVESTMENTS	F	411.20	-	411.20	0.32	-	0.32
3. CURRENT ASSETS, LOANS & ADVANCES							
(a) Inventories	G	16,394.02	398.85	16,792.87	25,772.73	388.69	26,161.42
(b) Sundry Debtors		13,638.47	649.30	14,287.77	10,998.84	260.16	11,259.00
(c) Cash and Bank Balances		1,464.35	3.95	1,468.30	1,497.16	5.04	1,502.20
(d) Loans And Advances		9,739.19	166.27	9,905.46	5,959.83	166.41	6,126.24
		<u>41,236.03</u>	<u>1,218.37</u>	<u>42,454.40</u>	<u>44,228.56</u>	<u>820.30</u>	<u>45,048.86</u>
LESS: CURRENT LIABILITIES AND PROVISIONS							
(a) Current Liabilities	H	9,504.96	406.78	9,911.74	8,124.15	153.74	8,277.89
(b) Provisions	I	1,543.85	37.61	1,581.46	1,085.57	25.11	1,110.68
		<u>11,048.81</u>	<u>444.39</u>	<u>11,493.20</u>	<u>9,209.72</u>	<u>178.85</u>	<u>9,388.57</u>
NET CURRENT ASSETS		<u>30,187.22</u>	<u>773.98</u>	<u>30,961.20</u>	<u>35,018.84</u>	<u>641.45</u>	<u>35,660.29</u>
TOTAL		<u>53,662.96</u>	<u>1,977.46</u>	<u>55,640.42</u>	<u>59,400.17</u>	<u>1,955.05</u>	<u>61,355.22</u>
SIGNIFICANT ACCOUNTING POLICIES	P						
NOTES TO ACCOUNTS	Q						

AS PER OUR REPORT OF EVEN DATE
For and on behalf of

For and on behalf of the Board

DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. 037942

Sharad V. Parekh
Managing Director

Hiten V. Parekh
Executive Director

For and on behalf of

VORA & ASSOCIATES
Firm Registration No. 111612W
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No. 031756

Paresh B. Mehta
Financial Controller

Priti P. Dave
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	SCHEDULE	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2010 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	Year Ended 31.03.2009 Rs. in Lacs.
I INCOME							
Gross Sales and Income from Services	J	121,493.41	2,005.82	123,499.23	108,318.97	1,614.99	109,933.96
Less : Duties and Levies		13,799.82	199.41	13,999.23	14,574.24	226.80	14,801.04
NET SALES		107,693.59	1,806.41	109,500.00	93,744.73	1,388.19	95,132.92
Other Income	K	337.95	0.33	338.28	92.00	1.59	93.59
TOTAL		108,031.54	1,806.74	109,838.28	93,836.73	1,389.78	95,226.51
II EXPENDITURE							
Materials consumed / Cost of goods traded / Work in Process	L	65,289.41	1,305.77	66,595.18	57,692.46	813.98	58,506.44
Employees Remuneration and Benefits	M	6,040.38	229.47	6,269.85	5,494.92	177.22	5,672.14
Operating and Other Expenses	N	23,085.53	460.22	23,545.75	20,094.21	339.77	20,433.98
Financial Expenses	O	2,540.56	85.82	2,626.38	5,189.00	84.35	5,273.35
Depreciation/Amortisation		3,389.78	118.93	3,508.71	3,368.70	119.54	3,488.24
TOTAL		100,345.66	2,200.21	102,545.87	91,839.29	1,534.86	93,374.15
Profit before Taxation		7,685.88	(393.47)	7,292.41	1,997.44	(145.08)	1,852.36
Less: Provision for taxation							
Current Tax		2,049.35	-	2,049.35	416.38	-	416.38
Deferred Tax		(32.99)	9.44	(23.55)	174.22	14.05	188.27
Fringe Benefit Tax		-	-	-	105.03	3.03	108.06
Taxation for earlier years written off		60.79	-	60.79	10.15	25.70	35.85
NET PROFIT AFTER TAX		5,608.73	(402.91)	5,205.82	1,291.66	(187.86)	1,103.80
Add / (Less) : Prior Period Adjustments (Net)		-	-	-	-	2.12	2.12
Less : Minority Interest		(55.60)	-	(55.60)	(36.20)	-	(36.20)
NET PROFIT FOR THE YEAR		5,553.13	(402.91)	5,150.22	1,255.46	(185.74)	1,069.72
Balance of Profit Brought Forward		5,107.04	(550.74)	4,556.30	4,250.98	(365.00)	3,885.98
PROFIT AVAILABLE FOR APPROPRIATION		10,660.17	(953.65)	9,706.52	5,506.44	(550.74)	4,955.70
III APPROPRIATIONS							
Proposed Dividend		383.47	-	383.47	255.65	-	255.65
Interim Dividend		255.65	-	255.65	-	-	-
Tax on Dividend		107.14	-	107.14	43.75	-	43.75
Transfer to General Reserve		1,900.00	-	1,900.00	100.00	-	100.00
Balance carried to Balance Sheet		8,013.91	(953.65)	7,060.26	5,107.04	(550.74)	4,556.30
TOTAL		10,660.17	(953.65)	9,706.52	5,506.44	(550.74)	4,955.70
Earning per Equity Share of Rs. 10/- Each (Refer Note 10)							
Basic and Diluted Earnings per Share				40.29			8.37
SIGNIFICANT ACCOUNTING POLICIES	P						
NOTES TO ACCOUNTS	Q						

AS PER OUR REPORT OF EVEN DATE
For and on behalf of

DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. 037942

For and on behalf of

VORA & ASSOCIATES
Firm Registration No. 111612W
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No. 031756

Place: Mumbai
Date: May 15, 2010

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 Cash Flow Statement

Nilkamal Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009 - 2010		2008 - 2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,292.41		1,852.36
Adjustments for :				
Depreciation and Amortisation	3,508.71		3,488.24	
Loss on Fixed Assets sold / discarded (Net)	176.84		63.46	
Interest Payments (Net)	2,626.38		5,273.35	
Provision for doubtful debts written off (written back)	35.21		87.49	
Bad Debts Written Off	58.84		-	
Exchange (Gain) / Loss on Foreign Currency Loans	(167.16)		452.36	
Profit on sales of Investment	(25.59)		-	
Provision for Wealth Tax	5.50		4.60	
		<u>6,218.73</u>		<u>9,369.50</u>
Operating Profit before Working Capital changes		13,511.14		11,221.86
Adjustments for :				
Trade and Other Receivables	(4,042.03)		2,940.96	
Inventories	(2,085.15)		(9,292.69)	
Trade Payable & Other Liabilities	2,099.97		293.92	
Direct Taxes Paid (Net of Refund)	(2,151.16)		(729.83)	
		<u>(6,178.37)</u>		<u>(6,787.64)</u>
Net Cash Flow from Operating Activities.....A		7,332.77		4,434.22
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets	(2,193.29)		(4,045.55)	
Sale of Fixed Assets	176.61		70.81	
Loans Given to erstwhile Subsidiary	(3,178.24)		-	
Current Investment	(410.88)		-	
Interest Received	394.80		-	
Redemption of Government Securities	-		(0.18)	
Divestment of Business	(142.32)		-	
		<u>(5,353.32)</u>		<u>(3,974.92)</u>
Net Cash Flow from Investing Activities.....B				
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds / (Repayment) of Long Term Borrowings (Net)	(3,321.68)		3,698.70	
Proceeds of Unsecured Loans	(1,109.54)		7,707.22	
Increase in Working Capital Loans (Net)	5,601.16		(7,049.73)	
Interest Paid (Net)	(2,739.92)		(4,854.31)	
Capital Subsidy Received	-		45.00	
Dividend paid (including Tax on Dividend)	(611.25)		(449.36)	
		<u>(2,181.23)</u>		<u>(902.48)</u>
Net Cash Flow from Financing Activities.....C		(106.09)		239.52
D. CHANGE IN FOREIGN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION				
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C + D)		(307.87)		(203.66)
Cash and Cash Equivalents as at the beginning of the year	1,262.38		1,466.04	
Cash and Cash Equivalents as at year end	954.51		1,262.38	
		<u>(307.87)</u>		<u>(203.66)</u>
Reconciliation to Cash and Bank Balances given in Schedule G - is as follows :-				
Cash and Bank Balances	1,468.30		1,502.20	
Add: Balance of Divestment of Business	10.83		-	
		1479.13		1,502.20
Less:				
Balances in Fixed Deposit accounts pledged with various - government authorities	72.39		93.13	
Balances in Fixed Deposit accounts kept as margin money with - the bankers	452.23		146.69	
		<u>524.62</u>		<u>239.82</u>
Cash and Cash Equivalents as at the year end		954.51		1,262.38

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

AS PER OUR REPORT OF EVEN DATE

For and on behalf of

DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. 037942

For and on behalf of

VORA & ASSOCIATES
Firm Registration No. 111612W
Chartered Accountants

Bharat B. Chovatia
Partner
Membership No. 031756

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

Place: Mumbai
Date: May 15, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2010 Rs. in Lacs.	Consolidated with Subsidiaries Rs. in Lacs.	Share of Joint Venture Rs. in Lacs.	AS AT 31.03.2009 Rs. in Lacs.
SCHEDULE : `A'						
SHARE CAPITAL						
AUTHORISED:						
2,20,00,000 Equity Shares of Rs. 10/- each	2,200.00	-	2,200.00	2,200.00	-	2,200.00
30,00,000 Preference Shares of Rs.10/- each	300.00	-	300.00	300.00	-	300.00
	2,500.00	-	2,500.00	2,500.00	-	2,500.00
ISSUED, SUBSCRIBED AND PAID UP:						
1,27,82,344 Equity Shares of Rs. 10/- each (Of the above 42,07,644 Equity Shares of Rs. 10/- each have been issued pursuant to the Scheme of amalgamation for consideration other than cash).	1,278.23	-	1,278.23	1,278.23	-	1,278.23
TOTAL	1,278.23	-	1,278.23	1,278.23	-	1,278.23
SCHEDULE : `B'						
RESERVES AND SURPLUS						
CAPITAL RESERVE						
As per last Balance Sheet	1,115.16	15.00	1,130.16	1,085.16	-	1,085.16
Add: Capital Subsidy Received	-	-	-	30.00	15.00	45.00
	1,115.16	15.00	1,130.16	1,115.16	15.00	1,130.16
SECURITIES PREMIUM ACCOUNT						
As per last Account	754.55	3.83	758.38	754.55	3.83	758.38
TRANSLATION RESERVE						
As per last Account	191.01	-	191.01	3.11	-	3.11
Add / (Less): During the year	(98.05)	-	(98.05)	187.90	-	187.90
	92.96	-	92.96	191.01	-	191.01
GENERAL RESERVE						
As per last Account	13,136.40	-	13,136.40	13,036.40	-	13,036.40
Add: Transfer from Profit and Loss Account	1,900.00	-	1,900.00	100.00	-	100.00
	15,036.40	-	15,036.40	13,136.40	-	13,136.40
PROFIT AND LOSS ACCOUNT						
Surplus / (Deficit) as per Annexed Account	8,013.91	(953.65)	7,060.26	5,107.04	(550.74)	4,556.30
	8,013.91	(953.65)	7,060.26	5,107.04	(550.74)	4,556.30
TOTAL	25,012.98	(934.82)	24,078.16	20,304.16	(531.91)	19,772.25
SCHEDULE : `C'						
SECURED LOANS						
(A) Working Capital Loans From Banks						
(i) Rupee Loans	17,295.51	396.80	17,692.31	12,327.46	231.45	12,558.91
(ii) Foreign Currency Loan	-	-	-	158.14	-	158.14
(B) Term Loans From Banks						
(i) Rupee Loans	9,462.83	250.78	9,713.61	12,431.66	390.26	12,821.92
(ii) Foreign Currency Loans	1,126.44	-	1,126.44	1,506.97	-	1,506.97
TOTAL	27,884.78	647.58	28,532.36	26,424.23	621.71	27,045.94
SCHEDULE : `D'						
UNSECURED LOANS						
Rupee Loans	-	-	-	1,000.00	-	1,000.00
Commercial Paper	-	-	-	2,000.00	-	2,000.00
Others	-	-	-	8,516.66	-	8,516.66
TOTAL	-	-	-	11,516.66	-	11,516.66

SCHEDULE 'E'
FIXED ASSETS

(Rs. in Lacs)

NAME OF ASSETS	GROSSBLOCK	ACCUMULATED	NET BLOCK	GROSSBLOCK	ACCUMULATED	NET BLOCK
	As on 31.03.2010	DEPRECIATION / AMORTISATION As on 31.03.2010	As on 31.03.2010	As on 31.03.2009	DEPRECIATION / AMORTISATION As on 31.03.2009	As on 31.03.2009
Consolidated with Subsidiaries:						
A. TANGIBLE ASSETS:						
1. Freehold Land	248.98	-	248.98	270.09	-	270.09
2. Leasehold Land (a)	224.71	19.15	205.56	224.71	16.65	208.06
3. Buildings	9,272.39	2,108.61	7,163.78	9,245.05	1,850.22	7,394.83
4. Plant and Machinery	27,350.16	19,264.54	8,085.62	27,052.66	18,196.00	8,856.66
5. Furniture, Fixtures and Office Equipments	4,381.67	1,719.45	2,662.22	4,224.20	1,452.75	2,771.45
6. Vehicles	1,106.58	301.56	805.02	992.73	256.61	736.12
7. Vehicles on Hire Purchase	164.88	27.67	137.21	164.88	12.01	152.87
8. Interiors at Showroom	2,220.14	359.13	1,861.01	2,189.51	262.21	1,927.30
B. INTANGIBLE ASSETS:						
1. Models, Designs and Other Commercial Rights	2,012.52	1,039.80	972.72	2,012.52	637.30	1,375.22
2. Software	181.45	128.47	52.98	166.83	72.45	94.38
	47,163.48	24,968.38	22,195.10	46,543.18	22,756.20	23,786.98
Add : Share in Joint Venture	1,528.94	325.46	1,203.48	1,521.27	207.67	1,313.60
TOTAL	48,692.42	25,293.84	23,398.58	48,064.45	22,963.87	25,100.58

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

Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2010	Consolidated with Subsidiaries	Share of Joint Venture	AS AT 31.03.2009

SCHEDULE : 'F'**INVESTMENTS****1 Long Term**

Investment in Government Securities at Cost National Savings Certificates (Pledged with Government Authorities)

0.32 - 0.32 0.32 - 0.32

2 Current Investment

SBIMF Magnum Insta Cash Fund (5,97,068.74 Units NAV Rs. 16.75/-).

100.00 - 100.00 - - -

Sri Lankan Government Treasury Investment

310.88 - 310.88 - - -

TOTAL 411.20 - 411.20 0.32 - 0.32

SCHEDULE : 'G'**INVENTORIES**

Stores and Spare parts

1,074.20 16.02 1,090.22 1,396.45 12.14 1,408.59

Packing Materials

167.06 - 167.06 161.01 - 161.01

Stock in Trade

Raw Materials

3,300.43 270.85 3,571.28 2,078.66 242.70 2,321.36

Semi-Finished Goods / Work in Process

1,272.66 25.51 1,298.17 862.45 10.41 872.86

Finished Goods and Traded Goods

10,509.84 86.47 10,596.31 9,876.96 123.44 10,000.40

Work in Progress (Land)

- - - 11,389.98 - 11,389.98

Goods in Transit (at Cost)

69.83 - 69.83 7.22 - 7.22

TOTAL 16,394.02 398.85 16,792.87 25,772.73 388.69 26,161.42

SUNDRY DEBTORS

i) Outstanding for a period exceeding

Six months

a) Considered Good

549.32 79.34 628.66 671.92 24.92 696.84

b) Considered Doubtful

158.20 - 158.20 140.04 - 140.04

707.52 79.34 786.86 811.96 24.92 836.88

ii) Other Debts (Considered Good)

13,089.15 569.96 13,659.11 10,326.92 235.24 10,562.16

13,796.67 649.30 14,445.97 11,138.88 260.16 11,399.04

Less: Provision for Doubtful Debts

158.20 - 158.20 140.04 - 140.04

TOTAL 13,638.47 649.30 14,287.77 10,998.84 260.16 11,259.00

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2010 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	AS AT 31.03.2009 Rs. in Lacs
CASH AND BANK BALANCES						
Cash on hand	82.79	0.21	83.00	103.76	1.27	105.03
Balance with Banks						
i) On Current Accounts	857.64	3.04	860.68	1,153.58	3.77	1,157.35
ii) On Fixed Deposit Accounts [includes Rs. 72.39 Lacs pledged with various Government authorities, (Previous Year Rs. 93.13 Lacs), Rs. 452.23 Lacs kept as margin money with the bankers (Previous Year Rs. 146.69 Lacs)]	523.92	0.70	524.62	239.82	-	239.82
TOTAL	1,464.35	3.95	1,468.30	1,497.16	5.04	1,502.20
LOANS AND ADVANCES						
(Unsecured, considered good)						
Advances Recoverable in Cash or in kind or for the value to be received	6,203.11	41.76	6,244.87	3,198.07	25.93	3,224.00
Considered Good	56.56	-	56.56	56.66	-	56.66
Less: Considered Doubtful	(56.56)	-	(56.56)	(56.66)	-	(56.66)
Employee Loans	210.08	22.23	232.31	180.07	-	180.07
Balance with Excise Department	8.54	92.44	100.98	2.88	124.29	127.17
Taxes paid in Advance (Net of Provisions) Deposits	536.44	9.84	546.28	500.16	9.18	509.34
	2,781.02	-	2,781.02	2,078.65	7.01	2,085.66
TOTAL	9,739.19	166.27	9,905.46	5,959.83	166.41	6,126.24
SCHEDULE : 'H'						
CURRENT LIABILITIES						
Sundry Creditors	4,773.26	385.34	5,158.60	4,052.56	123.36	4,175.92
Unclaimed Dividend	20.04	-	20.04	17.38	-	17.38
Other Liabilities	4,557.44	19.00	4,576.44	3,524.55	27.06	3,551.61
Interest Accrued but not due on loans	154.22	2.44	156.66	529.66	3.32	532.98
TOTAL	9,504.96	406.78	9,911.74	8,124.15	153.74	8,277.89
SCHEDULE : 'I'						
PROVISIONS						
Provision for Wealth Tax	6.03	-	6.03	4.60	-	4.60
Provision for Income Tax (Net of Advance tax)	115.17	8.16	123.33	1.20	8.16	9.36
Final Dividend	383.47	-	383.47	255.65	-	255.65
Tax on Proposed Dividend	63.69	-	63.69	43.45	-	43.45
For Employee Benefits	521.08	17.99	539.07	450.51	9.78	460.29
Provision for Excise Duty	298.17	11.46	309.63	212.08	7.17	219.25
Provisions for Warranties [Refer Note 3]	156.24	-	156.24	118.08	-	118.08
TOTAL	1,543.85	37.61	1,581.46	1,085.57	25.11	1,110.68
SCHEDULE : 'J'						
GROSS SALES AND INCOME FROM SERVICES:						
Sales of Manufactured / Traded Goods	121,173.69	1,968.33	123,142.02	108,051.16	1,563.17	109,614.33
Gross Income from Services:						
Services Charges	319.72	37.49	357.21	267.81	51.82	319.63
TOTAL	121,493.41	2,005.82	123,499.23	108,318.97	1,614.99	109,933.96
SCHEDULE : 'K'						
OTHER INCOME						
Miscellaneous Receipts	43.65	0.33	43.98	9.26	0.86	10.12
Proceeds on maturity of keymen Insurance	186.70	-	186.70	82.74	0.73	83.47
Technical and Management Fees	107.60	-	107.60	-	-	-
TOTAL	337.95	0.33	338.28	92.00	1.59	93.59

Schedules forming part of the Consolidated Accounts

Nilkamal Limited

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2009 Rs. in Lacs
SCHEDULE : 'L'						
MATERIALS CONSUMED / COST OF GOODS TRADED / WORK IN PROCESS						
a) Opening Stock of Raw Materials	2,078.66	242.70	2,321.36	3,308.77	396.47	3,705.24
b) Purchases	42,378.34	1,156.36	43,534.70	31,759.73	543.87	32,303.60
c) Stock on divestment of business	53.90	-	53.90	-	-	-
d) Total of [a] + [b] - [c]	44,403.10	1,399.06	45,802.16	35,068.50	940.34	36,008.84
Less:						
e) Closing Stock	3,300.43	270.85	3,571.28	2,078.66	242.70	2,321.36
I. RAW MATERIALS CONSUMED [d - e]	41,102.67	1,128.21	42,230.88	32,989.84	697.64	33,687.48
II. TRADING PURCHASES	25,273.09	151.39	25,424.48	24,813.09	93.32	24,906.41
III. PURCHASE OF LAND	-	-	-	10,325.64	-	10,325.64
IV. VARIATION IN THE STOCK OF FINISHED/SEMI-FINISHED / WORK IN PROCESS /TRADED GOODS						
Opening Stock						
Work in Process	247.86	-	247.86	447.85	-	447.85
Semi Finished Goods	614.59	10.41	625.00	822.06	-	822.06
Finished and Traded Goods	9,876.96	123.44	10,000.40	10,787.65	178.85	10,966.50
	10,739.41	133.85	10,873.26	12,057.56	178.85	12,236.41
Less: Stock on divestment of business	99.15	-	99.15	-	-	-
Closing Stock						
Work in Progress	444.60	-	444.60	247.86	-	247.86
Semi Finished Goods	828.06	25.51	853.57	614.59	10.41	625.00
Finished and Traded Goods	10,509.84	86.47	10,596.31	9,876.96	123.44	10,000.40
	11,782.50	111.98	11,894.48	10,739.41	133.85	10,873.26
Add / (Less): Variation in excise duty on Opening and Closing Stock of Finished Goods	55.89	4.30	60.19	(364.28)	(21.98)	(386.26)
	(1,086.35)	26.17	(1,060.18)	953.87	23.02	976.89
V. VARIATION IN THE WORK-IN- PROGRESS (LAND)						
Opening Work-in-Progress	11,389.98	-	11,389.98	-	-	-
Closing Work-in-Progress	-	-	-	11,389.98	-	11,389.98
Less: Stock on divestment of business	(11,389.98)	-(11,389.98)	-	-	-	-
	-	-	-	(11,389.98)	-	(11,389.98)
TOTAL (I+II+III+IV+V)	65,289.41	1,305.77	66,595.18	57,692.46	813.98	58,506.44
SCHEDULE : 'M'						
EMPLOYEES' REMUNERATION AND BENEFITS						
Salary, Wages and Bonus	5,371.25	217.57	5,588.82	4,852.22	168.98	5,021.20
Cont. to Provident and Other funds	170.17	3.59	173.76	170.52	2.68	173.20
Workmen and Staff Welfare Expenses	498.96	8.31	507.27	472.18	5.56	477.74
TOTAL	6,040.38	229.47	6,269.85	5,494.92	177.22	5,672.14
SCHEDULE : 'N'						
OPERATING AND OTHER EXPENSES						
Stores and Spare Parts Consumed	1,415.44	148.92	1,564.36	1,283.28	82.42	1,365.70
Power and Fuel	3,485.72	58.98	3,544.70	2,766.75	38.34	2,805.09
Repairs:						
Building	176.58	-	176.58	24.91	0.40	25.31
Machinery	190.25	0.23	190.48	70.46	0.87	71.33
Others	410.66	6.54	417.20	320.89	1.88	322.77
Labour Charges Paid	2,628.84	-	2,628.84	1,673.80	-	1,673.80
Rent	2,396.85	1.51	2,398.36	2,158.15	4.27	2,162.42
Rates and Taxes	104.74	0.13	104.87	152.83	0.15	152.98
Insurance	137.94	3.70	141.64	139.59	3.25	142.84
Postage and Telephone Expenses	356.34	-	356.34	398.82	-	398.82

	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs	Consolidated with Subsidiaries Rs. in Lacs	Share of Joint Venture Rs. in Lacs	Year Ended 31.03.2009 Rs. in Lacs
SCHEDULE : 'N' (Contd..)						
Loss on Fixed Assets sold / discarded (Net)	175.95	0.89	176.84	62.79	0.67	63.46
Packing Materials Consumed	781.56	-	781.56	585.32	-	585.32
Travelling Expenses	818.96	33.52	852.48	856.02	42.05	898.07
Commission, Discounts and Rebates	1,694.64	59.34	1,753.98	1,511.96	46.44	1,558.40
Advertisements and Publicity Expenses	1,522.28	2.61	1,524.89	1,576.32	7.82	1,584.14
Carriage Outward	4,508.54	46.34	4,554.88	3,843.49	32.21	3,875.70
Land Lease Rent	3.10	0.54	3.64	25.21	0.54	25.75
Directors' Fees	6.25	-	6.25	5.82	-	5.82
Provision for Wealth Tax	5.50	-	5.50	4.60	-	4.60
Bad Debts written off	58.84	-	58.84	-	-	-
Provision / (Write back) for Doubtful Debts	35.21	-	35.21	87.49	-	87.49
Sundry Expenses	2,171.34	96.97	2,268.31	2,545.71	78.46	2,624.17
TOTAL	23,085.53	460.22	23,545.75	20,094.21	339.77	20,433.98

**SCHEDULE : 'O'
FINANCIAL EXPENSES**

Interest Expense	2,778.89	83.31	2,862.20	4,998.25	91.08	5,089.33
Less :- Interest Received	530.80	12.32	543.12	43.14	17.79	60.93
	2,248.09	70.99	2,319.08	4,955.11	73.29	5,028.40
Bank Charges	190.76	11.73	202.49	174.89	6.58	181.47
Processing and other charges on Loans	101.71	3.10	104.81	59.00	4.48	63.48
TOTAL	2,540.56	85.82	2,626.38	5,189.00	84.35	5,273.35

SCHEDULE - 'P'

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of preparation of Financial Statements:

The financial statements of the Subsidiary Companies and Joint Venture Company used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended 31st March 2010.

The financial statements of the Company, and the Joint Venture Company have been prepared under historical cost convention on an accrual basis and comply with Accounting Standards. The financial statements of the foreign Subsidiary Companies have been prepared in accordance with the local laws and the applicable accounting standards / generally accepted accounting principles.

B) Principles of Consolidation:

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

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

Name of the Company	Country of Incorporation	% Ownership held as at 31 st March, 2010	% Ownership held as at 31 st March, 2009
Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%	76%
Nilkamal Crates and Bins FZE	Ajman, UAE	100.00%	100.00%
Nilkamal Padma Plastics Private Limited	Bangladesh	-	97.23%
Starshine Land Developers Private Limited	India	-	50.01%

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

Name of the Company	Country of Incorporation	% Ownership held as at 31 st March, 2010	% Ownership held as at 31 st March, 2009
Nilkamal Bito Storage Systems 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 Profit and Loss Account have been translated into Indian Rupees at average monthly exchange rate.

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

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

D) Use of Estimate:

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

E) Fixed Assets:

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

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

F) Impairment of Assets:

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

G) Depreciation and Amortisation:

(i) Depreciation on fixed assets is provided on Straight Line Method at the rates permissible under the local laws of each company.

(ii) Improvements to the leasehold assets are depreciated on straight line basis over the total period of lease.

(iii) Cost of Leasehold land is amortised over the period of lease.

(iv) Depreciation on additions / deletions is calculated on a pro-rata basis.

H) Valuation of Inventories:

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

I) 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.

J) Employee Benefits:

Short Term Employee Benefits

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

Post Employment / Retirement Benefits

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

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

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

Termination Benefits

Termination benefits are recognised as and when incurred.

K) Foreign Currency Translations:

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

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

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

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 on goods lying in warehouse at the year end is provided for.
- vi) Dividend income is recognised when the right to receive the same is established.
- vii) Interest income is accrued over the period of loan / deposit / investment.
- viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

N) Premises taken on Lease:

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

O) Taxation:

Income-Tax expense comprises of Current Tax 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 Taxes is reviewed to reassure realisation.

P) Expenditure during Construction and Expenditure on New Projects:

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

Q) Government Grants:

Grants received from Government agencies / departments which are in the nature of contribution towards the Company's total capital outlay are credited to Capital Reserve. Revenue grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

R) Provisions:

A provision is recognised 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.

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

Notes to consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated financial statements. Recognising this purpose the Company has disclosed only such notes from individual financial statements, which fairly present the needed disclosure.

1. (a) Contingent Liabilities not provided for in respect of:

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
i) Excise matters	10.94	101.32
ii) Sales Tax matters *	923.23	132.58

* Includes Rs. 844 Lacs towards disputed Sales Tax liability under the Kerala General Sales Tax Act, 1963 against which the company has received conditional stay from Hon'ble Supreme Court of India.

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 653.24 Lacs (Previous year Rs. 487.91 Lacs).**3. Disclosure relating to provisions in respect of Product Warranty as follows:**

(Rs. in Lacs)

	2009-10	2008-09
Opening Balance	118.08	131.96
Additions	308.42	216.35
Utilisations	270.26	230.23
Closing Balance	156.24	118.08

4. Aggregated Related Party Disclosures:

(Rs. in Lacs)

	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives
	2009 - 2010	2009 - 2010	2008 - 2009	2008 - 2009
Paid for Services and Labour Charges	-	39.40	-	40.16
Rent Paid	60.39	77.51	60.00	54.34
Remuneration paid	317.09	-	155.82	-
Reimbursement of Expenses (Net of recovery)	-	-	-	2.79
Interest Expenses	-	-	146.59	9.56
Loan Received	-	-	5,846.23	240.50
Loan Repaid	-	-	2,646.18	224.00
Interest on Loan Given	-	311.05	-	-
Other receivable / (Payables) (Net)	-	(2.84)	-	(1.86)
Loan Receivable	-	3,178.24	-	-
Interest Receivable	-	431.97	-	-
Deposits receivable	10.00	720.00	10.00	645.25
Loans Payable	-	-	3,201.16	16.50
Interest Payable	-	-	129.98	7.59

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

NOTES:**(1) Names of related parties and description of relationship**

i) Key Management Personnel	Shri Vamanrai V. Parekh Shri Sharad V. Parekh Shri Hiten V. Parekh Shri. Manish V. Parekh Shri Nayan S. Parekh
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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. (w.e.f. 23 rd July, 2009) Heirloom Finance Pvt. Ltd. Nilkamal Builders Pvt. Ltd. Shrimant Holding Pvt. Ltd. Stack Plast Pvt. Ltd.
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Note:

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

Mrs. Nalini V. Parekh, Mrs. Maya S. Parekh, Mrs. Smriti H. Parekh, Mrs. Manju M. Parekh, Mrs. Purvi N. Parekh, Mrs. Rajul M. Gandhi, Mrs. Dhruvi Nakul Kumar, Miss Priyanka H. Parekh, Master Mihir H. Parekh, Master Eashan M. Parekh, Mr. Manoj K. Gandhi, Vamanrai V. Parekh (HUF), Sharad V. Parekh (HUF), Hiten V. Parekh (HUF), Manish V. Parekh (HUF), Nayan S. Parekh (HUF), A. M. Engineering Private Limited, Parekh Plasto Industries Pvt. Ltd.

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

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

6. Deferred Tax Asset / Liabilities:

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

(Rs. in Lacs)

	2009 - 2010		2008 - 2009		2007 - 2008	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Depreciation		1,698.21		1,687.88		1,517.64
Employee's Benefits	52.55		33.92		121.06	
Provision for Doubtful Debts	163.17		144.93		71.92	
Others	23.28		34.45		77.50	
Total	239.00	1,698.21	213.30	1,687.88	270.48	1,517.64

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

(Rs. in Lacs)

Particulars		2009-10	2008-09
a.	Lease payments recognised in the Profit and Loss Account (includes contingent rent of Rs. 3.95 Lacs (Previous year NIL))	2,321.81	2,162.42
b.	Future minimum Lease Payments under non cancelable agreements.		
i)	Not later than one year	756.08	950.10
ii)	Later than one year and not later than 5 years	505.59	638.75
iii)	Later than 5 years	-	-

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

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

b) Assets acquired under finance lease arrangement:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Future minimum Lease Payments under agreements.		
i) Not later than one year	49.16	49.16
ii) Later than one year and not later than 5 years	10.30	59.46
iii) Later than 5 years	-	-
Present Value of Minimum Lease Payment	55.68	96.91
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value		
Total Minimum Lease Payments	59.46	108.62
Less : Interest	3.78	11.71
Present Value of Minimum Lease Payment	55.68	96.91

8. Segment Information:

SEGMENT WISE REVENUE, RESULTS AND OTHER INFORMATION:-

A. BUSINESS SEGMENT :

(Rs. In Lacs)

Sr. No.	Particulars	2009-10					2008-09				
		Plastics	Lifestyle Furniture, Furnishings & Accessories	Property Development	Others	Total	Plastics	Lifestyle Furniture, Furnishings & Accessories	Property Development	Others	Total
1	Segment Revenue(Net Sales)	96,278.89	11,958.16	-	1,806.40	110,043.45	83,052.87	11,166.53	-	1,388.19	95,607.59
	Less: Inter Segment Revenue	543.37	0.08	-	-	543.45	474.25	0.42	-	-	474.67
	Net Income from Operations	95,735.52	11,958.08	-	1,806.40	109,500.00	82,578.62	11,166.11	-	1,388.19	95,132.92
2	Segment Result before Tax & interest	12,092.46	(1,312.13)	11.54	(317.07)	10,474.80	9,506.80	(1,250.35)	(11.81)	(60.73)	8,183.91
	Add/(Less): Minority Interest	55.60	-	-	-	55.60	36.70	-	(0.50)	-	36.20
		12,036.86	(1,312.13)	11.54	(317.07)	10,419.20	9,470.10	(1,250.35)	(11.31)	(60.73)	8,147.71
	Less: Unallocated expense (Net Of Unallocated Income)					556.01					1,058.20
	Operating Profit					9,863.19					7,089.51
	Less: Interest (Net)					2,626.38					5,273.35
	Add: Exceptional Income					-					-
	Add / (Less): Prior Period Adjustment (Net)					-					2.12
	Profit Before Tax					7,236.81					1,818.28
	Less: Provision for Taxes (Net)					2,086.59					748.56
	Net Profit After Tax					5,150.22					1,069.72
3	Other Information										
	Segment Assets	49,640.05	8,718.67	-	2,417.88	60,776.60	46,040.35	9,163.08	11,391.04	2,108.98	68,703.45
	Add: Unallocated Assets					6,357.02					2,040.34
	Total Assets					67,133.62					70,743.79
	Segment Liabilities	8,047.29	2,258.92	-	433.77	10,739.98	6,644.99	1,491.72	221.07	167.37	8,525.15
	Add: Minority Interest	292.46	-	-	-	292.46	267.56	-	-	-	267.56
		8,339.75	2,258.92	-	433.77	11,032.44	6,912.55	1,491.72	221.07	167.37	8,792.71
	Add: Unallocated Liabilities										
	Loan Liabilities					28,532.36					38,562.60
	Others					2,212.43					2,338.00
	Total liabilities					41,777.23					49,693.31
	Capital Expenditure	2,334.47	259.16	-	11.37	2,605.00	3,393.36	920.06	-	46.28	4,359.70
	Depreciation and Amortisation	3,143.78	246.00	-	118.93	3,508.71	3,124.31	244.39	-	119.54	3,488.24
	Significant Non Cash Expenses other than Depreciation and Amortisation	19.73	191.43	-	0.89	212.05	87.49	-	-	-	87.49

B. GEOGRAPHICAL SEGMENT

(Rs. In Lacs)

Sr. No.	Particulars	Year Ended 31 st March, 2010			Year Ended 31 st March, 2009		
		India	Rest of The World	Total	India	Rest of The World	Total
1	Segment Revenue (Net Sales)	102,888.94	6,611.06	109,500.00	88,626.52	6,506.40	95,132.92
2	Carrying cost of Segment Assets	59,177.60	1,599.00	60,776.60	66,178.70	2,524.75	68,703.45
3	Addition to Fixed Assets and Intangible Assets	2,595.47	9.53	2,605.00	3,771.83	587.87	4,359.70

Notes:

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

- c) Types of Products and Services in each business segment:

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

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

9. The Company, divested its entire stake in Starshine Land Developers Private Limited (a Subsidiary Company) (SLDPL) engaged in property development business, at original cost on 23rd July, 2009. The Profit on divestment aggregating to Rs. 11.52 Lacs is included in Miscellaneous Receipts in Schedule 'K' 'Other Income' In terms of the Share Purchase Agreement, loan given to SLDPL is to be repaid over a period of time. Advance recoverable in cash or in kind or for the value to be received in Schedule 'G', includes loan to SLDPL as at 31st March 2010 Rs. 3,178.24 Lacs.

Disclosure in terms of Accounting Standard 24 Discontinuing Operations regarding Cash Flow for above Business is as follows

(Rs. in Lacs)

	Current Period	Previous Year
Net Cash (out Flow) / In Flow from Operating Activities	-	(10,118.44)
Net Cash (out Flow) / In Flow from Financing Activities	1,287.79	8,234.71
Net Cash (out Flow) / In Flow from Financing Activities	-	-

Further the Company divested its entire stake in Nilkamal Padma Plastics Private Limited, Bangladesh (a Subsidiary Company) (NPPPL) in terms of agreement dated: 27th January, 2010. The profit on divestment aggregating to Rs. 14.07 Lacs is included in Miscellaneous Receipts in Schedule 'K' 'Other Income'.

10. Earning per share has been computed as under:

	2009 - 10	2008 - 09
Net Profit as per Profit and Loss Account (Rs. in Lacs)	5,150.22	1,069.72
Weighted average number of Equity shares	1,27,82,344	1,27,82,344

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

AS PER OUR REPORT OF EVEN DATE
For and on behalf of

DALAL & SHAH
Firm Registration No. 102021W
 Chartered Accountants

S. Venkatesh
 Partner
 Membership No. 037942

For and on behalf of

VORA & ASSOCIATES
Firm Registration No. 111612W
 Chartered Accountants

Bharat B. Chovatia
 Partner
 Membership No. 031756

Place: Mumbai
 Date: May 15, 2010

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

