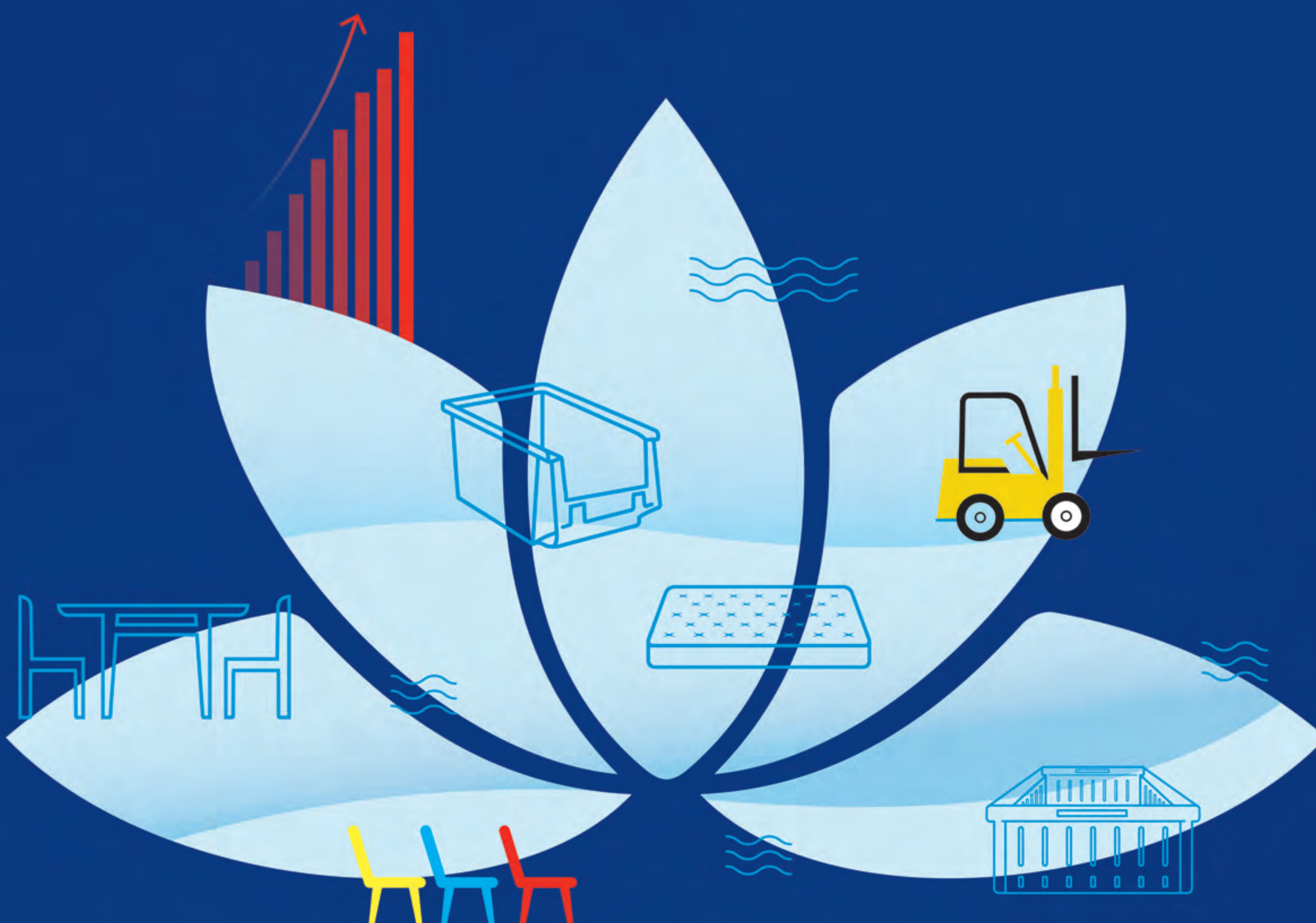
ANNUAL REPORT
2016 - 2017

Nilkamal®



"Growth is
never by mere chance;
it is the result of forces
working together"

Nilkamal Limited


MOULDED FURNITURE
BUBBLE GUARD
HOME DECOR
MATERIAL HANDLING SOLUTIONS
MATTRESS
CUSTOM RANGE

Board of Directors

Mr. Vamanrai V. Parekh	-	Chairman
Mr. Sharad V. Parekh	-	Managing Director
Mr. Hiten V. Parekh	-	Joint Managing Director
Mr. Manish V. Parekh	-	President and Executive Director
Mr. Nayan S. Parekh	-	President and Executive Director
Ms. Hiroo Mirchandani	-	Director
Mr. K. R. Ramamoorthy	-	Director
Mr. K. Venkataramanan (appointed w.e.f. November 5, 2016)	-	Director
Mr. Mahendra V. Doshi	-	Director
Mr. Mufazzal S. Federal	-	Director
Mr. S. K. Palekar	-	Director

Chief Financial Officer
Mr. Paresh B. Mehta

Company Secretary
Ms. Priti P. Dave

Bankers
- State Bank of India • Corporation Bank
- IDBI Bank Limited • DBS Bank Limited

Auditors
M/s. B S R & Co. LLP
M/s. Vora & Associates

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

Hosur Factory
Part of Survey No. 149, 151 to 153, 155/9, 226/1C, 227 and 299/1,
Next to GNB Factory, Nallaganakothapalli Village, Koneripalli Post,
Shoolagiri Taluk (Hosur), Krishnagiri District-635 117, Tamilnadu.

Hooghly Factory
Dayanidhan Compound, Godown No- 1A & 2, Delhi High Road,
Dankuni, Village: Monoharpur, J. L. No. 98,
Touzi No. 17, Police Station - Chanditala,
District - Hooghly – 712 311, West Bengal.

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

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

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

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

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

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

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

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NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Nilkamal Limited will be held at the Registered Office of the Company at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli, on Tuesday, August 8, 2017 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on equity shares for the year ended March 31, 2017.
3. To appoint a Director in place of Mr. Manish V. Parekh (DIN: 00037724), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby approves the retirement of M/s. Vora and Associates, Chartered Accountants (ICAI Registration No. 111612W) – one of the Joint Statutory Auditors of the Company, upon the expiry of their term of office and further upon the recommendations of the Audit Committee, ratifies the continuation of appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/ W-100022) till the conclusion of the Thirty Second Annual General Meeting of the Company, as approved by the members at the Twenty Eighth Annual General Meeting held on September 6, 2014 and that the Board of Directors be and is hereby authorised to fix the remuneration plus applicable service tax and reimbursement of out of pocket expenses payable to them for the financial year ended March 31, 2018 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the Auditors and the Board of Directors."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 and the Rules made thereunder read with the provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. K. Venkataramanan (DIN: 00001647), who was appointed as an Additional Director of the Company with effect from November 5, 2016, under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office as such for a period of three years upto the conclusion of the Thirty Fourth Annual General Meeting to be held in calendar year 2020."
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. B. F. Modi and Associates, Cost Accountants (Firm Registration No. 6955) appointed by the Board of Directors as Cost Auditors of the Company to conduct audit of cost records of the Company for the financial year 2017-2018 at remuneration of ₹ 3.25 Lacs (Rupees Three Lacs Twenty Five Thousand Only) plus service tax and reimbursement of out of pocket expenses at actual, be and is hereby ratified and confirmed."
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other applicable provisions of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the payment of a revised remuneration to Mr. Mihir Parekh - Associate Vice President, relative of Director, appointed at a place of profit in the Company, at a basic salary of ₹ 75,900 per month in a scale of ₹ 75,000 to ₹ 175,000 per month plus HRA, provident fund, other perquisites and allowances as per the Company's policy, with effect from April 1, 2017, with further authority to the Board of Directors to alter the said remuneration from time to time within the given scale of basic salary, alongwith the terms and conditions thereof, for the period from April 1, 2017 to March 31, 2022."

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of the businesses at Item Nos. 4 to 7 above is annexed hereto and forms a part of the Notice.
2. The relevant details of persons seeking re-appointment/appointment as Director under Item Nos. 3 and 5 of the Notice, as required pursuant to Regulation 36(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges, is also annexed.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 2, 2017 to Tuesday, August 8, 2017, both days inclusive.

6. The final dividend, as recommended by the Board, if approved at the Annual General Meeting, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on August 1, 2017 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on August 1, 2017.

7. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant. Members holding shares in physical form are requested to provide the above details, along with their Folio Number, to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

8. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, address, registered email id, bank details, NECS, mandates, nominations, power of attorney, etc. to their Depository Participant. Changes intimated to the Depository Participant will be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate any of the above mentioned changes, alongwith the request for merging of folio etc., to the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

9. For the purpose of availing Nomination facility, members holding shares in dematerialised form are required to lodge the nomination with their Depository Participant and members holding shares in physical form are required to fill and submit Form SH-13 (available on request) with the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.

11. Members, wishing to claim dividends, which remain unclaimed for the financial years 2010-2011 onwards, are requested to write to the Company or its Registrar and Transfer Agents, M/s. Link Intime India Private Limited at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai: 400083. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the Investor Education and Protection Fund (IEPF), no claim shall lie in respect thereof. Further, shares on which the dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable Rules. The shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

12. Any request for revalidation of dividend warrant(s) by any member of the Company may be directed to the Company or its Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

13. The Notice of the 31st AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

14. The Annual Report 2016-2017 of the Company, as circulated to the members of the Company, is also available on the Company's website at www.nilkamal.com and on the website of the stock exchanges where the shares of the Company are listed viz. BSE Limited – www.bseindia.com and National Stock Exchange of India Limited – www.nseindia.com.

15. Members desiring any information as regards the Accounts are requested to write to the Company at its Corporate Office atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.

16. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the Meeting. Members holding equity shares in electronic form, and proxies thereof, are requested to bring their DP ID and client ID for identification.

17. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Thirty First Annual General Meeting (AGM) by electronic means through remote e-voting platform provided by Central Depository Services Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on August 5, 2017 at 10.00 am and ends on August 7, 2017 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 1, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DIVIDEND BANK DETAILS OR DATE OF BIRTH	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "Nilkamal Limited", on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) **General Instructions:**

a) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.

b) The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may only cast their vote at the AGM through ballot paper.

c) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. August 1, 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. August 1, 2017 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

d) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date of August 1, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if the member is already registered with CDSL for remote e-voting then the member can use their existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot Password" option available on www.evotingindia.com.

e) Mr. Pratik M. Shah, Practicing Company Secretary (Membership No. FCS 7431), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

f) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

g) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

h) The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.nilkamal.com and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the Stock Exchanges.

By order of the Board
For Nilkamal Limited

Place: Mumbai
Date: May 11, 2017

Priti P. Dave
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, as amended, the Company cannot re-appoint any firm as an auditor of the Company for more than two terms of five consecutive years. In case any existing auditor has completed the said term, they shall mandatorily retire at the first Annual General Meeting of the Company held after completion of a period of three years from April 1, 2014, i.e. at the Annual General meeting of the Company to be held in the year 2017.

Hence, in terms of the provisions of Section 139(2) mentioned above, the term of appointment of M/s. Vora and Associates, Chartered Accountants, as the auditors of the Company shall expire at the ensuing Annual General Meeting.

The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Vora and Associates, Chartered Accountants, during their long association with the Company as its auditors.

Further, in view of the above, the appointment of M/s. B S R and Co. LLP, Chartered Accountants, having Registration No. 101248W/ W-100022, the other Joint Statutory Auditor, have been continued for a term till the conclusion of the Thirty Second Annual General Meeting of the Company.

No Director, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

Item No. 5

Mr. K. Venkataramanan was appointed as an Additional Director (Independent) on the Board with effect from November 5, 2016.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. K. Venkataramanan will hold office upto the conclusion of the ensuing Annual General Meeting of the Company. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member alongwith a deposit of ₹ 100,000 proposing the candidature of Mr. K. Venkataramanan for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. K. Venkataramanan (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. K. Venkataramanan as an Independent Director of the Company for a period up to the conclusion of Thirty Fourth Annual General Meeting of the Company to be held in calendar year 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. K. Venkataramanan, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. K. Venkataramanan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No Director, Key Managerial Personnel or their relatives, except Mr. K. Venkataramanan, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. B. F. Modi and Associates to conduct the audit of the Cost Records of the Company for the financial year 2017-2018. In terms of provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost

Auditor along with the reimbursement of expenses incurred towards the audit is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

No Director, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

Item No. 7

Mr. Mihir H. Parekh, designated as the Associate Vice President, holds a place of profit in the Company and is a related party pursuant to Section 2(76) of the Companies Act 2013 ("the Act"). Further, pursuant to the provisions of Section 188 of the Act and the rules made thereunder, the appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹ 2,50,000 requires the prior approval of members of the Company. Hence, approval of members is sought for the revision in the remuneration payable to him by the Company as proposed in the resolution under this item of business.

Mr. Mihir H. Parekh holds a B.E. (Hons) Engineering Business Management from the University of Warwick, UK and MSc Management degree from the London Business School UK. Prior to joining the Company from June 1, 2015, he was associated with various organisations of national and international repute since March 2010, wherein he had gained business and management exposure. At present he looks after the expansion in new product line of the Company.

The information as required in accordance with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as under:

(a) Name of the related party: Mr. Mihir H. Parekh;

(b) Name of the Director or Key Managerial Personnel who is related: Mr. Hiten V. Parekh – Joint Managing Director;

(c) Nature of relationship: Mr. Mihir H. Parekh is son of Mr. Hiten V. Parekh, Joint Managing Director and one of the Promoters of the Company. Mr. Mihir H. Parekh is himself holding 11,500 equity shares in the Company, constituting 0.08% of the paid-up equity share capital of the Company.

(d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Revision in the remuneration payable to Mr. Mihir H. Parekh - Associate Vice President, at a basic salary of ₹ 75,900 per month, in the scale of ₹ 75,000 to ₹ 175,000 per month plus HRA, provident fund, other perquisites and allowances as per the Company's policy, with effect from April 1, 2017.

Mr. Mihir H. Parekh is interested in the resolution set out at Item No. 7 of the Notice. Mr. Hiten V. Parekh – Joint Managing Director, being related to Mr. Mihir H. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Mihir H. Parekh may be deemed to be interested in the resolution set out at Item No. 7 of the Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the aforesaid resolution set out at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the members.

By order of the Board
For Nilkamal Limited

Priti P. Dave
Company Secretary

Place: Mumbai
Date: May 11, 2017

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

(Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Mr. Manish V. Parekh

Director Identification Number (DIN)	:	00037724
Date of joining the board	:	April 1, 2000
Brief resume of the Director including nature of expertise in specific functional areas	:	Mr. Manish V. Parekh, aged 48 years, holds a bachelor's degree in Commerce from Mumbai University. He has rich experience of 26 years in the field of marketing and distribution. He is the pillar behind the enormous dealer network which is responsible for catering to requirements from the remotest region of the country. He is the brains behind the introduction of variety of designs and products of a varied range in the market, due to which the Company had become a generic brand name for the customers nationwide. His seamless zeal has helped the Company to become a market leader in the country and one of the largest producers of moulded plastic furniture in the world. He is instrumental in launching the Company's retail business of lifestyle furniture, furnishing and accessories under the brand name '@home' and the Company's foray into mattress business under the brand name 'Nilkamal Mattrezzz'. Under his guidance, the Company's retail business '@home' has grown in a short span of time to provide quality furniture, accessories and design solutions
Relationship of Directors inter-se	:	Mr. Manish V. Parekh is the son of Mr. Vamanrai V. Parekh and brother of Mr. Hiten V. Parekh.
Number of shares held in the Company	:	1,191,658
Directorships and Committee memberships held in other companies*	:	None

Mr. K. Venkataramanan

Director Identification Number (DIN)	:	00001647
Date of joining the board	:	November 5, 2016
Brief resume of the Director including nature of expertise in specific functional areas	:	Mr. K. Venkataramanan, aged 72 years, is a distinguished Alumni of IIT, Delhi. He was associated with L&T for over four decades, and was appointed as Chief Executive Officer and Managing Director on April 1, 2012 and retired from the said position on September 30, 2015. He is the first Asian to become the Chairman of the Board of Directors of the Engineering & Construction Risk Institute Inc., USA. He is an Honorary Fellow of the Institute of Chemical Engineers, UK - the world's most reputed body in chemical engineering space. He is also a Fellow of the Indian Institute of Chemical Engineers and was the Chairman of the Capital Goods Committee of FICCI. He has received numerous awards and accolades at national and international levels.
Relationship of Directors inter-se	:	Mr. K. Venkataramanan is not related to any of the other Directors on the Board.
Number of shares held in the Company	:	Nil
Directorships and Committee memberships held in other companies*	:	1) L&T Hydrocarbon Engineering Limited 2) Kirloskar Pneumatic Company Limited 3) Vedanta Limited Member – Stakeholders' Relationship Committee

*Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of only Audit Committees and Stakeholders' Relationship Committees have been included in the aforesaid table.

DIRECTORS' REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED MARCH 31, 2017.

Dear Members,

Your Directors are pleased to present the 31st **Annual Report** and the Audited Statement of Accounts for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE:

The financial performance of the Company for the financial year ended March 31, 2017 is summarised below:-

(₹ in Lacs)

	2016-2017	**2015-2016**
Gross Turnover and Other Income	210,686	200,055
Net Turnover and Other Income	196,866	186,705
Profit before Depreciation and Tax	**21,773**	**20,772**
Less: Depreciation on Fixed Assets	4,882	5,306
Profit before Tax	**16,892**	**15,466**
Less: Provision for Taxes	5,046	4,988
Profit after Tax	**11,845**	**10,478**
Amount Available for Appropriations	36,340	30,636
Less: Appropriations:		
i) Interim Dividend	597	1,045
ii) Proposed Final Dividend*	-	0
iii) Tax on Interim Dividend	50	96
iv) Transfer to General Reserves	5,000	5,000
Leaving a Balance to be carried forward	30,693	24,495
Earnings Per Share (₹)	79.38	70.22
Cash Earnings Per Share (₹)	112.09	105
Book Value per Share (₹)	467.17	392

*The proposed final dividend amounting to ₹ 1,045 lacs for financial year 2016-17, as recommended by the Board of Directors, if approved by the shareholders, shall be accounted for during the current financial year in accordance to the Indian Accounting Standards.

Figures for FY 2015-16 have been restated as per Ind AS and therefore may not be comparable with financials for FY 2015-16 approved by the Directors and disclosed in the financial statement of previous year.

YEAR IN RETROSPECT

During the financial year 2016-2017, your Company achieved a gross turnover of ₹ 210,686 lacs, which is up by 5% from ₹ 200,055 lacs of the previous financial year. EBIDTA achieved by the Company was ₹ 22,932 lacs as against ₹ 22,585 lacs of the previous year. The profit before tax recorded by the Company stood at ₹ 16,892 lacs vis-à-vis ₹ 15,466 for previous financial year. Consequently the earnings per share went up from ₹ 70 to ₹ 79. The plastic business has achieved a volume growth of 8% and value growth of 6%.

'@home' - the Company's retail business of lifestyle furniture, furnishing and accessories, recorded a turnover of ₹ 23,294 lacs for the current financial year as against ₹ 23,576 lacs of the previous year. The said de-growth was due to trimming of loss making stores. The Company's said business has achieved EBIDTA of ₹ 1,008 lacs as against ₹ 7 lacs of the previous year. The said improvement is majorly on account of closure of loss making stores, rationalisation of expenses and cost reduction initiatives taken by the Company. The profit before tax of the said business stood at ₹ 319 lacs vis-à-vis loss of ₹ 1,205 lacs of the previous year. The Company's 18 @home stores have marked its presence in 13 cities across India.

RESERVES

Your Directors proposes to carry a sum of ₹ 5,000 lacs to the General Reserve Account out of the profits available.

DIVIDEND

The Board of Directors of the Company had approved the Dividend Distribution Policy on November 5, 2016 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The said policy can be viewed on the Company's website at the following weblink: http://www.nilkamal.com/Images/fckUploadedfiles/file/investor/Dividend_Distribution_Policy.pdf.

During the year under review, your Company had declared interim dividend of ₹ 4.00 per equity share (40%) on November 5, 2016. Further, in line with the aforesaid Dividend Distribution Policy adopted by the Company, your Directors also recommend a final dividend of ₹ 7.00 per equity share (70%) which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The total outflow on account of the interim dividend and the proposed final dividend (including distribution tax, surcharge and education cess) shall amount to ₹ 1,812 lacs for the financial year 2016-2017.

AWARDS AND RECOGNITIONS

The Company's Puducherry unit has been awarded the "Energy Efficient Plant" from The Confederation of Indian Industry (CII) during the 17th National Award for Excellence in Energy Management 2016. The said award is in recognition of the energy efficient practices adopted by the Company. Also, all the units of the Company have been re-certified for ISO 50001 EnMS certification from TUV-SUD Germany.

Further, continuing the Company's record of adopting the right practices for optimising the use of resources and energy conservation, this year too your Company has bagged the First prize at the National Energy Conservation Award for Plastics Sector 2016 from BEE-Government of India for its Sinnar unit. This is the third consecutive year where the said award has been conferred to the Company.

The Company has also received the "BIFMA Compliance Certification" and The Greenguard certificate of compliance from the UK Certification and Inspection Limited for its Home, Office, Educational and Modular Furniture and Mattress range of products. These certifications are an assurance of meeting the standards of sustainability by the Company during its manufacturing process.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013 read with the CSR Rules, the Board of Directors of your Company has adopted a CSR Policy and the same is available on its website and can be accessed at http://www.nilkamal.com/Images/fckUploadedfiles/file/CSR%20POLICY.pdf.

Further, in accordance with the Company's CSR Policy, the Board of Directors of your Company has contributed ₹183.87 lacs towards Corporate Social Responsibility activities. The Company has expended the said amount towards CSR activities in terms of Schedule VII of the Companies Act, 2013, inter-alia with the chief aim of providing education, healthcare facilities and maintaining environmental sustainability.

One of the project undertaken by the Company towards its CSR activity, namely the Jalyukt Shivar Abhiyaan at Koregaon village at Satara - a Government initiative for Construction of cement earthen stop dams etc. to make Maharashtra a drought free state by 2019, had secured a place in the top nine in the 'Satyamev Jayate Water Cup Competition'.

The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

Further, during the year under review, the Company has incorporated a Company under Section 8 of the Companies Act, 2013 namely 'Nilkamal Foundation' on August 3, 2016. Accordingly, your Company has, in addition to making direct expenditure towards CSR activities, also contributed to Nilkamal Foundation for carrying out the said activities.

MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

BUSINESS RESPONSIBILITY REPORT

As required pursuant to the Regulation 34 of the Listing Regulations, your Company has prepared a Business Responsibility Report (BRR) for the financial year 2016-17. However, as a green initiative, the said report is hosted on the Company's website, which can be accessed at http://www.nilkamal.com/menudetails/investors-zone/corporate-governance/358.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

A separate section on corporate governance practices followed by the Company, together with a certificate from the auditors confirming its compliance, forms a part of this Annual Report, as per SEBI Regulations. Further, as per Regulation 34 read with Schedule V of the Listing Regulations, a Management Discussion and Analysis report is annexed to this report.

SUBSIDIARIES AND JOINT VENTURES

During the year under review, Nilkamal Foundation – a Company incorporated under Section 8 of the Companies Act, 2013 for carrying out the CSR activities of the Company - had become subsidiary of the Company with effect from August 3, 2016.

Apart from the above, your Company has two other direct subsidiaries: Nilkamal Eswaran Plastics Private Limited at Sri Lanka and Nilkamal Crates and Bins – FZE at UAE and one step-down subsidiary: Nilkamal Eswaran

Marketing Private Limited at Sri Lanka; and two Joint Venture Companies: Nilkamal Bito Storage Systems Private Limited, which is the Indo-German Joint Venture and Cambro Nilkamal Private Limited, which is the Indo-US Joint Venture. There has been no material change in the nature of business of the said companies. All the said companies have shown satisfactory performance during the financial year 2016-17.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries are set out in the prescribed form AOC-1, which forms part of the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.nilkamal.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.nilkamal.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any Loans or Guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

Further, during the year under review, the Company has made investment in (i) 31,562 equity shares of Beta Wind Farm Private Limited, for the purpose of availing wind energy from them for the Company's unit situated at Hosur in the State of Tamilnadu and (ii) 98 equity shares of Nilkamal Foundation, which is a Section 8 Company, incorporated by the Company for the purpose of undertaking its CSR activities.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees, alongwith the criteria for appointment and removal of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Nomination and Remuneration Committee is fully empowered to determine /approve and revise, subject to necessary approvals, the remuneration of managerial personnel, after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc. The details of the remuneration policy are available on the website of the Company www.nilkamal.com. The Non-Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Vora and Associates having ICAI Registration No. 111612W, one of the present Joint Statutory Auditors of the Company completes their term as Auditors and hence retires from the office as such. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Vora and Associates during their long association with the Company as its auditors.

Further, pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, having ICAI Registration No. 101248W/ W-100022 were appointed as the Company's Joint Statutory Auditors at the 28th Annual General Meeting to hold office for a period of four years, subject to the ratification by the shareholders at every subsequent Annual General Meeting. M/s. B S R & Co. LLP shall now continue to be the sole statutory auditor of the Company.

M/s. B S R & Co. LLP being eligible have expressed their willingness to such re-appointment as the Statutory Auditors. A certificate from them has been received to the effect that their appointment as Statutory Auditors, if made, would be in accordance to the provisions of Sections 139 and 141 of the Companies Act, 2013 and rules framed thereunder.

A resolution seeking ratification of their appointment forms a part of the Notice convening the 31st Annual General Meeting and the same is recommended for your consideration and approval.

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

COST AUDITOR

In conformity with the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. B. F. Modi and Associates, Cost Accountants, as the Cost Auditors to carry out audit of the cost records of the Company for the financial year 2017-2018.

Mr. B. F. Modi being eligible has expressed his willingness to be reappointed as Cost Auditors of the Company for the financial year 2017-2018.

The Cost Audit Report for the financial year ended March 31, 2016 was filed in due time with the Central Government (Ministry of Corporate Affairs).

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed Mr. Pratik M. Shah, Practicing Company Secretary to undertake the Secretarial Audit for the financial year 2016-2017. The Report of the Secretarial Auditor is annexed herewith as Annexure 'B'.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure 'C'.

DIRECTORS

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the Listing Regulations.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee had appointed Mr. K. Venkataramanan as an Additional Director (Independent) with effect from November 5, 2016 to hold office until the ensuing Annual General Meeting of the Company. A resolution seeking his regularisation as an Independent Director of the Company forms a part of the Notice calling this Annual General Meeting.

Further, during the year, Mr. D. B. Engineer, (Independent Director) ceased to be a Director of the Company due to his demise on May 30, 2016. The Board places on record its sincere appreciation and gratitude to Mr. Dadi B. Engineer for his pioneering efforts during his association with the Company for more than a decade.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Manish V. Parekh (DIN: 00037724), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-election.

Further, all Independent Directors have given declarations that they meet the criteria of independence as given under Section 149 of the Companies Act, 2013 and the relevant provisions of the Listing Regulations.

The required information of the Directors to be re-appointed/appointed, pursuant to the provisions of the Listing Regulations, forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) 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;

(b) 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;

(c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual financial statements have been prepared on a going concern basis;

(e) that they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively;

(f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CHANGE IN ACCOUNTING STANDARDS

Your Company has adopted the Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015 with effect from April 1, 2016 and have prepared the financial statements in accordance with the said Ind AS.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under the Regulation 34 of the Listing Regulations, a cash flow statement is part of the Annual Report 2016-17. Further, the Consolidated Financial Statements of the Company for the financial year 2016-2017 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Listing Regulations. The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries and joint venture companies as approved by their respective Board of Directors.

ADEQUACY OF RISK MANAGEMENT SYSTEMS

The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy (WBP) to deal with instance of fraud and mismanagement, if any. The details of the WBP is explained in the Corporate Governance Report and also posted on the website of the Company.

REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

An Internal Complaints Committee has been constituted by the Company in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment.

RELATED PARTY TRANSACTIONS

The Board of Directors has adopted a Policy on materiality of and dealing with related party transactions. All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee, except transactions which qualified under Omnibus approval as permitted under law. No material contract or arrangements with related parties were entered into during the year under review.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at http://www.nilkamal.com/Images/fckUploadedfiles/file/Related_Party_Transactions_Policy.pdf.

PERFORMANCE EVALUATION

The details of the annual evaluation of the performance of the Board, its Committees and individual Directors, pursuant to the requirements of the Act and the Listing Regulations, are mentioned in the Report on Corporate Governance.

STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 'D'.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

Your Company has not accepted Deposits from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company's operations in future.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: May 11, 2017

Vamanrai V. Parekh
Chairman

ANNEXURE 'A'

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The Board of Directors of your Company had approved the CSR Policy in accordance with the provisions of Schedule VII of the Companies Act, 2013, inter-alia with the chief aim of providing education, healthcare facilities and maintaining environmental sustainability.

   The CSR policy of the Company is available on the website of the Company www.nilkamal.com and the weblink of the same is http://www.nilkamal.com/Images/fckUploadedfiles/file/CSR%20POLICY.pdf

2. **Composition of the CSR Committee is as under:**

   (i) Mr. K. R. Ramamoorthy

   (ii) Mr. Vamanrai V. Parekh

   (iii) Mr. Sharad V. Parekh

3. **Average net profit of the Company for last three financial years:**

   ₹ 9,190.22 lacs

4. **Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above):**

   ₹ 183.80 lacs

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year: ₹ 183.80 lacs

   (b) Total amount spend during the financial year: ₹ 183.87 lacs

   (c) Amount unspent, if any: NIL

   (d) Manner in which the amount spent during the financial year: as provided in below table:

(Amount in ₹ lacs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the State and District where projects or programs was implemented	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs. (2) oveheads	Cumulative expenditure upto the reporting period	Amount spent: Direct (D) or through Implementing Agency (IA)
1.	Providing special education, treatment of Celebral Palsy, Autism and Multi-disabled Children and differently abled persons	Education and healthcare	Bhavnagar, Gujarat	100.00	50.92	100.92	D- 0.92 IA - 50.00
2.	Providing basic necessities to school children	Education	Mumbai, Maharashtra and Bhavnagar, Gujarat	27.83	27.83	27.83	D -27.83
3.	Making available safe drinking water	Safe drinking water	Satara, Maharashtra	20.52	20.52	20.52	D - 20.52
4.	Upliftment of a village	Rural development	Devghar, Maharashtra	10.00	10.00	10.00	D - 10.00
5.	Creating awareness for plantation of more trees and fostering greenery	Conservation of environment	Mumbai, Maharashtra	2.00	2.00	2.00	D - 2.00
6.	Donation	Donation	--	72.60	72.60	72.60	IA- 72.60
	Total			**232.95**	**183.87**	**233.87**	**D - 61.27** **#IA - 122.6**

Paid to Nilkamal Foundation, the Implementing Agency. At the end of the year, an amount of ₹ 72.60 lacs had remained unspent with the Nilkamal Foundation.

6. **Reasons for not spending the amount:** Not applicable

7. **Responsibility Statement by the CSR Committee:** The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board

Place: Mumbai

Date: May 11, 2017

Sharad V. Parekh
(Managing Director)

K. R. Ramamoorthy
(Chairman of CSR Committee)

ANNEXURE 'B'
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Nilkamal Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nilkamal Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:
   i. The Companies Act, 2013 (the Act) and the rules made thereunder;
   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowing;
   v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
      d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
   i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   iv. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
3. The Company has identified the following laws as specifically applicable to the Company:
   i. Water (Prevention & Control of Pollution) Act, 1974
   ii. The Air (Prevention & Control of Pollution) Act, 1981
   iii. The Legal Metrology Act, 2009

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

PRATIK M. SHAH
Company Secretaries

Place: Mumbai
FCS No.: 7431

Date: May 2, 2017
CP No.: 7401

ANNEXURE 'C'

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

CIN	L25209DN1985PLC000162
Registration Date	December 5, 1985
Name of the Company	Nilkamal Limited
Category / Sub Category of the Company	Public Company limited by Share
Address of the Registered Office and Contact Details	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa 396 230, Union Territory of Dadra and Nagar Haveli. Tel No. 0260-2699212 /13
Whether listed Company	Yes
Name, Address and contact details of Registrar and Transfer agent:	M/s. Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai: 400 083 Tel: 022-49186270, Fax: 022-49186060 Email id:- rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products/services	NIC Code of the product/ service	% to total turnover of the Company
1	Manufacture of Plastics Products	222	76.45
2	Retail sales	471	12.85

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
1	Nilkamal Bito Storage Systems Private Limited 77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India	U63020MH2006PTC161327	Associate	50%	2(6)
2	Cambro Nilkamal Private Limited 77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India	U51109MH2010PTC211686	Associate	50%	2(6)
3	Nilkamal Foundation 77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India	U74999MH2016NPL284394	Subsidiary	98%	2(87)
4	Nilkamal Crates and Bins, FZE P. O. Box 21008, Ajman Free Zone, Ajman, United Arab Emirates.	Foreign Company	Subsidiary	100%	2(87)
5	Nilkamal Eswaran Plastics (Private) Limited 328, Madapatha Road, Batakettera, Piliyanadala, SriLanka.	Foreign Company	Subsidiary	76%	2(87)

6	Nilkamal Eswaran Marketing (Private) Limited 328, Madapatha Road, Batakettera, Piliyanadala, SriLanka.	Foreign Company	Step-down Subsidiary	76%	2(87)

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7193507	-	7193507	48.21	7189259	-	7189259	48.18	-0.03
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2376500	-	2376500	15.93	2376500	-	2376500	15.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**9570007**	**-**	**9570007**	**64.13**	**9565759**	**-**	**9565759**	**64.10**	**-0.03**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**9570007**	**-**	**9570007**	**64.13**	**9565759**	**-**	**9565759**	**64.10**	**-0.03**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	9686	300	9986	0.07	792500	300	7,92,800	5.31	5.25
b) Banks / FI	7592	-	7592	0.05	5283	-	5283	0.04	-0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1180065	200	1180265	7.91	724119	200	724319	4.85	-3.06
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1197343**	**500**	**1197843**	**8.03**	**1521902**	**500**	**1522402**	**10.20**	**2.17**
2. Non- Institutions									
a) Bodies Corporate	506952	2185	509137	3.41	504967	2185	507152	3.40	-0.01
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1575728	201901	1777629	11.91	1530262	193951	1724213	11.55	-0.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	1597148	-	1597148	10.70	1304789	-	1304789	8.74	-1.96
c) Others (specify)									
i) Non-resident Indians	90587	100	90687	0.61	103255	100	103355	0.69	0.08
ii) Non-resident (non-repartriable)	55498	-	55498	0.37	57219	-	57219	0.38	0.01
iii) Trust	200	-	200	0.00	4600	-	4600	0.03	0.03
iv)Hindu Undivided Family	72570	-	72570	0.49	109179	-	109179	0.73	0.25
v) Clearing Members	47299	-	47299	0.32	18726	-	18726	0.13	-0.19
vi) Market Maker	4507	-	4507	0.03	1131	-	1131	0.01	-0.02
vii) Foreign Porfolio Investor (Individual)	-	-	-	0.00	4000	-	4000	0.03	0.03
Sub-total (B)(2):-	**3950489**	**204186**	**4154675**	**27.84**	**3638128**	**196236**	**3834364**	**25.70**	**-2.17**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**5147832**	**204686**	**5352518**	**35.87**	**5160030**	**196736**	**5356766**	**35.90**	**0.03**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**14717839**	**204686**	**14922525**	**100.00**	**14725789**	**196736**	**14922525**	**100.00**	**-**

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Nilkamal Builders Private Limited	1464000	9.81	-	1464000	9.81	-	-
2	Hiten V. Parekh	925966	6.21	-	-	-	-	-6.21
3	Heirloom Finance Private Limited	912000	6.11	-	912000	6.11	-	-
4	Vamanrai V. Parekh	906357	6.07	-	144453	0.97	-	-5.11
5	Vamanrai V. Parekh jt with Nalini V. Parekh	889105	5.96	-	889105	5.96	-	0.00
6	Sharad V. Parekh	761904	5.11	-	-	-	-	-5.11
7	Nayan S. Parekh jt with Sharad V. Parekh	661146	4.43	-	1900277	12.73	-	8.30
8	Nayan S. Parekh	540327	3.62	-	-	-	-	-3.62
9	Sharad V. Parekh jt with Maya S. Parekh	531004	3.56	-	577204	3.87	-	0.31

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
10	Manish V. Parekh	455639	3.05	-	-	-	-	-3.05
11	Purvi N. Parekh	380952	2.55	-	-	-	-	-2.55
12	Manju M. Parekh	380952	2.55	-	-	-	-	-2.55
13	Manish V. Parekh jt with Manju M. Parekh	358776	2.40	-	1191658	7.99	-	5.58
14	Hiten V. Parekh jt with Smriti H. Parekh	283996	1.90	-	1594105	10.68	-	8.78
15	Purvi N. Parekh jt with Nayan S. Parekh	24172	0.16	-	405124	2.71	-	2.55
16	Rajul M. Gandhi jt with Manoj K. Gandhi	18051	0.12	-	17803	0.12	-	-
17	Mihir H. Parekh jt with Hiten V. Parekh	11900	0.08	-	11900	0.08	-	-
18	Manju M. Parekh jt with Manish V. Parekh	11844	0.08	-	392796	2.63	-	2.55
19	Eashan M. Parekh	10000	0.07	-	11900	0.08	-	0.01
20	Sharad V. Parekh (HUF)	7223	0.05	-	7223	0.05	-	-
21	Smriti H. Parekh jt with Hiten V. Parekh	7101	0.05	-	7101	0.05	-	-
22	Vamanrai V. Parekh (HUF)	6382	0.04	-	-	-	-	-0.04
23	Manoj K. Gandhi jt with Rajul M. Gandhi	6210	0.04	-	2210	0.01	-	-0.03
24	Priyanka H. Parekh jt with Hiten V. Parekh	5000	0.03	-	5000	0.03	-	-
25	Hiten V. Parekh (HUF)	5000	0.03	-	5000	0.03	-	-
26	Manish V. Parekh (HUF)	4500	0.03	-	4500	0.03	-	-
27	Shrimant Holdings Private Limited	500	0.00	-	500	0.00	-	-
28	Natasha Manish Parekh	-	-	-	5000	0.03	-	0.03
29	Dhanay Nayan Parekh jt with Nayan S. Parekh	-	-	-	11900	0.08	-	0.08
30	Dhaniti Nayan Parekh	-	-	-	5000	0.03	-	0.03
	TOTAL	**9570007**	**64.13**	**-**	**9565759**	**64.10**	**-**	**-0.03**
Note 1: The persons included at Serial Nos. 16 & 23 are independent on which the Promoters have no control of any nature whatsoever.								

(iii) Changes in Promoter's Shareholding:

Name of the Promoter	Shareholding at the beginning of the year		Date wise increase / decrease in Promoter's shareholding during the year specifying reasons for increase / decrease				Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the Company	Increse / Decrease	Reason for change	No. of Shares Increased / Decreased	Date of Change in Shareholding	No. of Shares	% of total shares of the Company
1) Vamanrai V. Parekh	906357	6.07	Decrease	Transfer	380952	28-03-2017	525405	3.52
	525405	3.52	Decrease	Transfer	380952	29-03-2017	144453	0.97
2) Vamanrai V. Parekh jt with Nalini V. Parekh	889105	5.96	No change				889105	5.96

Name of the Promoter	Shareholding at the beginning of the year		Date wise increase / decrease in Promoter's shareholding during the year specifying reasons for increase / decrease				Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the Company	Increse / Decrease	Reason for change	No. of Shares Increased / Decreased	Date of Change in Shareholding	No. of Shares	% of total shares of the Company
3) Sharad V. Parekh	761904	5.11	Decrease	Transfer	761904	28-03-2017	0	0.00
4) Sharad V. Parekh jt with Maya S. Parekh	531004	3.56	Increase	Transfer	46200	29-03-2017	577204	3.87
5) Hiten V. Parekh	925966	6.21	Decrease	Transfer	925966	28-03-2017	0	0.00
6) Hiten V. Parekh jt with Smriti H. Parekh	283996	1.90	Increase	Transfer	3191	29-04-2016	287187	1.92
	287187	1.92	Increase	Transfer	1306918	29-03-2017	1594105	10.68
7) Manish V. Parekh	455639	3.05	Decrease	Transfer	6900	29-04-2016	448739	3.01
	448739	3.01	Decrease	Transfer	448739	29-03-2017	0	0.00
8) Manish V. Parekh jt with Manju M. Parekh	358776	2.40	Increase	Transfer	3191	29-04-2016	361967	2.43
	361967	2.43	Increase	Transfer	829691	28-03-2017	1191658	7.99
9) Nayan S. Parekh	540327	3.62	Decrease	Transfer	16900	29-04-2016	523427	3.51
	523427	3.51	Decrease	Transfer	523427	29-03-2017	0	0.00
10) Nayan S. Parekh jt with Sharad V. Parekh	661146	4.43	Increase	Transfer	1239131	28-03-2017	1900277	12.73
11) Purvi N. Parekh	380952	2.55	Decrease	Transfer	380952	28-03-2017	0	0.00
12) Purvi N. Parekh jt with Nayan S. Parekh	24172	0.16	Increase	Transfer	380952	29-03-2017	405124	2.71
13) Manju M. Parekh	380952	2.55	Decrease	Transfer	380952	29-03-2017	0	0.00
14) Manju M. Parekh jt with Manish V. Parekh	11844	0.08	Increase	Transfer	380952	28-03-2017	392796	2.63
15) Vamanrai V. Parekh - HUF	6382	0.04	Decrease	Transfer	6382	29-04-2016	0	0.00
16) Eashan M. Parekh	10000	0.07	Increase	Transfer	1900	29-04-2016	11900	0.08
17) Natasha M. Parekh	0	0.00	Increase	Transfer	5000	29-04-2016	5000	0.03
18) Dhanay N. Parekh jt with Nayan S. Parekh	0	0.00	Increase	Transfer	11900	29-04-2016	11900	0.08
19) Dhaniti N. Parekh	0	0.00	Increase	Transfer	5000	29-04-2016	5000	0.03
20) Manoj Kantilal Gandhi jt with Rajul M. Gandhi	6210	0.04	Decrease	Transfer	4000	23-02-2017	2210	0.01
21) Rajul Manoj Gandhi jt with Manoj K. Gandhi	18051	0.12	Decrease	Transfer	248	30-03-2017	17803	0.12
22) Smriti H. Parekh jt with Hiten V. Parekh	7101	0.05					7101	0.05
23) Priyanka H. Parekh jt with Hiten V. Parekh	5000	0.03					5000	0.03
24) Mihir H. Parekh jt with Hiten V. Parekh	11900	0.08					11900	0.08
25) Sharad V. Parekh - Huf	7223	0.05					7223	0.05
26) Hiten V. Parekh	5000	0.03	NO CHANGE				5000	0.03
27) Manish V. Parekh	4500	0.03					4500	0.03
28) Nilkamal Builders Private Limited	1464000	9.81					1464000	9.81
29) Heirloom Finance Private Limited	912000	6.11					912000	6.11
30) Shrimant Holdings Private Limited	500	0.00					500	0.00

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
1	Suresh Kumar Agarwal	425317	2.8502			425317	2.8502
	At the end of the year					425317	2.8502
2	Mirae Asset Mutual Fund (Under 3 Different Scheme Viz Mirae Asset Emerging Bluechip Fund, Mirae Asset Tax Saver Fund and Mirae Asset Great Consumer Fund)	0	0			0	0
	Transfer			17-02-2017	16277	16277	0.1091
	Transfer			24-02-2017	44251	60528	0.4056
	Transfer			03-03-2017	87270	147798	0.9904
	Transfer			10-03-2017	88332	236130	1.5824
	Transfer			24-03-2017	18971	255101	1.7095
	Transfer			31-03-2017	110000	365101	2.4466
	At the end of the year					365101	2.4466
3	Dolly Khanna	352246	2.3605			352246	2.3605
	Transfer			15-04-2016	-1200	351046	2.3525
	Transfer			22-04-2016	-1640	349406	2.3415
	Transfer			29-04-2016	-6590	342816	2.2973
	Transfer			06-05-2016	-8202	334614	2.2423
	Transfer			13-05-2016	-3149	331465	2.2212
	Transfer			20-05-2016	-5303	326162	2.1857
	Transfer			27-05-2016	-4285	321877	2.157
	Transfer			03-06-2016	-4988	316889	2.1236
	Transfer			10-06-2016	-6003	310886	2.0833
	Transfer			17-06-2016	-7716	303170	2.0316
	Transfer			24-06-2016	-4579	298591	2.0009
	Transfer			30-06-2016	-2122	296469	1.9867
	Transfer			01-07-2016	-316	296153	1.9846
	Transfer			08-07-2016	-9138	287015	1.9234
	Transfer			15-07-2016	-4226	282789	1.895
	Transfer			22-07-2016	-822	281967	1.8895
	Transfer			29-07-2016	-1950	280017	1.8765
	Transfer			05-08-2016	-3768	276249	1.8512
	Transfer			12-08-2016	-1530	274719	1.841
	Transfer			23-09-2016	-375	274344	1.8385
	Transfer			30-09-2016	-1425	272919	1.8289
	Transfer			07-10-2016	-2238	270681	1.8139

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
	Transfer			14-10-2016	-4186	266495	1.7859
	Transfer			21-10-2016	-3690	262805	1.7611
	Transfer			28-10-2016	-6946	255859	1.7146
	Transfer			04-11-2016	-1454	254405	1.7048
	Transfer			11-11-2016	-4345	250060	1.6757
	Transfer			18-11-2016	-1190	248870	1.6677
	Transfer			25-11-2016	-1000	247870	1.661
	Transfer			02-12-2016	-1220	246650	1.6529
	Transfer			09-12-2016	-4920	241730	1.6199
	Transfer			16-12-2016	-3025	238705	1.5996
	Transfer			23-12-2016	-385	238320	1.597
	Transfer			30-12-2016	-320	238000	1.5949
	Transfer			06-01-2017	-500	237500	1.5916
	Transfer			13-01-2017	-360	237140	1.5891
	Transfer			03-02-2017	2705	239845	1.6073
	Transfer			03-03-2017	1185	241030	1.6152
	Transfer			10-03-2017	350	241380	1.6176
	Transfer			17-03-2017	1585	242965	1.6282
	At the end of the year					242965	1.6282
4	Sundar Iyer	200000	1.3403			200000	1.3403
	At the end of the year					200000	1.3403
5	L and T Mutual Fund (Under 3 Different Plan Viz. - L and T Monthly Income Plan, and T Monthly Income Plan and L&T Business Cycles Fund)	0	0			0	0
	Transfer			21-10-2016	122700	122700	0.8222
	Transfer			04-11-2016	3062	125762	0.8428
	Transfer			11-11-2016	12838	138600	0.9288
	Transfer			06-01-2017	7900	146500	0.9817
	Transfer			13-01-2017	32600	179100	1.2002
	Transfer			03-02-2017	23300	202400	1.3563
	Transfer			03-03-2017	-27705	174695	1.1707
	Transfer			10-03-2017	-5200	169495	1.1358
	Transfer			24-03-2017	-6600	162895	1.0916
	At the end of the year					162895	1.0916
6	DSP Blackrock Micro Cap Fund	0	0			0	0
	Transfer			06-01-2017	81000	81000	0.5428
	Transfer			13-01-2017	15748	96748	0.6483
	Transfer			03-02-2017	46885	143633	0.9625
	At the end of the year					143633	0.9625

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
7	Premier Investment Fund Limited	101004	0.6769			101004	0.6769
	Transfer			20-05-2016	-3940	97064	0.6505
	Transfer			01-07-2016	2000	99064	0.6639
	Transfer			22-07-2016	2550	101614	0.6809
	Transfer			29-07-2016	-2000	99614	0.6675
	Transfer			26-08-2016	13000	112614	0.7547
	Transfer			07-10-2016	1725	114339	0.7662
	Transfer			30-12-2016	12000	126339	0.8466
	Transfer			06-01-2017	8000	134339	0.9002
	At the end of the year					134339	0.9002
8	Cello Pens & Stationery Pvt Ltd	125000	0.8377			125000	0.8377
	Transfer			03-03-2017	-8000	117000	0.784
	Transfer			31-03-2017	-3569	113431	0.7601
	At the end of the year					113431	0.7601
9	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	79837	0.535			79837	0.535
	Transfer			10-06-2016	3994	83831	0.5618
	Transfer			17-06-2016	5467	89298	0.5984
	Transfer			22-07-2016	1101	90399	0.6058
	Transfer			05-08-2016	1110	91509	0.6132
	Transfer			26-08-2016	1641	93150	0.6242
	Transfer			02-09-2016	3256	96406	0.646
	At the end of the year					96406	0.646
10	HDFC Trustee Company Ltd (Under 4 Different Plans Viz - HDFC Children's Gift Fund - Investment Plan, HDFC Retirement Savings Fund-Hybrid-Equity Plan, HDFC Retirement Savings Fund-Hybrid-Debt Plan and HDFC Retirement Savings Fund-Equity Plan).	0	0			0	0
	Transfer			07-10-2016	16000	16000	0.1072
	Transfer			02-12-2016	15000	31000	0.2077
	Transfer			23-12-2016	50000	81000	0.5428
	Transfer			24-03-2017	2000	83000	0.5562
	Transfer			31-03-2017	5000	88000	0.5897
	At the end of the year					88000	0.5897

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
A	**Directors:**						
1	Vamanrai V. Parekh - Chairman	1795462	12.03			1795462	12.03
	Transfer			28-03-2017	380952	1414510	9.48
	Transfer			29-03-2017	380952	1033558	6.93
	At the end of the year					1033558	6.93
2	Sharad V. Parekh - Managing Director	1292908	8.66			1292908	8.66
	Transfer			28-03-2017	-761904	531004	3.56
	Transfer			29-03-2017	46200	577204	3.87
	At the end of the year					577204	3.87
3	Hiten V. Parekh - Jt. Managing Director	1209962	8.11			1209962	8.11
	Transfer			29-04-2016	3191	1213153	8.13
	Transfer			28-03-2017	-925966	287187	1.92
	Transfer			29-03-2017	1306918	1594105	10.68
	At the end of the year					1594105	10.68
4	Manish V. Parekh - President and Executive Director (Furniture)	814415	5.46			814415	5.46
	Transfer			29-04-2016	3191	817606	5.48
	Transfer			29-04-2016	-6900	810706	5.43
	Transfer			28-03-2017	829691	1640397	10.99
	Transfer			29-03-2017	-448739	1191658	7.99
	At the end of the year					1191658	7.99
5	Nayan S. Parekh - President and Executive Director (Material Handling)	1201473	8.05			1201473	8.05
	Transfer			29-04-2016	-16900	1184573	7.94
	Transfer			28-03-2017	1239131	2423704	16.24
	Transfer			29-03-2017	-523427	1900277	12.73
	At the end of the year					1900277	12.73
6	Mahendra V. Doshi - Director	7100	0.05			7100	0.05
	At the end of the year					7100	0.05
7	K. R. Ramamoorthy - Director	None of these Directors and KMP hold shares in the Company.					
8	Mufazzal Federal - Director						
9	S. K. Palekar - Director						
10	K. Venkataramanan - Director						
11	Hiroo Mirchandani - Director						
B	**Key Managerial Personnel (KMPs):**						
1	Paresh B. Mehta - Chief Financial Officer (KMP)						
2	Priti P. Dave - Company Secretary (KMP)						

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lacs)

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i	Principal Amount	10,500	-	-	10,500
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	19	-	-	19
	Total (i+ii+iii)	10,519			10,519
	Change in Indebtedness during the financial year				
	Addition	-	19,500*	-	19,500
	Reduction	2,220	19,500	-	21,720
	Net Change	2,220	-	-	2,220
	Indebtedness at the end of the financial year				
i	Principal Amount	8,280	-	-	8,280
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	7	-	-	7
	Total (i+ii+iii)	8,287			8,287

*Commercial paper

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and / or Manager:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sharad V. Parekh	Hiten V. Parekh	Manish V. Parekh	Nayan S. Parekh	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	190.15	166.38	154.5	133.11	644.15
b)	Value of perquisites under section 17(2) of the Income Tax Act, 1961	8.48	6.91	7.67	3.62	26.68
c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit	115.84	115.84	115.84	115.84	463.34
5	Others: i) National Pension Scheme & Provident Fund	-	22.18	20.592	17.74	60.51
	Total (A)	**314.47**	**311.30**	**298.60**	**270.30**	**1194.67**

B. Remuneration to other directors

I. Independent Directors:- (₹ in Lacs)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. K. R. Ramamoorthy	Mr. Mahendra V. Doshi	Mr. Mufazzal Federal	Mr. S. K. Palekar	Mr. K. Venkataramanan	Ms. Hiroo Mirchandani	
Fees for attending board / committee meetings	3.90	2.90	2.90	1.80	1.30	1.50	14.30
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**3.90**	**2.90**	**2.90**	**1.80**	**1.30**	**1.50**	**14.30**
Total (1)							**14.30**

II Other Non-Executive Directors:- (₹ in Lacs)

Particulars of Remuneration	Mr. Vamanrai V. Parekh	Total Amount
Fee for attending board / committee meetings	3.30	3.30
Commission	-	-
Others, please specify	-	-
Total (2)	**3.30**	**3.30**
Total (B)=(1+2)		**17.60**

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Paresh Mehta Chief Financial Officer	Priti Dave Company Secretary	
1	Gross salary			
a	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	109.82	16.03	125.85
b	Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.32	0.32	0.64
c	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission (as % of profit / others)	-	-	-
5	Others: i) National Pension Scheme & Provident Fund	7.17	1.27	8.44
	Total	**117.31**	**17.62**	**134.93**

VII PENALTIES/ PUNISHMENT / COMPOUNDING OF OFFENCES (Under the Companies Act, 2013):

No penalties / punishment / compounding of offences were levied under the Companies Act, 2013.

ANNEXURE 'D'

Information as required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY.

The Company has been re-certified for ISO 50001 EnMS (Energy Management Systems) by TUV-SUD Germany across all its units which sustained maturity and adoption of the Energy conservation as a Company-wide culture.

Our continuous endeavour and focus on energy savings and constant thirst to conserve natural resources have resulted in group energy savings of 9.09% in terms of unit/Kg, which is significant as it amounts to saving of carbon footprint.

To achieve the above objectives, various projects were undertaken in a systemic manner under the Corporate Energy Conservation Cell. Some of the said projects are listed below:

1. Used BEE approved 5 Star rated water pumps for cooling towers, saving upto 28% energy.
2. Installation of Variable Frequency Drives on all Injection Molding Machines, saving demand load and power consumption by average 15%.
3. T5 Tube Asian Street Lights were replaced with LED fittings of lower watts with same Lux.
4. Use of natural light in shop floor by putting transparent sheets on roof top.
5. Use of Energy Saving Aerogel Technology Barrel Heater Jackets for Injection Molding Machines to reduce heat loss and atmospheric temperature.
6. Reduction in air pressure and air use helped to reduce lots of Units saving per day, by providing separate small Air Compressor where high pressure was essential.
7. Wind Energy – on-going partnership with BETA Wind Energy Farms Private Limited was optimised for its units consumption leading to lower billing by TNEB.
8. Reduced the Green House Emission-GHG by improving energy efficiency, gas consumption, diesel operations at all plants.

In keeping with its efforts, your Company will be further investing in various energy saving options such as solar power and in turn will drive the system to reduce the power consumption, wherever possible.

Further, the Company was awarded the first prize for its Sinnar unit by Government of India-Ministry of Power "Bureau of Energy Efficiency" at the National Energy Conservation Award Ceremony-2016.

Your Company was also awarded the 17th National Award for Excellence in Energy Management 2016 for its Puducherry unit by "Confederation of Indian Industries".

B. TECHNOLOGY ABSORPTION.

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

RESEARCH AND DEVELOPMENT (R & D):

Your Company strives to make constant investments towards improvement in its existing product lines and undertakes development efforts in that area. Such efforts shall help your Company to achieve the set targets in a better manner, within less than required time together with providing improved quality products. This has also enhanced the development capabilities of the Company. Your Company has incurred ₹ 260 lacs, i.e. 0.12% of total turnover of the Company, towards recurring R and D expenditure. There was no expenditure of capital nature towards the same.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

   - Retrofitting of Conventional Injection Moulding machines with latest imported Servo motor driven technology resulted in productivity improvement & cost saving.
   - Various initiatives on cycle time reduction were carried out resulting in 36 successful projects under the "V30 Winner" theme.
   - Weight reduction, quality improvement, weight optimization projects were also taken under the "V30 Winner" theme resulting in 35 successful projects.
   - The total projects completed for the current financial year was 1163 numbers focussing on lean management and cost savings, which had direct impact to the bottom line adding to the Company's profit.

2. Benefits derived as a result of the above efforts.
   - Conservation of Natural resources with prime focus on Energy & Waste Management.
   - Improved performance of machines and its utilisation.
   - Using V30W for sustained innovation as a growing culture within the organisation.
   - Knowledge and skills sharing across Company initiatives for benchmarking the best practices.
3. The Company has not imported any technology or process know-how.

FOREIGN EXCHANGE EARNINGS AND OUTGO.

Total Foreign Exchange used and earned

(₹ in lacs)

Particulars	**2016-2017**	2015-2016
Foreign Exchange Earned	**5,562**	5,836
Foreign Exchange Used	**23,662**	19,704

For and on behalf of the Board

Place: Mumbai
Date: May 11, 2017

Vamanrai V. Parekh
Chairman

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company endeavours to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and the Management levels.

The Company is in compliance with the requirements mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). A Report on compliance with Corporate Governance as stipulated in the Listing Regulations is given below:

2. BOARD OF DIRECTORS

The Composition of the Board:

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are experienced and competent from the fields of finance, marketing, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. which adds value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). As at the end of corporate financial year 2017, the total Board strength comprises of eleven Directors on the Board, out of which seven are Non-Executive Directors including a Non-Executive Chairman, and the rest are Executive Directors.

Attendance of Directors at Board Meetings and the last Annual General Meeting (AGM) and number of directorships / committee memberships held by the Directors in other Companies:

Name of the Director	Category	Attendance		Number of directorship in other public Companies as on March 31, 2017*	Committee Chairmanship and Membership*		Shareholding of Non-Executive Directors as at March 31, 2017
		Board meetings	AGM held on August 11, 2016		Chair-manship**	Member-ship**	
Ms. Hiroo Mirchandani DIN: 06992518	Independent Non-Executive Director	3	No	6	1	5	Nil
Mr. K. R. Ramamoorthy DIN: 00058467	Independent Non-Executive Director	4	No	3	2	4	Nil
#Mr. K. Venkataramanan DIN: 00001647	Independent Non-Executive Director	2	No	2	-	-	Nil
Mr. Mahendra V. Doshi DIN: 00123243	Independent Non-Executive Director	3	Yes	4	1	3	7,100
Mr. Mufazzal Federal DIN: 03409798	Independent Non-Executive Director	3	No	-	-	-	Nil
Mr. S. K. Palekar DIN: 01723670	Independent Non-Executive Director	3	No	2	2	3	Nil
Mr. Hiten V. Parekh DIN: 00037550 Joint Managing Director	Executive Director	4	Yes	-	-	-	NA
Mr. Manish V. Parekh DIN: 00037724 President and Executive Director (Furniture)	Executive Director	2	Yes	-	-	-	NA
Mr. Nayan S. Parekh DIN: 00037597 President and Executive Director (Material Handling)	Executive Director	4	No	-	-	-	NA

Mr. Sharad V. Parekh DIN: 00035747 Managing Director	Executive Director	4	Yes	-	-	-	NA
Mr. Vamanrai V. Parekh DIN: 00037519 Chairman	Non-Executive Director	4	Yes	-	-	-	1,033,558

*Excludes Directorship and Committee chairmanship / membership in Private Companies, Foreign Companies, Section 8 Companies and Nilkamal Limited.

** Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not) has been consider as per Regulation 26(1) of the Listing Regulations.

#Appointed as an Additional Director (Independent) w.e.f. November 5, 2016.

Separate Meeting of Independent Directors:

As required under the Listing Regulations, the Independent Directors held a separate meeting on January 24, 2017. The Independent Directors discussed and reviewed the matters specified in Regulation 25(4) of the Listing Regulations.

Further, as a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, etc. The details pertaining to the familiarisation program can be accessed at the Company's weblink at http://www.nilkamal.com/Images/fckUploadedfiles/file/familiration_programme.pdf.

In addition to the same, any new Director is welcomed to the Board of Directors of the Company by sharing a tool kit containing various policies of the Company for his reference.

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

There were four Board Meetings of the Company held during the financial year 2016-2017 on the following dates: May 14, 2016, July 30, 2016, November 5, 2016 and January 24, 2017.

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

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

3. AUDIT COMMITTEE

The composition of the Audit Committee and the scope of its activities and powers are in conformity with and includes the areas prescribed under the Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and the Rules framed thereunder. The Audit Committee comprises of four Non-Executive Directors who are well versed with the financial matters and corporate laws. The Audit Committee met four times on May 14, 2016, July 30, 2016, November 5, 2016 and January 24, 2017. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee authorised Mr. Mahendra V. Doshi, Member of the Committee to attend the Annual General Meeting held on August 11, 2016 on his behalf, on account of his ill health. The composition of the Committee and the details of meetings held and attended by the members are as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. K. R. Ramamoorthy	Independent, Non- Executive	Chairman	4	4
Mr. Mahendra V. Doshi	Independent, Non-Executive	Member	4	3
Mr. Mufazzal Federal	Independent,Non-Executive	Member	4	3
Mr. Vamanrai V. Parekh	Non-Executive	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee invites the Managing Director, Executive Directors, Senior Executives representing Finance, Accounts and Internal Audit functions of the Company, Statutory Auditors and Internal Auditors at its Meetings.

Terms of Reference:

The terms of reference and role of the Audit Committee are as per guidelines set out in the Listing Regulations and Section 177 of Companies Act, 2013. The Committee meets periodically and inter alia reviews:

1. Audited and Unaudited financial results;
2. Internal Audit reports, risk management policies and reports on internal control system;
3. Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls and adequacy of provisions for liabilities, etc.;

4. Transactions proposed to be entered into by the Company with related parties and approves such transactions including any subsequent modifications thereto;
5. Functioning of Whistle Blower Policy; and
6. Recommends proposals for appointment and remuneration payable to the Statutory Auditor & Internal Auditors including appointment of the Chief Financial Officer. The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws.

In addition to the aforesaid, the Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Regulations and the Act.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, all being Independent. The Committee met three times in 2016-2017 on May 14, 2016, November 5, 2016 and January 24, 2017. The necessary quorum was present at all the meetings. The Chairman of the Nomination and Remuneration Committee authorised Mr. Mahendra V. Doshi, Member of the Committee to attend the Annual General Meeting held on August 11, 2016 on his behalf, due to his ill health. The composition of the Committee and the details of meetings held and attended by the members are as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. K. R. Ramamoorthy	Independent, Non- Executive	Chairman	3	3
Mr. Mahendra V. Doshi	Independent, Non-Executive	Member	3	2
Mr. Mufazzal Federal	Independent, Non-Executive	Member	3	2

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference:

The broad terms of reference of Nomination and Remuneration Committee are:

1) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
3) To formulate the criteria for evaluation of the Independent Directors and the Board;
4) To devise a policy on Board Diversity.

Performance evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations, after taking into consideration the ‘Guidance Note on Board Evaluation’ dated January 5, 2017 issued by SEBI.

Further, the Independent Directors, at their exclusive meeting held on January 24, 2017, had reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations, on the broad parameters laid down under the Company’s Nomination and Remuneration Policy.

Remuneration to Directors:

The Company has a well-defined policy for the remuneration of the Directors, Key Managerial Personnel and other employees. The said policy was approved by the Board at its meeting held on May 12, 2015 based upon the recommendation of the Nomination and Remuneration Committee.

The Board of Directors / Nomination and Remuneration Committee is authorized to decide the remuneration of the Executive Directors, subject to the approval of the members. The remuneration structure comprises of salary, perquisites, retirement benefits as per law / rules and commission which is linked to the performance of the Company.

Annual increments are decided by the Board of Directors within the salary range approved by the members. Each of the Executive Directors is entitled to commission to the extent of 1% of the net profits of the Company over and above the net profits of ₹ 50.00 crores for a particular financial year.

The agreement with the Executive Directors is for a specified period. Either party to the agreement is entitled to terminate the agreement by giving not less than three months’ notice in writing to the other party. Further, in case of termination of agreement by the Company, a severance fee of three months’ remuneration shall be paid.

The Company does not have a scheme for grant of stock options.

The Company has a policy for determining the remuneration of the Non-Executive Directors of the Company.

The Company remunerates its Non-Executive Directors by way of sitting fees for attending each meeting of the Board and / or Committee, and the same is paid within the limits laid down in the Companies Act, 2013 read with the Rules framed thereunder. The remuneration determined for the Non-Executive Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

The Non-Executive Directors are paid sitting fees of ₹ 50,000 per meeting for attending Board Meetings, ₹ 30,000 per meeting for attending the meetings of Audit Committee and separate meeting of Independent Directors, ₹ 10,000 per meeting for attending the meetings of Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The details of remuneration paid to the Directors during the financial year 2016-2017 are given below:

Name of the Director	Salary & perquisites (₹)	Commission	Sitting fees (₹)	Total (₹)	No. of Shares held as on March 31, 2017
Ms. Hiroo Mirchandani	N.A.	N.A.	150,000	150,000	Nil
Mr. K. R. Ramamoorthy	N.A.	N.A.	390,000	390,000	Nil
Mr. K. Venkataramanan	N.A.	N.A.	130,000	130,000	Nil
Mr. Mahendra V. Doshi	N.A.	N.A.	290,000	290,000	7,100
Mr. Mufazzal S. Federal	N.A.	N.A.	290,000	290,000	Nil
Mr. S. K. Palekar	N.A.	N.A.	180,000	180,000	Nil
Mr. Vamanrai V. Parekh	N.A.	N.A.	330,000	330,000	1,033,558
Mr. Hiten V. Parekh	19,546,591	11,583,525	N.A.	31,130,116	1,594,105
Mr. Manish V. Parekh	18,276,180	11,583,525	N.A.	29,859,705	1,191,658
Mr. Nayan S. Parekh	15,446,810	11,583,525	N.A.	27,030,335	1,900,277
Mr. Sharad V. Parekh	19,863,430	11,583,525	N.A.	31,446,955	577,204

Notes:

1. Sitting fees include fees for attending the Board Meetings, Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Corporate Social Responsibility Committee Meeting and Independent Director's Meeting.
2. An amount of ₹ 5.32 crores has been provided in the accounts for the year under review, for payment of commission to the Executive Directors for the financial year 2016-2017. The said commission is linked to the performance of the Company i.e. it shall be paid to the extent of 1% of the net profits (as per Section 198) of the Company over and above the net profits of ₹ 50.00 crores to each of the Executive Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company's Stakeholders' Relationship Committee is responsible for the satisfactory redressal of investor complaints. During the year under review, the Committee met four times on June 20, 2016, September 17, 2016, December 13, 2016 and March 18, 2017. The composition and details of the meetings attended by the members are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Vamanrai V. Parekh	Non-Executive	Chairman	4	4
Mr. Sharad V. Parekh	Executive	Member	4	4
Mr. Hiten V. Parekh	Executive	Member	4	4

Ms. Priti P. Dave, Company Secretary is the "Compliance Officer" who oversees the redressal of the investors' grievances.

Terms of Reference:

The Committee shall act in accordance with the terms of reference which shall, inter alia, include:

a) specifically look into the mechanism of redressal of grievances of shareholders;

b) considering and resolving the grievances of the shareholders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

During the year, 7 complaints were received from shareholders, out of which 1 complaint, received towards the end of March 2017 had remained unresolved as on March 31, 2017, and the same was resolved on April 4, 2017. Further, no investor grievance has remained unattended / pending for more than thirty days.

The Company has assigned its share transfer and dematerialisation work to M/s. Link Intime India Private Limited, Registrar and Transfer Agents. As on March 31, 2017 there were no dematerialisation requests and share transfer applications pending for approval with the Registrars.

6. GENERAL BODY MEETINGS

Details of the location of the last three Annual General Meetings (AGM) and details of the special resolutions passed:

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
30th AGM	August 11, 2016	12.00 noon	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli.	NIL
29th AGM	August 4, 2015			1. Reappointment of Mr. Sharad V. Parekh (DIN: 00035747), as the Managing Director of the Company for a period of five years with effect from April 1, 2015 upto March 31, 2020.
28th AGM	September 6, 2014			1. To borrow funds pursuant to the provisions of Section 180(1)(c). 2. To create mortgage/ charge on Company's assets under the provisions of Section 180(1)(a).

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

Postal Ballots:

No resolutions were passed through postal ballot during the last financial year.

7. DISCLOSURES

a) Related Party Transactions:

The Company has formulated a policy on Materiality of and dealing with Related Party Transactions. The Policy is available on the website of the Company at http://www.nilkamal.com/Images/fckUploadedfiles/file/Related_Party_Transactions_Policy.pdf.

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. All these transactions are in the normal course of business and are carried out on an arm's length basis.

b) Compliance:

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

c) Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the provisions of Listing Regulations, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the Company at www.nilkamal.com.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations:

During the year, the Company has complied with all the mandatory requirements as stipulated in Listing Regulations.

With respect to the compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

i) The Chairman being Non-Executive Director, an office is made available for his use during his visits to the Company and is reimbursed the expenses incurred towards the performance of his duties.

ii) During the year under review, there is no audit qualification on the Company's financial statements. Your Company continues to adopt best practices to ensure a regime of unmodified audit opinion.

iii) The position of Chairperson of Board and the Managing Director are separate.

iv) The Internal Auditor of the Company reports to the Chief Financial Officer and has direct access to the Audit Committee.

e) Material Subsidiary:

During the year ended March 31, 2017, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required by Regulation 16 of the Listing Regulations and the same is disclosed on the Company's website. The weblink is http://www.nilkamal.com/Images/fckUploadedfiles/file/Policy_on_determining_material.pdf.

f) Commodity Price Risk / Foreign Exchange Risk and Hedging activities:

The Company is exposed to foreign exchange risk on account of import and export transactions entered by it. The Company is proactively mitigating these risks by entering into commensurate hedging transactions as per the Company's Enterprise Risk Management Policy.

The Company is subjected to the risk of fluctuations in raw material prices which is based on the variation in crude prices in the international market and Dollar-Rupee movement. There is no financial instrument available for hedging such risk, and hence, the Company minimizes this risk by managing its inventory based upon its past experience and other relevant factors.

8. CEO / CFO CERTIFICATION

The Managing Director & Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

9. MEANS OF COMMUNICATION

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

  The Company's results, official news releases and presentations made to Institutional Investors/ Analysts, if any, are displayed on the Company's website www.nilkamal.com. Further, the said results are also e-mailed to the shareholders on their registered e-mail IDs.
- The Annual Report is circulated to all members, and is also available on the Company's website.

10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

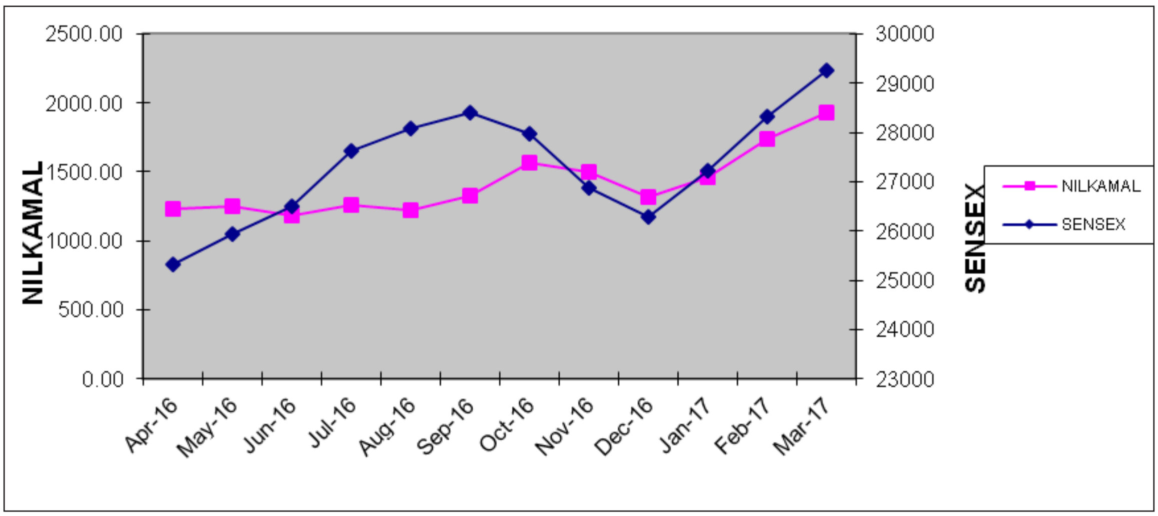
Date & Time	August 8, 2017 at 12.00 noon.
Venue	Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra & Nagar Haveli.
Financial Calendar	Financial Year: April 1, 2017 to March 31, 2018 Results for Quarter ending: June 30, 2017 — Before August 14, 2017. September 30, 2017 — Before November 14, 2017. December 31, 2017 — Before February 14, 2018. March 31, 2018 — Before May 30, 2018.
Date of Book Closure	Wednesday, August 2, 2017 to Tuesday, August 8, 2017 (both days inclusive).
Listing on Stock Exchanges	1. The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. 2. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
Stock Code	1. The BSE Limited – 523385 2. National Stock Exchange of India Limited – NILKAMAL
Demat ISIN in NSDL and CDSL for Equity Shares	INE310A01015
Corporate Identification Number (CIN)	L25209DN1985PLC000162

The Company has paid the Annual Listing fees to each of the above Stock Exchanges, for the financial year 2016-2017.

Market Price Data:

BSE Limited			National Stock Exchange of India Limited		
Month	**High(₹)**	**Low(₹)**	**Month**	**High(₹)**	**Low(₹)**
April, 2016	1,381.00	1,090.00	April, 2016	1,380.00	1,088.00
May, 2016	1,372.00	1,125.05	May, 2016	1,372.00	1,125.00
June, 2016	1,279.00	1,085.00	June, 2016	1,280.00	1,080.35
July, 2016	1,340.45	1,181.50	July, 2016	1,340.00	1,182.00
August, 2016	1,299.90	1,150.20	August, 2016	1,300.00	1,150.00
September, 2016	1,406.40	1,240.00	September, 2016	1,405.70	1,231.20
October, 2016	1,840.05	1,285.70	October, 2016	1,841.90	1,280.00
November, 2016	1,794.20	1,215.00	November, 2016	1,793.30	1,210.00
December, 2016	1,411.00	1,225.00	December, 2016	1,418.70	1,221.65
January, 2017	1,665.00	1,258.40	January, 2017	1,665.90	1,255.10
February, 2017	1,948.85	1,529.00	February, 2017	1,948.50	1,635.00
March, 2017	2,028.00	1,830.00	March, 2017	2,030.00	1,825.00

Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the financial year 2016-2017*



* Sources www.bseindia.com.

Registrar and Transfer Agents and Share Transfer System:

M/s. Link Intime India Private Limited (Link Intime), C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai: 400083; Tel: 022-49186270, Fax: 022-49186060, Email: rnt.helpdesk@linkintime.co.in are the Registrar and Transfer Agents for physical shares of the Company. They are also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Distribution of Shareholding as on March 31, 2017:

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1-500	14,551	94.94	987,745	6.62
501 to 1000	359	2.34	279,224	1.87
1001 to 2000	171	1.12	254,789	1.71
2001 to 3000	65	0.42	158,700	1.06
3001 to 4000	28	0.18	99,718	0.67
4001 to 5000	32	0.21	149,504	1.00
5001 to 10000	49	0.32	349,833	2.35
10001 and above	72	0.47	12,643,012	84.72
Total	**15,327**	**100.00**	**14,922,525**	**100.00**

Shareholding Pattern as on March 31, 2017:

Category	No. of Shareholders	Voting Strength (%)	No. of shares
Promoter and Promoter Group	23	64.10	9,565,759
Mutual Funds	15	5.31	792,800
Foreign Portfolio Investor	42	4.85	724,119
Financial Institution / Bank	4	0.04	5,283
Foreign Financial Institutions	2	0.00	200
Body Corporate	364	3.40	507,152
Public & Others	14,877	22.30	3,327,212
Total	**15,327**	**100**	**14,922,525**

Dematerialisation of shares and liquidity:

98.68% of the Company's Share Capital is dematerialised as on March 31, 2017. The Company's shares are regularly traded on the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments.

Plant Locations:

The Company's plants are located at Barjora and Hooghly (West Bengal), Hosur (Tamilnadu), Jammu (Jammu and Kashmir), Kharadpada and Vasona (Union Territory of Dadra and Nagar Haveli), Noida (Uttar Pradesh), Puducherry (Puducherry) and Sinnar (Maharashtra).

Address for Correspondence:

Investors can communicate at the following addresses:

1. **Ms. Priti P. Dave – Company Secretary**
   Nilkamal Limited
   Nilkamal House,
   77/78, Road No. 13/14, MIDC,
   Andheri-East, Mumbai 400 093.
   Tel:- 022-42358888 Fax:- 022-26818080
   E-mail:- investor@nilkamal.com
2. **M/s. Link Intime India Private Limited**
   Registrar and Transfer Agents
   C-101, 247 Park, L.B.S. Marg,
   Vikhroli West, Mumbai: 400083.
   Tel: 022-49186270, Fax: 022-49186060
   Email: rnt.helpdesk@linkintime.co.in

MANAGING DIRECTOR'S DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the Members of
NILKAMAL LIMITED

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct framed by the Company.

For Nilkamal Limited

Date: May 11, 2017 **Sharad V. Parekh**
Place: Mumbai, **Managing Director**

MANAGING DIRECTOR / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Nilkamal Limited ("the Company") to the best of our knowledge and belief certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

i) Significant changes in the Internal Control over financial reporting during the year ended March 31, 2017;

ii) Significant changes in accounting polices during the year ended March 31, 2017 and that the same have been disclosed in the notes to the Financial Statements; and

iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

For Nilkamal Limited

Date: May 11, 2017	**Sharad V. Parekh**	**Paresh B. Mehta**
Place: Mumbai	**Managing Director**	**Chief Financial Officer**

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This Certificate is issued in accordance with the terms of our agreement dated February 13, 2017.
2. This Report contains details of compliance of conditions of Corporate Governance by Nilkamal Limited ('the Company') for the year ended March 31, 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2017.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership No.: 031756

Mumbai
May 11, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

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

Year 2016-17 has been marked by several historic economic policy developments. The passage of the long-awaited Goods and Services Tax Bill (GST) and the demonetisation of the two highest denomination notes were most important developments during the year. While the GST is aimed at creating common Indian market & improve tax compliance and governance, demonetisation was aimed at curbing corruption, terrorism and accumulation of black money.

The implementation of the GST, follow-up to demonitisation and other structural reforms are expected to take the economy towards its potential real GDP growth of 6.75% to 7% in 2017-18 as compared to an estimated growth rate of 6.5% in 2016-17.

Plastic Division

The Plastic Business has achieved a volume growth of 8% and value growth of 6%. During the financial year 2016-17 it has achieved total turnover of ₹ 187,335 lacs as compared to ₹ 176,432 lacs in the previous year.

The Moulded Furniture Business recorded a growth of 5% in value & volume terms in the highly competitive moulded chair segment. This was inspite of disruptions due to demonetisation between the period Nov'16-Jan'17. In this business vertical the Company enjoys an undisputed market leadership & a market share of more than double its closest competitor.

In the year gone by the Company has invested in a range of differentiated products to fill in the product gap, bring freshness in product offerings and to stay ahead of the curve in a highly competitive market. The Company introduced 9 new models in Moulded Furniture segment during 2016-17 mainly in the Premium range, the objective being to provide innovative designs which will not only enhance the offerings to our channel partners but also improve the bottom line of channel partner & Company. We have also planned an additional investment of 10 new products in the Monoblock and value added segments like plastic storage/non monoblock category in 2017-18 to stay ahead of the curve and improve the market share. The implementation of GST would definitely help the growth of the organized sector as we envisage a reduction of the unorganized sector sales due to stringent statute compliance.

The Ready furniture vertical now offers a range of 450 products with a combination of metal chairs/selected office chairs manufactured in our Hosur plant and traded products across all segments of Home & Office Furniture Segments Like Bedroom, Living, Desking and Storage, Dinning, etc. The overall market size of Furniture Industry is approximately ₹ 75,000 crores annually of which 85% is catered by the unorganized sector mainly carpentered products and there is an accelerated shift towards organized Ready Furniture sector due to better aesthetics /design/quality/scalability in manufacturing/paucity of labour & time as regards the end consumer. The vast range offered by Nilkamal in this segment and pan India distribution presence will help this division to consistently overshoot the industry growth rate and keep the growth trajectory sustainable in a northward direction. In the financial year 2016-17 this vertical witnessed a growth of over 30% in the distributor/dealer network and we were also successful in launching 25-30 products across all segments. The division has registered a CAGR of 40% in the last 3 years in the distribution network and the growth has been fairly consistent both in institutional and office segment.

The integration of Mattress vertical with the furniture business helped the Company to register a growth of 44% in the last financial year vis-à-vis an industry growth of approximately 10%. Presently the Company has manufacturing facilities at Southern & Eastern part of the country and has plans to enlarge the footprint through investments in production units in North & West in the financial year 2017-18.

The organized Mattress industry has a size of approximately ₹ 3,200 crores and is envisaged to grow @ 12-15% annually. Apart from two major players who operate on a pan India basis most of the competitors operate at a regional level. The major growth comes from foam & spring segment of the Mattress industry where there are very few organized players who have the ability to cater to quality conscious customers. The growing GDP of the country would defiantly increase the per capita income and literacy in all the states triggering "The Wellness Theme" would in turn help the shift from organized to branded players.

The main focus of the Company in the last financial year was to improve the reach, enhance the product offerings and increase awareness for Nilkamal Mattress brand to assist the channel partners in achieving the objectives of both topline growth & retailer appointment. We believe the pan India network of distribution and presence of dealers in every district will help us to increase the visibility quotient as regards Mattress to remotest rural market, thus enhancing our ability to manage the complex supply chain equation at a lower cost as compared to the industry. This in a way would be our "Right to Win" and will help us to accelerate the growth rate. We are confident of scaling up the topline of this vertical to nearly ₹ 200 crores from the present level of ₹ 48 crores within the next 3 years.

The core objective being to leverage our strong distribution network on a pan India basis the Company introduced various dealer engagement programs throughout all the regions. Apart from the 15 "Nilkamal Home Ideas" stores ranging from 4,000-8,000 sq.ft in various 2-3 tier cities we also commissioned 33 DODOs (Dealer Owned

Dealer Operated) stores across various geographies. These stores showcase and sell both our Ready Furniture products & Mattress.

The main thrust continues to be to strengthen our “reach” and as on today we have a network of nearly 980 channel partners and over 15,000 dealers on a pan India basis. With the visibility equation increased through “Reach”, the Company has invested nearly ₹ 13 crores in ATL initiatives like TV advertisement on National Channels to increase the brand awareness both for Ready Furniture & Mattress vertical. This was also assisted by the strong recall of the brand accrued from over 5 crores household of moulded furniture customer base built across the years.

The strong network of 40 plus depots and nearly 300 plus sales staff assisted by a robust “SCM” system, which links the multi locational production facilities to deliver our products efficiently, has not only helped in enhancing the penetration but also improving our timely fill rates to Modern Trade outlets and E-Commerce portals across the country. This we believe will be our “Right To Win” across geographies & various customer segments in the future.

Nilkamal’s focus on three verticals i.e. Moulded Furniture, Ready Furniture and Mattress, will help the Company to develop a unique business model which has no comparison in the country and the world over as it essentially serves the same network of distribution and will help the Company to develop a robust distribution platform which will take care of both the aspiration of topline growth and profitability for our channel partners. We believe that these business models will help the division to grow consistently over double digit in revenue terms for the years to come on a consistent basis because of our pan India presence, deep penetration and time tested logistics infrastructure.

The major threats would be the volatility of raw material prices, adverse currency fluctuations and the proliferation of unorganized players who compete mainly on the strength of low quality products and unethical practices.

The year 2016-17 was a good one for Nilkamal’ s Material Handling business, which grew by 7%. Nilkamal served more than 30,000 customers across India in this segment. In its endeavour to provide industries with solutions which can protect their products, increase the storage efficiency and improve their labour productivity, Nilkamal continued to offer a comprehensive product mix – from crates to pallets to Material Handling Equipment to Shelving and racking solutions – and continued to hold the market leader position in this segment.

Our focus is on tapping the growing industrial segments, scaling up infrastructure and operations, and investing in new products and services. Increased emphasis was and is on stock optimisation and renewed initiatives to approach customers to ensure quicker and maximum reach across even the far flung industrial belts.

Combined sales of our three ventures Nilkamal Crates & Bins, Nilkamal Bito Storage Systems Private Limited (NBSS) and Cambro Nilkamal Private Limited (CNPL) ₹ 17,243 lacs.

Demonetisation had its short-term effects but holds the potential for long term benefits. Implementation of GST holds further promise for growth of our business.

The Company continued to invest in more solutions for the Swachh Bharat Abhiyan initiative by the Government. With 9 factories, 39 regional offices, 41 warehouses and a sales strength of 400+, we are ready for new initiatives by the Government- Make-in-India, Invest-in-India, Start Up India, E-biz Mission Mode. These initiatives will facilitate investments in warehousing, manufacturing and we foresee good growth potential in the years to come.

The Company invested in strengthening of its Sales organisation by instituting CRM and division of Sales Teams into Industrial Sales and Material Management & Storage Solutions for effective reach and focussed offerings to its current & potential Customers. Further investments in sytems and processes are being made to derive manpower productivity, rationlisation of inventory and improved management of working capital.

The Company is further investing to enhance its product range in products used in Automated handling systems & Pallets and its production capacity to capture benefits of increased market acceptance of Pallets by Industry both Private & Government .

Current stability in crude prices and strengthening of currency will help in development of Market for your Company’s products in the short and medium term, thereby providing sustained growth and profitability, however any uncertainity of same may cause concern.

Lifestyle Furniture, Furnishing and Accessories Division:

At @home, we choose to work in a sensitive and responsible manner to create a partnership with our customers by enhancing their dream homes and enriching their lives. Our customer-centric efforts are the reason why our products and services are superior in quality and innovation.

Today, @home has 17 large format stores, one Go-to-Market (GTM) store and 8 shop-in-shop stores (Shoppers Stop), spread across 14 cities, covering a retail space of over 2.87 lakh sq. ft. and continues to be a trusted brand among the consumers.

During the financial year 2016-17, @home's year-on-year growth was at 5% (same store sales) with exceptional growth in channels like 1) Shop-in-shop 2) E-commerce and 3) Customized furniture. In this year @home achieved ₹ 23,384 lacs of revenue compared to previous year ₹ 23,612 lacs. The negative difference is due to trimming down of non-profitable stores.

Standardization of assortment, pricing & planogram related to household category and implementation of Auto Replenishment System (ARS) & supply chain management has helped us improve our retail sales.

We have successfully forayed into customised kitchens, wall units and wardrobes.

By regularly conducting customer satisfaction surveys and mystery checks we have our finger on the pulse of our customers. Also, by ensuring transparency and timely resolution of any negative feed-back, we have improved upon our customer's shopping experience.

Concerns:

- Growing competition in the organized sector
- Sluggish trend in the real estate purchases

The 10 years long journey for @home was challenging from the point of establishing product quality, price point, brand & continuous investment by way of new store openings. Store closure is also common depending on the store's performance. So far @home has closed as many as 10 stores since inception. All these years the Company has funded the losses of @home. To tackle these challenges, management is in process of evaluating various avenues in order to create value through such structural changes for all it's stakeholders.

Our focus for FY 17-18 is to improve sales per sq. ft. and ensure conversions by bridging the inventory gap using digital mediums and various loyalty programs. In addition, we foresee that the implementation of GST will help improve the business of organized retail.

Financial Review

Operating Profit

The Company registered operating profit of ₹ 22,932 lacs against ₹ 22,585 lacs in the previous year, an increase of 2% over the previous year.

Interest

Financial cost has been reduced by 36% i.e. from ₹ 1,813 lacs to ₹ 1,159 lacs.

Net Profit

The Company has made net profit after tax of ₹ 11,845 lacs as against ₹ 10,478 lacs, an increase by 13%.

The Company has proposed final dividend of ₹ 7.00 per equity shares (70%) for the current year. The total outflow amounts to ₹ 1,045 lacs.

Capital Employed

The total capital employed stood at ₹ 77,994 lacs against ₹ 69,021 lacs of previous year. The total debt to equity stands at 0.12 time against 0.18 time of the previous financial year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Your Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and operations.

The Company's documented risk control matrices maps various processes and is continuously reviewed and tested during the year. For any weaknesses identified during review, the corrective and preventive action is taken on timely basis. The internal controls and governance process is duly reviewed for their adequacy and effectiveness through periodic audits conducted by independent internal audit department and duly supported by outsourced audit teams. The Audit Committee is briefed periodically on the corrective and preventive action taken to mitigate the risks.

Human Resources and Industrial Relations

Your Company's industrial relations continued to be harmonious during the year under review. The employee strength of your Company is currently 3005.

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.

Performance at a glance					
					(₹ in lakhs)
Particulars	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Net Sales	1,611	1,649	1,787	1,858	1,957
Profit Before Tax	44	58	61	155	169
Profit After Tax	31	40	42	105	118
Share Capital	15	15	15	15	15
Reserves and Surplus	414	448	485	570	682
Shareholder's Funds	429	463	500	585	697
Loan Funds	394	320	207	105	83
Total Capital Employed	823	783	707	690	780
Long Term Liabilities and Provisions	39	40	44	45	55
Deffered Tax Liability	22	24	16	10	5
Gross Block	685	719	719	736	790
Net Block	342	335	287	265	288
Investments	25	26	26	26	26
Long Term Loans and Advances and other Current non current Assets	52	57	53	51	50
Net Current Assets	465	430	401	403	476
RATIO					
Financial Performance %	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Domestic Turnover/Total Revenue	97.17	96.42	96.66	94.96	95.04
Exports/Total Revenue	2.63	3.37	3.00	4.54	4.35
Other Income/Total Revenue	0.20	0.21	0.35	0.51	0.61
Raw Material/Total Revenue	63.08	63.13	63.35	57.55	57.23
Overheads/Total Revenue	22.51	21.51	22.33	23.12	23.73
Interest/Total Revenue	2.66	2.51	1.65	0.97	0.59
Profit Before Tax/Total Revenue	2.70	3.52	3.38	8.28	8.58
Depreciation//Total Revenue	2.75	2.96	3.00	2.84	2.48
Net Profit After Tax /Total Revenue	1.93	2.42	2.37	5.61	6.02
Return on Capital Employed	10.43	12.13	11.93	26.56	25.97
Return on Net Worth	7.48	8.98	8.82	19.32	18.47
Balance Sheet Ratios					
Debtors Turnover (days)	46	42	44	47	51
Inventory Turnover	69	67	56	58	61
Current Ratio	4.24	3.88	3.66	3.09	3.47
Asset Turnover	4.76	4.93	6.22	7.00	6.78
Debt-Equity	0.92	0.69	0.41	0.18	0.12
Per Share Data - Rs.					
EPS	20.90	26.83	28.45	70.22	79.38
CEPS	50.62	59.61	64.48	105.78	112.09
Book Value	287.56	310.10	334.84	392.16	467.17
Shareholder Statitics					
DPS	4.00	4.0	4.5	7.0	11.0
Dividend (%)	40	40	45	70	110
Dividend Payout (Rs)	7	7	8	11	18
Dividend Payout (%)	22.39	17.19	18.18	10.89	15.29

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NILKAMAL LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Nilkamal Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including IND AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and 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 it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;

(e) On the basis of the written representations received from the Directors as on 31st March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the Annexure B; and

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

    2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2017; and

    4. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on the audit procedures performed and relying on management representations we report that the disclosures made by the Company are in accordance with the books of accounts maintained by the Company – Refer Note 45 to the standalone Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership No.: 031756

Mumbai
May 11, 2017

Annexure A to the Independent Auditors' Report – 31st March 2017

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2017, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which the fixed assets are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 1 to the standalone Ind AS financial statements, are held in the name of the Company other than those disclosed in the table below:

Asset class	No of cases	Gross Block (Rs in Lakhs)	Net block (Rs in Lalhs)	Remarks
Freehold land	1	0.68	0.68	Pending completion of the relevant formalities of some of the fixed assets which vested in the Company pursuant to the scheme of amalgamation, such assets continue to be in the name of the erstwhile amalgamated companies
Buildings	29	262.39	251.88	

(ii) The inventory, except for goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in books of account.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a) and (b) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made by the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value added tax as at 31st March 2017 which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of dues	Amount * (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax of various states	Central Sales Tax and Local Sales Tax (including Value Added Tax)	-	2001-2002 to 2004-2005	Supreme Court
		35.22	2008-2009	High Court
		667.71	2012-13	High Court
		110.17	2013-14	High Court
		813.10	2005-2006, 2007-2008, 2009 to 2016	Commissioner - Appeals
Central Excise Act, 1944	Excise Duty	22.95	2002-2007	Customs Excise & Service tax Appellate tribunal ("CESTAT")
		206.78	November 2011 to May 2012	Customs Excise & Service tax Appellate tribunal ("CESTAT")
		26.60	March 2007 to June 2015	Customs Excise & Service tax Appellate tribunal ("CESTAT")
		10.80	June 2010 to February 2011	Customs Excise & Service tax Appellate tribunal ("CESTAT")
		150.29	June 2009 to September 2014	Commissioner –Appeals
		10.17	2008-2013	Commissioner –Appeals
		21.36	October 2014 to March 2015	Commissioner –Appeals
		26.37	April 2015 to December 2015	Commissioner -Appeals
Finance Act, 1994	Service Tax	0.81	2007 to 2012	Commissioner –Appeals
Income Tax Act, 1961	Tax deducted at source	3.39	2010-11	CIT (Appeals)

* Amount is net of payments made under dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government or dues to debenture holders during the year.

(ix) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership No.: 031756

Mumbai
May 11, 2017

Annexure B to the Independent Auditors' Report of even date on the Standalone Financial statements of Nilkamal Limited – 31st March 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership No.: 031756

Mumbai
May 11, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakhs)

	Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I.	**ASSETS**				
	1 Non-Current Assets				
	(a) Property, Plant and Equipment	1	**25,623.53**	26,001.26	28,364.28
	(b) Capital work-in-Progress		**3,198.59**	451.37	136.16
	(c) Other Intangible Assets	1a	**18.92**	91.36	201.30
	(d) Financial Assets				
	(i) Investments in Subsidiaries and Joint Ventures	2	**2,529.27**	2,529.27	2,529.27
	(ii) Other Investments	3	**38.33**	32.32	27.02
	(iii) Loans	4	**2,286.93**	2,333.70	2,248.68
	(iv) Other Financial Assets (Net)	5	**282.44**	498.94	445.97
	(e) Non-current Advance Tax Assets (Net)		**-**	-	545.58
	(f) Other Non-Current Assets	6	**2,431.30**	2,226.75	2,012.12
	Total Non-Current Assets		**36,409.31**	34,164.97	36,510.38
	2 Current Assets				
	(a) Inventories	7	**32,627.33**	29,399.66	27,468.89
	(b) Financial Assets				
	(i) Trade Receivables	8	**29,002.24**	25,758.83	22,886.89
	(ii) Cash and Cash Equivalents	9	**522.75**	658.33	721.23
	(iii) Bank Balances other than (ii) above	10	**81.51**	293.55	22.11
	(iv) Loans	11	**565.26**	564.91	582.11
	(v) Other Financial Assets	12	**64.17**	31.82	87.63
	(c) Current Tax Assets (Net)		**-**	-	4.91
	(d) Other Current Assets	13	**4,013.87**	2,889.05	3,419.75
	Total Current Assets		**66,877.13**	59,596.15	55,193.52
	TOTAL ASSETS		**103,286.44**	93,761.12	91,703.90
II.	**EQUITY AND LIABILITIES**				
	1 Equity				
	(a) Equity Share Capital	14	**1,492.25**	1,492.25	1,492.25
	(b) Other Equity	15	**68,221.05**	57,028.10	48,473.83
	Total Equity		**69,713.30**	58,520.35	49,966.08
	2 Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	**-**	879.21	4,394.16
	(ii) Other Financial Liabilities	17	**4,620.51**	3,826.38	3,529.76
	(b) Provisions	18	**571.57**	499.61	696.02
	(c) Deferred Tax Liabilities (Net)	19	**521.62**	969.85	1,551.58
	(d) Other Non-Current Liabilities	20	**280.06**	180.36	177.68
	Total Non-Current Liabilities		**5,993.76**	6,355.41	10,349.20
	3 Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	21	**8,280.56**	7,444.72	12,523.90
	(ii) Trade Payables	22	**10,928.63**	10,741.76	9,264.27
	(iii) Other Financial Liabilities	23	**2,329.60**	4,746.95	4,621.21
	(b) Other Current Liabilities	24	**3,609.34**	3,550.02	3,460.83
	(c) Provisions	25	**2,099.17**	2,026.59	1,518.41
	(d) Current Tax Liabilities (Net)		**332.08**	375.32	-
	Total Current Liabilities		**27,579.38**	28,885.36	31,388.62
	TOTAL EQUITY AND LIABILITIES		**103,286.44**	93,761.12	91,703.90
	Significant accounting policies	33			

The notes referred to above form an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756
Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670
Mumbai
May 11, 2017

Priti P. Dave
Company Secretary
Membership No : 19469

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakhs)

	Particulars	Note	Year ended 31st March 2017	Year ended 31st March 2016
I.	**Revenue from Operations**	26	**209,484.71**	**199,108.95**
II.	**Other Income**	27	**1,201.22**	**945.86**
III.	**Total Revenue (I+II)**		**210,685.93**	**200,054.81**
IV.	**Expenses:**			
	Cost of Materials Consumed		**68,501.30**	65,156.85
	Purchases of Stock in Trade		**47,109.24**	43,744.70
	Changes in inventories of Finished Goods, Stock in Trade and Work-in-Progress	28	**(2,950.35)**	(1,453.56)
	Excise Duty		**13,819.96**	13,349.48
	Employee Benefits Expense	29	**14,565.46**	13,501.94
	Finance Costs	30	**1,158.80**	1,813.06
	Depreciation and Amortisation Expenses	1	**4,881.70**	5,306.25
	Other Expenses	31	**46,708.14**	43,170.01
	Total Expenses		**193,794.25**	184,588.73
V.	**Profit Before Tax (III-IV)**		**16,891.68**	15,466.08
VI.	**Tax Expense:**			
	Current Tax	32	**5,390.00**	5,575.00
	Deferred Tax	32	**(343.72)**	(581.73)
	Tax for earlier years		**-**	(5.61)
	Total Tax Expenses		**5046.28**	4897.66
VII.	**Profit for the year (V-VI)**		**11,845.40**	10,478.42
VIII.	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability / (asset)		**2.67**	(18.01)
	Income Tax effect on above		**(0.92)**	-
	Items that will be reclassified to profit or loss			
	Effective portion of (Loss)/ Gain on hedging insrtrument in a cash flow hedge.		**(7.10)**	6.87
			11,840.05	10,467.28
IX.	**Earnings per equity share of ₹ 10 each (Previous Year ₹ 10 each)**	52		
	(1) Basic (in ₹)		**79.38**	70.22
	(2) Diluted (in ₹)		**79.38**	70.22
	Significant accounting policies	33		

The notes referred to above form an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756
Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670
Mumbai
May 11, 2017

Priti P. Dave
Company Secretary
Membership No : 19469

CASH FLOW STATEMENT FOR THE YEAR ENDED ENDED 31ST MARCH, 2017

(₹ in lacs)

		Year ended 31st March, 2017		Year ended 31st March, 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Taxfor the year		**16,891.68**		15,466.08
	Adjustments for :				
	Depreciation and amortisation	**4,881.70**		5,306.25	
	Loss on sale of proprty, plant and equipment	**34.23**		247.91	
	Non-cash exepnses adjustment for Gratuity	**2.67**		(18.01)	
	Finance Costs	**1,421.65**		1,925.99	
	Provision for doubtful debts and advances	**143.94**		185.14	
	Bad Debts Written off / (Back)	**71.39**		122.02	
	Provision for Wealth Tax	**-**		0.53	
	Interest Income	**(263.66)**		(276.22)	
	Provision for Rent Equalisation	**99.70**		2.68	
	Dividend Income on equity securities	**(937.56)**		(669.64)	
	Unrealised foreign currency Loss	**(36.71)**		(11.84)	
			5,417.35		6,814.81
	Operating Profit before Working Capital changes		**22,309.03**		22,280.89
	Working capital adjustments:				
	(Increase) in inventories	**(3,203.23)**		(1,676.45)	
	(Increase) in trade receivables	**(3,446.95)**		(2,907.03)	
	(Increase) / Decrease in Other Receivables	**(869.98)**		466.01	
	Increase in Trade Payables	**175.12**		1,205.43	
	Increase in Other Liabilities & Provisions	**889.14**		1,937.98	
			(6,455.90)		(974.06)
	Cash generation from operation		**15,853.13**		21,306.83
	Direct Taxes Paid (Net)	**(5,538.69)**		(4,643.59)	
			(5,538.66)		(4,643.59)
	Net cash from operating activities (A)		**10,314.45**		16,663.24
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Interest Received	**251.58**		226.30	
	Dividends received	**937.56**		669.64	
	Proceeds from sale of property, plant and equipment	**207.43**		300.52	
	Acquisition of property, plant and equipment	**(7,603.59)**		(3,857.73)	
	Investment and fixed deposits	**(142.41)**		(5.30)	
	Net cash used in investing activities (B)		**(6,349.43)**		(2,666.57)

CASH FLOW STATEMENT (CONTD.) FOR THE YEAR ENDED ENDED 31ST MARCH 2017

(₹ in lacs)

		Year ended 31st March, 2017		Year ended 31st March, 2016	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Long term Borrowings	**(2,709.84)**			
	Repayment of Short Term borrowings (Net)	**835.84**		(10,234.11)	
	Interest paid	**(1,433.07)**		(2,066.96)	
	Dividends paid (including tax on dividend.)	**(793.54)**		(1,758.50)	
	Net cash flow from (used in) financing activities (C)		**(4,100.60)**		(14,059.57)
	Net decrease in cash and cash equivalents (A + B + C)		**(135.58)**		(62.90)
	Cash and Cash Equivalents at 1 April 2016	**658.33**		721.23	
	Cash and cash equivalents at 31 March 2017	**522.75**		658.33	
	Net (decrease) in cash and cash equivalents		**(135.58)**		(62.90)

Notes to the cash flow statement

1. Components of cash and cash equivalents

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Balance in Current Accounts	**150.03**	197.44
(b) Cheques on Hand	**269.86**	306.10
(c) Cash on Hand	**102.86**	152.20
(d) Bank Deposits with less than 3 months maturity	**0.00**	2.59
Cash and cash equivalents	**522.75**	658.33

2 The Cash Flow statement has been prepared under the "Indirect Method" as set out Indian Accounting Standard (Ind AS -7) Statement of Cash flows.

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

AS PER OUR REPORT OF EVEN DATE ATTACHED
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756
Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670
Mumbai
May 11, 2017

Priti P. Dave
Company Secretary
Membership No : 19469

Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2017

(₹ in lakhs)

(a) Equity share capital

	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the reporting period	14,922,525	1,492.25	14,922,525	1,492.25
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	14,922,525	1,492.25	14,922,525	1,492.25

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Items of Other comprehensive income		Total
	Retained Earnings	**Securities Premium Reserve**	**General Reserve**	**Effective portion of cash flow hedges**	**Remeasurements of the net defined benefit Plans**	
Balance at April 1, 2015	20,929.76	6,448.96	21,115.16	(20.05)		48,473.83
Profit for the year	10,478.42	-	-	-	-	10,478.42
Actuarial gain /(loss) on defined benefit plan				-	(18.01)	(18.01)
Net gain recognised on cash flow hedge				6.87	-	6.87
Other comprehensive income for the year		-		6.87	(18.01)	(11.14)
Total comprehensive income for the year	**10,478.42**	**-**	**-**	**6.87**	**(18.01)**	**10,467.28**
Interim dividend declared and paid	(1,044.58)					(1,044.58)
DDT on interim dividend distributed	(96.30)					(96.30)
Transfer to General reserve	(5,000.00)		5,000.00			-
Dividends including DDT	(772.13)					(772.13)
Balance at March 31, 2016	**24,495.17**	**6,448.96**	**26,115.16**	**(13.18)**	**(18.01)**	**57,028.10**
						-
Profit for the year	11,845.40					11,845.40
Actuarial gain /(loss) on defined benefit plan net of tax					1.75	1.75
Net gain recognised on cash flow hedge				(7.10)		(7.10)
Other comprehensive income for the year				(7.10)	1.75	(5.35)
Total comprehensive income for the year	**36,340.57**	**6,448.96**	**26,115.16**	**(20.20)**	**(16.26)**	**68,868.15**
Interim dividend declared and paid	(596.90)					(596.90)
DDT on interim dividend distributed	(50.20)					(50.20)
Transfer to general reserve	(5000.00)		5000.00			
Balance at March 31, 2017	**30,693.47**	**6,448.96**	**31,115.16**	**(20.28)**	**(16.26)**	**68,221.05**

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

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Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

1 Property, Plant and Equipment

(₹ in lakhs)

	Free Hold Land	Leasehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Lease Equipments	Leasehold Improvements	Total
Gross Block :										
Balance as at 1st April 2015	1,131.70	193.06	9,880.64	11,051.85	2,456.92	671.03	971.22	194.26	1,813.60	28,364.28
Additions	-	-	42.20	3,022.63	84.78	2.56	194.14	-	10.17	3,356.48
Adjustments	-	(25.79)	(114.23)	(7.64)	0.07	-	9.88	-	137.71	-
Disposals	-	-	43.12	296.30	16.78	186.79	22.29	-	117.22	682.50
Balance as at 31st March 2016	1,131.70	167.27	9,765.49	13,770.54	2,524.99	486.80	1,152.95	194.26	1,844.26	31,038.26
Balance as at 1st April 2016	**1,131.70**	**167.27**	**9,765.49**	**13,770.54**	**2,524.99**	**486.80**	**1,152.95**	**194.26**	**1,844.26**	**31,038.26**
Additions	**-**	**-**	**96.92**	**4,122.35**	**191.94**	**4.08**	**254.87**	**-**	**-**	**4,670.16**
Adjustments	**-**	**-**	**-**	**0.52**	**0.04**	**-**	**(0.56)**	**-**	**-**	**-**
Disposals	**-**	**-**	**12.34**	**85.74**	**51.99**	**167.36**	**33.17**	**132.71**	**227.24**	**710.55**
Balance as at 31st March 2017	**1,131.70**	**167.27**	**9,850.07**	**17,807.67**	**2,664.98**	**323.52**	**1,374.09**	**61.55**	**1,617.02**	**34,997.87**
Depreciation :										
Balance as at 1st April 2015	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	2.50	455.89	2,758.32	610.87	155.84	452.95	52.95	681.80	5,171.12
Adjustments	-	-	-	1.27	-	-	(1.27)	-	-	-
Disposals / Adjustments	-	-	0.47	25.88	7.19	25.86	18.13	-	56.59	134.12
Balance as at 31st March 2016	-	2.50	455.42	2,733.71	603.68	129.98	433.55	52.95	625.21	5,037.00
Balance as at 1st April 2016	**-**	**2.50**	**455.42**	**2,733.71**	**603.68**	**129.98**	**433.55**	**52.95**	**625.21**	**5,037.00**
Depreciation for the year	**-**	**2.18**	**436.28**	**3,141.50**	**453.86**	**80.62**	**355.84**	**25.97**	**309.99**	**4,806.24**
Disposals / Adjustments	**-**	**-**	**0.28**	**45.86**	**47.57**	**65.75**	**20.42**	**62.90**	**226.12**	**468.90**
Balance as at 31st March 2017	**-**	**4.68**	**891.42**	**5,829.35**	**1,009.97**	**144.85**	**768.97**	**16.02**	**709.08**	**9,374.34**
Net Block :										
As at 31st March 2016	1,131.70	164.77	9,310.07	11,036.83	1,921.31	356.82	719.40	141.31	1,219.05	26,001.26
As at 31st March 2017	**1,131.70**	**162.59**	**8,958.65**	**11,978.32**	**1,655.01**	**178.67**	**605.12**	**45.53**	**907.94**	**25,623.53**

Notes :-

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

b) Pending completion of the relevant formalities of the Property Plant and equipment, having Gross block value ₹ 263.07 lakhs and Net block value ₹ 252.56 lakhs which vested in the name of Company pursuant to the scheme of amalgamation, such assets continue to be in the name of the erstwhile amalgamated companies.

c) For capital commetment with regards to Property Plant and Equipment refer note no 34 (b)

d) For assets value given on Operating lease refer note no 41 (b)

e) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP

Deemed cost as on 1st April 2015

	Free Hold Land	Leasehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Lease Equipments	Leasehold Improvements	Total
Gross Block	1,131.70	224.72	13,861.04	40,759.49	4,502.52	1,361.52	3,654.34	318.46	3,024.98	68,838.77
Less: Accumulated Depreciation	-	31.66	3,980.40	29,707.64	2,045.60	690.49	2,683.12	124.20	1,211.38	40,474.49
Net Block	1,131.70	193.06	9,880.64	11,051.85	2,456.92	671.03	971.22	194.26	1,813.60	28,364.28

(₹ in lakhs)

1a Other Intangible Assets :

	Models, Designs and Commercial rights	Computer Software	Total
Gross Block :			
Balance as at 1st April, 2015	-	201.30	201.30
Additions	-	25.19	25.19
Disposals	-	-	-
Balance as at 31st March, 2016	-	226.49	226.49
Balance as at 1st April, 2016	**-**	**226.49**	**226.49**
Additions	**-**	**3.02**	**3.02**
Disposals	**-**	**-**	**-**
Balance as at 31st March, 2017	**-**	**229.51**	**229.51**
Depreciation :			
Balance as at 1st April, 2015	-	-	-
Depreciation for the year	-	135.13	135.13
Disposals / Adjustments	-	-	-
Balance as at 31st March, 2016	-	135.13	135.13
Balance as at 1st April, 2016	**-**	**135.13**	**135.13**
Depreciation for the year	**-**	**75.46**	**75.46**
Adjustments	**-**	**-**	**-**
Disposals / Adjustments	**-**	**-**	**-**
Balance as at 31st March, 2017	**-**	**210.59**	**210.59**
Net Block :			
As at 31st March, 2016	-	91.36	91.36
As at 31st March, 2017	**-**	**18.92**	**18.92**

The Company has availed the deemed cost exemption in relation to the intengible asset on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2015 under the previous GAAP

Deemed cost as on 1st April, 2015

	Models, Designs and Commercial rights	Computer Software	Total
Gross Block	2,012.52	939.60	2,952.12
Less: Accumulated Depreciation	2,012.52	738.30	2,750.82
Net Block	-	201.30	201.30

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2	**Investments in Subsidiaries and Joint Ventures**			
	(Valued at cost unless stated otherwise)			
	Trade investments (Unquoted)			
	(I) Investment in Equity instruments			
	(a) Investment in Subsidiary Companies			
	(i) 1,520,000 (31st March, 2016 - 1,520,000, 1st April, 2015 - 15,20,2000) Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Pvt. Ltd., Srilanka, fully paid up	**93.62**	93.62	93.62
	(ii) 1 (31st March, 2016- 1, 1st April, 2015- 1) Equity share of DHS 185,000/- each of Nilkamal Crates and Bins, FZE, fully paid up	**19.65**	19.65	19.65
	(b) Investments in Joint Ventures			
	(i) 2,220,000 (31st March, 2016- 2,220,000, 1st April, 2015- 2,220,000) Equity Shares of of Rs. 10/ each of Nilkamal Bito Storage Systems Pvt Ltd., fully paid up	**2,215.50**	2,215.50	2,215.50
	(ii) 105,000 (31st March, 2016- 105,000, 1st April, 2015- 105,000) Equity Shares of Rs. 10/- each of Cambro Nilkamal Pvt Ltd., fully paid up	**200.50**	200.50	200.50
	Total	**2,529.27**	2,529.27	2,529.27
	Aggregate amount of unquoted investments	**2,529.27**	2,529.27	2,529.27
3	**Other Non - current Investments (Refer note no 48)**			
	Unquoted			
	(a) Investments - Others	**38.00**	32.00	26.70
	(i) 200,000 (31st March, 2016 - 168,438, 1st April, 2015 - 140,526) Equity Shares of Rs. 10/ each of Beta Wind Farm Pvt. Ltd. fully paid up			
	(ii) 98 (31st March, 2016 - Nil, 1st April, 2015 - Nil) Equity share of Rs. 10/- each of Nilkamal Foundation	**0.01**	-	-
	(b) Investment in Government Securities National Savings Certificates (Pledged with Government Authorities)	**0.32**	0.32	0.32
	Total	**38.33**	32.32	27.02
	Aggregate amount of unquoted other investments	**38.33**	32.32	27.02
4	**Non-Current Loans**			
	Unsecured, Considered good			
	(a) Employee Loans	**376.47**	372.30	341.28
	(b) Security Deposit			
	(i) With other than related parties	**1,190.46**	1,238.40	1,184.40
	(ii) With related parties (Refer note no 40)	**720.00**	723.00	723.00
	Total	**2,286.93**	2,333.70	2,248.68

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5	**Other Non-Current Financial Assets**			
	Unsecured, Considered good			
	(a) Bank Deposits with more than 12 months maturity	**282.44**	146.04	112.42
	(b) Derivative Assets	**-**	352.90	333.55
	Total	**282.44**	498.94	445.97
6	**Other Non-Current Assets**			
	Unsecured, Considered good			
	To parties other than related parties :			
	(a) Capital Advances	**899.78**	563.47	88.42
	(b) Deposit with Government Authorities	**1,036.60**	1,043.04	1,077.93
	(c) Other Loans and Advances			
	(i) Advance Given	**66.57**	50.18	185.25
	(ii) Prepaid Lease Rental	**428.35**	551.35	613.43
	(iii) Prepaid Expenses	**-**	18.71	47.09
	Total	**2,431.30**	2,226.75	2,012.12
7	**Inventories**			
	(Valued at the lower of cost and net realisable value)			
	(a) Raw Material (including Goods in transit ₹ 696.35 lakhs) (31st March, 2016 - ₹ 1,180.69 lakhs, 1st April, 2015 - ₹ 535.78 lakhs))	**5,214.01**	5,430.34	5,309.69
	(b) Work-in-Progress	**3,167.35**	2,481.24	2,183.01
	(c) Finished Goods	**9,492.87**	8,291.13	6,755.73
	(d) Stock in Trade (including Goods in transit ₹ 483.21 lakhs) (31st March, 2016 - Rs. 277.18 lakhs, 1st April, 2015 - ₹ 171.72 lakhs)	**12,452.62**	11,328.38	11,350.00
	(e) Stores and Spares	**1,987.67**	1,589.60	1,549.73
	(f) Packing Material	**312.81**	278.97	320.73
	Total	**32,627.33**	29,399.66	27,468.89

During the year an amount of ₹ 180.83 lakhs (31st March, 2016 ₹ 593.76 lakhs was charged to the statement of profit and los amount of Damage and Slow Moving Inventory.

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
8	**Trade Receivables**			
	(a) Secured, Considered good	**3,168.67**	2,817.59	2,464.89
	(b) Unsecured, Considered good	**25,833.57**	22,941.24	20,422.00
	(c) Considered Doubtful	**669.26**	525.32	340.18
	Less: Provision for Loss Allowance (Refer note no 48)	**(669.26)**	(525.32)	(340.18)
	Total	**29,002.24**	25,758.83	22,886.89

Trade receivables (unsecured considered good) includes ₹ 604.77 lakhs (31st March, 2016 - ₹ 255.88 lakhs, 1st April, 2015 - ₹ 331.65 lakhs) due from subsidiaries and joint venture companies. (Refer Note no 40)

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
9	**Cash and Cash Equivalents**			
	(a) Cash on Hand	**102.86**	152.20	114.91
	(b) Cheques on Hand	**269.86**	306.10	379.37
	(c) Balance with Banks in Current Accounts	**150.03**	197.44	226.95
	(d) Bank Deposits with less than 3 months original maturity	**-**	2.59	-
	Total	**522.75**	658.33	721.23
10	**Bank Balances other than Cash and Cash Equivalents**			
	(a) Bank Deposits with 3-12 months original maturity	**51.33**	116.93	-
	(b) Earmarked Balance with Banks (Unclaimed Dividend)	**30.18**	176.62	22.11
	Total	**81.51**	293.55	22.11
11	**Current Loans**			
	Unsecured, Considered good			
	To parties other than related parties :			
	(a) Security Deposit	**565.26**	564.91	582.11
	(b) Security Deposits Considered Doubtful	**52.05**	52.05	52.05
	Less: Provision for Doubtful Deposits	**(52.05)**	(52.05)	(52.05)
	Total	**565.26**	564.91	582.11
12	**Other Current Financial Assets**			
	(a) Interest Receivable	**1.64**	1.09	0.80
	(b) Due from Related Parties (Refer note no 40)	**46.51**	26.32	25.72
	(c) Other Receivables	**16.02**	4.41	61.11
	Total	**64.17**	31.82	87.63
13	**Other Current Assets**			
	Loans and Advances			
	From parties other than related Parties			
	(a) Advance to Vendors	**1,458.08**	1,148.36	1,278.83
	(b) Advance for Expenses	**74.34**	71.43	71.61
	(c) Balances with Excise Department	**1,582.26**	868.07	843.49
	(d) Prepaid Expenses	**306.51**	362.32	366.81
	(e) Others	**592.68**	438.87	859.01
	Total	**4,013.87**	2,889.05	3,419.75
14	**Equity Share Capital**			
	Authorised			
	22,000,000 (31st March, 2016 - 22,000,000 & 1st April, 2015 - 22,000,000) Equity Shares of ₹ 10/- each	**2,200.00**	2,200.00	2,200.00
	3,000,000 (31st March, 2016- 3,000,000 & 1st April, 2015- 3,000,000) Preference Shares of ₹ 10/- each	**300.00**	300.00	300.00
		2,500.00	2,500.00	2,500.00
	Issued, Subscribed and Fully Paid-up			
	1,49,22,525 (31st March, 2016 - 1,49,22,525 & 1st April, 2015 - 1,49,22,525) Equity Shares of ₹ 10/- each (Refer Note no 36)	**1,492.25**	1,492.25	1,492.25
	Total	**1,492.25**	1,492.25	1,492.25

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
15	**Other Equity**			
	(a) Surplus (Profit and Loss)			
	At the commencement of the year	**24,495.17**	20,929.76	
	Add : Net Profit for the year	**11,845.40**	10,478.42	
	Appropriations			
	Equity Dividend (31st March, 2016 ₹ Nil per share & 31st March, 2015 - ₹ 4.50 per share)	**-**	(671.51)	
	Interim Dividend	**(596.90)**	(1,044.58)	
	Tax on Dividend / Interim Dividend	**(50.20)**	(196.92)	
	Transfer to General Reserve	**(5,000.00)**	(5,000.00)	
		30,693.47	24,495.17	20,929.76
	(b) Securities Premium Reserve			
	At the commencement and at the end of the year	**6,448.96**	6,448.96	
		6,448.96	6,448.96	6,448.96
	(c) General Reserve			
	At the commencement of the year	**26,115.16**	21,115.16	
	Add: Transferred from Surplus	**5,000.00**	5,000.00	
		31,115.16	26,115.16	21,115.16
	(d) Items of Other Comprehensive Income			
	(i) Cash Flow Hedge Reserve			
	At the commencement of the year	**(13.18)**	(20.05)	
	Add : Net gain / (loss) recognised on cash flow hedge (Refer Note no 38)	**(7.10)**	6.87	
		(20.28)	(13.18)	(20.05)
	(ii) Remesurment of defined benefit liability			
	At the commencement of the year	**(18.01)**	-	
	Add : Remesurment of defined benefit liability (assets)	**1.75**	(18.01)	
		(16.26)	(18.01)	-
	Total Other Equity	**68,221.05**	57,028.10	48,473.83

Nature and purpose of reserves

(1) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(2) Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

(3) General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

(4) Cash flow hedge reserve

For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

(5) Remeasurements of the net defined benefit Plans

Remeasurements of the net defined benefit Plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
16	**Borrowings - Non-Current Liabilities**			
	Secured Loan (For Security and terms of repayment : Refer Note no 37)			
	Term Loan from Banks			
	(a) Rupee Loans	**-**	-	969.01
	(b) Foreign Currency Loans	**-**	879.21	3,425.15
	Total	**-**	879.21	4,394.16
17	**Other Non-Current Financial Liabilities**			
	Security Deposit	**4,620.51**	3,826.38	3,529.76
	Total	**4,620.51**	3,826.38	3,529.76
18	**Non-Current Provisions**			
	Provision for employee benefits			
	(a) Gratuity	**59.10**	83.39	320.71
	(b) Compensated Absences	**512.47**	416.22	375.31
	Total	**571.57**	499.61	696.02

19 Deferred Tax Liabilities (Net)

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

Deferred Tax Liabilities :			
Depreciation and Amortisation	**1,281.42**	1,365.71	1,894.29
Allowances under Income Tax Act	**316.69**	316.69	316.69
	1,598.11	1,682.40	2,210.98
Deferred Tax Assets :			
Disallowances under Income Tax Act	**844.87**	537.27	544.21
Provision for Doubtful Debts	**231.62**	175.28	115.19
	1,076.49	712.55	659.40
Deferred Tax Liabilities (Net)	**521.62**	969.85	1,551.58

Tax in respect of earlier years includes deferred tax charge of ₹ 105.44 lakhs (31st March, 2016 - ₹ Nil & 1st April, 2015 - ₹ 20.90 lakhs)

20	**Other Non-Current Liabilities**			
	Rent Equalisation	**280.06**	180.36	177.68
	Total	**280.06**	180.36	177.68
21	**Borrowings-Current Liabilities**			
	Secured Loan (For Security and terms of repayment : Refer Note no 37)			
	Working Capital Loan from Banks			
	Rupee Loans	**8,280.56**	7,444.72	12,523.90
	Total	**8,280.56**	7,444.72	12,523.90

(₹ in lakhs)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
22	**Trade Payables**			
	(a) Due to micro, small and medium enterprise (Refer note no 39)	**-**	-	-
	(b) Due to Others	**10,928.63**	10,741.76	9,264.27
	Total	**10,928.63**	10,741.76	9,264.27
23	**Other Current Financial Liabilities**			
	(a) Current maturities of Long-Term debt (Refer note no 37)			
	(i) Rupee Loan	**-**	-	1,584.44
	(ii) Foreign Currency Loan	**-**	2,176.43	2,200.30
	(b) Interest accrued but not due on borrowings	**7.13**	18.54	46.33
	(c) Derivative Liability (Refer Note no 51)	**35.24**	-	-
	(d) Unclaimed Dividends	**30.18**	176.62	22.11
	(e) Capital Creditors	**361.27**	208.17	184.76
	(f) Employee Benefits	**1,895.78**	2,167.19	583.27
	Total	**2,329.60**	4,746.95	4,621.21
24	**Other Current Liabilities**			
	(a) Advances from Customers	**1,555.27**	1,677.38	2,087.34
	(b) Statutory Dues			
	(i) Sales Tax	**1,486.72**	1,454.62	1,062.38
	(ii) Excise and Service Tax	**115.47**	23.39	19.34
	(iii) TDS	**349.10**	262.99	186.55
	(iv) Employee Benefits	**97.02**	48.43	64.27
		2,048.31	1,789.43	1,332.54
	(c) Other Payable	**5.76**	83.21	40.95
	Total	**3,609.34**	3,550.02	3,460.83
25	**Current Provisions**			
	(a) Provision for Employee Benefits (Refer note no 49)			
	(i) Gratuity	**116.98**	111.81	91.37
	(ii) Compensated Absences	**282.14**	312.39	248.15
		399.12	424.20	339.52
	(b) Others Provisions			
	(i) Provision For Excise Duty on Closing Stock	**1,037.19**	1,012.75	706.65
	(ii) Provision For Product Warranties (Refer note 35)	**562.86**	514.64	465.95
	(iii) Provision For Wealth Tax	**-**	-	6.29
	(iv) Provision Others (Refer note no 35)	**100.00**	75.00	-
	Total	**2,099.17**	2,026.59	1,518.41

(₹ in lakhs)

		Year ended 31st March, 2017	Year ended 31st March, 2016
26	**Revenue from Operations**		
	(a) Sale of Products (Including Excise Duty)		
	(i) Domestic	**1,99,446.96**	1,89,205.48
	(ii) Export [Including Deemed Exports of ₹ 2,894.22 Lakhs, (31st March, 2016 - ₹ 1,850.52 Lakhs)]	**8,567.09**	8,468.02
		2,08,014.05	1,97,673.50
	(b) Sale of Services	**683.75**	567.93
	Other Operating Revenue		
	(i) Sale of Scrap	**266.35**	347.09
	(ii) Technical and Management Fees	**519.54**	518.15
	(iii) Others	**1.02**	2.28
	Revenue from Operations	**2,09,484.71**	1,99,108.95
27	**Other Income**		
	(a) Interest Income	**263.66**	276.22
	(b) Dividend Income from Subsidiary Companies and Joint Ventures	**937.56**	669.64
	Total	**1,201.22**	945.86
28	**Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress.**		
	Opening Stock		
	Work in Progress	**2,481.24**	2,183.01
	Finished Goods	**8,291.13**	6,755.73
	Stock in Trade	**11,328.38**	11,350.01
		22,100.75	20,288.75
	Closing Stock		
	Work in Progress	**3,167.35**	2,481.24
	Finished Goods	**9,492.87**	8,291.13
	Stock in Trade	**12,452.62**	11,328.38
		25,112.84	22,100.75
	Add : Excise Duty on Increase / decrease in Finished Goods	**61.74**	358.44
	Total	**(2,950.35)**	(1,453.56)
29	**Employee Benefits Expense**		
	(a) Salary, Wages and Bonus (Net)	**12,936.58**	12,082.68
	(b) Contribution to Provident and Other funds (Refer note no 50)	**523.52**	446.26
	(c) Workmen and Staff Welfare Expenses	**1,105.36**	973.00
	Total	**14,565.46**	13,501.94
30	**Finance Costs**		
	(a) Interest on Term Loans	**158.72**	430.57
	(b) Interest Paid to Banks	**543.95**	877.66
	(c) Other Interest	**388.26**	424.05
	(d) Other Borrowing Costs	**67.87**	80.78
	Total	**1,158.80**	1,813.06

(₹ in lakhs)

		Year ended 31st March, 2017	Year ended 31st March, 2016
31	**Other Expenses**		
	(a) Stores and Spares Consumed	**2,062.47**	1,964.63
	(b) Power and Fuel	**4,339.73**	4,528.81
	(c) Repairs :		
	(i) Building	**201.35**	163.20
	(ii) Machinery	**275.91**	220.06
	(iii) Others	**959.71**	1,034.26
	(d) Labour Charges	**8,413.41**	7,374.61
	(e) Rent (Refer Note no 41)	**4,751.49**	4,610.66
	(f) Rates and Taxes	**1,038.73**	1,068.38
	(g) Insurance	**233.07**	266.76
	(i) Postage and Telephone Expenses	**691.95**	537.45
	(j) Loss on Fixed Assets Sold / Discarded (Net)	**34.23**	247.91
	(k) Packing Material Consumed	**1,880.11**	1,927.48
	(l) Travelling and Conveyance	**1,742.09**	1,642.32
	(m) Commission	**951.04**	1,100.26
	(n) Advertisements and Sales Promotion Expense	**3,430.18**	2,008.56
	(o) Computer Expenses	**630.37**	551.92
	(p) Transportation and Forwarding Charges	**11,453.67**	10,052.08
	(q) Security and Guards	**401.71**	422.26
	(r) House Keeping Expenses	**401.68**	428.63
	(s) Legal and Professional Fees	**812.85**	1,226.06
	(t) Vehicle Expenses	**665.58**	573.08
	(u) Printing and Stationery	**160.21**	107.40
	(v) Board Meeting Fees	**17.71**	25.20
	(w) Provision for Wealth Tax	**-**	0.53
	(x) Bad Debts written off	**71.39**	122.02
	(y) Provision for Doubtful Debts and Advances	**143.94**	185.14
	(z) Corporate Social Responsibility Expenses	**183.87**	199.07
	(aa) Payment to Auditors		
	- Audit Fees	**27.00**	27.00
	- For Other Services	**24.21**	18.47
	- Reimbursement of Expenses	**3.99**	1.67
	(ab) Foreign Exchange Loss	**236.99**	52.10
	(ac) Bank Charges	**262.85**	254.51
	(ad) Sundry Expenses	**204.65**	227.52
	Total	**46,708.14**	43,170.01

(₹ in lakhs)

32. Tax Expenses

(a) Amounts recognised in profit and loss

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current income tax	**5,390.00**	5,575.00
Adjustment in respect of current income tax of previous year	**-**	(5.61)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(343.72)**	(581.73)
Deferred tax expense	**(343.72)**	(581.73)
Tax expense for the year	**5,046.28**	4,987.66
Effective tax rate for the year	**29.87%**	32.25%

(b) Amounts recognised in other comprehensive income

	For the year ended 31st March, 2017			For the year ended 31st March, 2016		
	Before tax	**Tax (expense) benefit**	**Net of tax**	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	**2.67**	**(0.92)**	**1.75**	(18.01)	-	(18.01)
Items that will be reclassified to profit or loss			**-**			-
Effective portion of Gain/(Loss) on hedging instrument, in a cash flow hedge	**(7.10)**	**-**	**(7.10)**	6.87	-	6.87
	(4.43)	**(0.92)**	**(5.35)**	(11.14)	-	(11.14)

(c) Reconciliation of effective tax rate

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit before tax	**16,891.68**	15,466.08
Company's domestic tax rate	**34.61%**	34.61%
Tax effect of:		
Tax impact of income not subject to tax	**(1.65%)**	(0.24%)
Tax effects of amounts which are not deductible for taxable income	**0.46%**	0.58%
Effect of different tax rate	**(0.83%)**	(0.72%)
Tax deduction Under Chapter VI	**(2.35%)**	(2.22%)
Adjustment for current tax of prior period		(0.04%)
Others	**(0.38%)**	0.28%
	29.87%	32.25%

The applicable Indian corporate statutory rate for the year ended 31st March, 2017 and 2016 is 34.61%.

32. **Tax Expenses (Continued)**

(d) Movement in deferred tax balances

(₹ in lakhs)

	31st March, 2017								
	Net balance 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net balance 31st March, 2017	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liabilities)									
Property, plant and equipment	(1,365.71)	80.40				3.89	(1,281.42)	-	(1,281.42)
Employee benefits	311.88	86.84				76.57	475.29	475.29	-
Rent equilasation	60.56	34.50					95.06	95.06	-
Provision for Doubtful Debts / Advances	175.28	56.33					231.61	231.61	-
Other provisions	(151.86)	85.65	(0.92)			24.97	(42.16)	274.53	(316.69)
Tax assets / (Liabilities)	**(969.85)**	**343.72**	**(0.92)**	**-**	**-**	**105.43**	**(521.62)**	**1,076.49**	**(1,598.11)**
Set off tax									
Net tax assets / (liabilities)	**(969.85)**	**343.72**	**(0.92)**	**-**	**-**	**105.43**	**(521.62)**	**1,076.49**	**(1,598.11)**

(e) Movement in deferred tax balances

	31 st March, 2016								
	Net balance 1st April, 2015	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Acquired in business combinations**	**Other**	**Net balance 31st March, 2016**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset / (liabilities)									
Property, plant and equipment	(1,894.29)	528.58					(1,365.71)	-	(1,365.71)
Employee benefits	356.02	(44.14)					311.88	311.88	-
Equity-settled share-based payments							-	-	-
Rent equilasation	61.49	(0.93)					60.56	60.56	-
Provision for Doubtful Debts / Advances	115.19	60.09					175.28	175.28	-
Other provisions	(189.99)	38.13					(151.86)	164.83	(316.69)
Net Tax assets (Liabilities)	**(1,551.58)**	**581.73**	**-**	**-**	**-**	**-**	**(969.85)**	**712.55**	**(1,682.40)**
Set off tax									
Net tax assets / (liabilities)	**(1,551.58)**	**581.73**	**-**	**-**	**-**	**-**	**(969.85)**	**712.55**	**(1,682.40)**

1) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
2) Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.
3) Given that the Company does not have any intention to dispose investments in subsidiaries and associates in the foreseeable future, deferred tax asset amounting to ₹ 498.25 lakhs as of 31st March, 2017 , ₹ 458.38 lakhs as on 31st March, 2016 and ₹ 406.74 as of 1st April, 2015 on indexation benefit in relation to such investments has not been recognised.
4) As on 31st March 2017, the tax liability with respect to the dividends proposed is ₹ 119.85 lakhs (31stMarch, 2016 : ₹ Nil, April 1st, 2015 : ₹ 100.62 lakhs)

33 Significant accounting policies

a) *Basis of preparation of Financial Statements:*

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015, and Companies (Indian Accounting Standards) Rules, 2016. For all periods up to and for the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note no 53. The financial statements were authorised for issue by the Company's Board of Directors on 11th May 2017.

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

Functional and presentation currency:

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities(including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

b) *Use of Estimates and Judgements:*

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipments**

  Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II for plant and machinery and dies and moulds, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

  All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

  At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

  At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.

- **Segment reporting**

  Operating segments are reported in a manner consistent with the internal reporting. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

- **Fair value of financial instruments**

  Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts and interest rate swaps. Fair valued of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

- ***Measurement of fair values:***

  The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

  The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

  When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

  - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
  - If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
  - The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

c) Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cashsettled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the Company does not have any cash settled awards.

d) Property, plant and equipment:

- **Recognition and measurement**

  Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

  The cost of an item of property, plant and equipment comprises:

  Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

  Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

  The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

  Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

  Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

  If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

  Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

  The cost of the property, plant and equipment's at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

- **Subsequent expenditure**

  Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

e) Depreciation

- Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for plant and machinery and Dies and moulds which is based on technical evaluation. Management believes that these useful lives best represent the period over which management expects to use these assets. Hence the useful life for plant and machinery of 10 years and for Dies and Moulds of

6 years for continuous running is different from the useful life as prescribed under Part C of Schedule II of the Companies Act 2013;

Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate.

- Cost of leasehold land is amortised over the period of lease;
- 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;
- Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;
- Individual assets except assets given on lease acquired for less than ₹ 15,000/- are depreciated entirely in the year of acquisition.

f) Intangible Fixed Assets

Intangible assets, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

The cost of intangible assets at 1st April, 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

g) Amortisation

Software (Intangible assets) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.

Models, Designs and other Commercial rights (intangible assets) are 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.

Useful life of Intangible assets are reviewed at each balance sheet date and adjusted prospectively, if appropriate.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Cash Flow Hedges

The Company uses derivative financial instrument such as forward contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

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

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is transferred to Statement of Profit and Loss for the year.

Financial Assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note no 48.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable 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, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method.. 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.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

Other Long Term Employee Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

k) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

l) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Recognition of Income and Expenditure:

i) Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

ii) Income from Services is recognised on completion of service.

iii) Revenue/Income and Cost/Expenditure are accounted on accrual as they are earned or incurred, except in case of significant uncertainties.

iv) Benefit on account of entitlement to import duty-free raw materials under advance license is estimated and accounted in the year of export as an adjustment to raw material consumption, provided there is a reasonable degree of certainty with regard to its ultimate realisation.

v) Liability for excise duty payable on stock in bonded warehouse at the year-end is provided for.

vi) Dividend income and keyman insurance policy refund is recognised when the right to receive the income is established.

vii) Interest income is recognised on an effective interest rate basis.

viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Company.

n) Leases

- **Lease payments**

  Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

  Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

- **Lease assets**

  Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

  Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

o) Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Taxation:

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

r) Government Grants:

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions.

Government grants related to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and netted off with the expense in the statement of profit and loss.

Government grants related to purchase of property plant and equipment are recognised as deferred income and are credited to profit or loss on a straight line basis over expected life of the related asset and presented within other income.

s) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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

a) Contingent liabilities :-

(₹ in lakhs)

		31st March, 2017	31st March, 2016	1st April, 2015
i)	Excise and Service Tax matters	**504.69**	203.26	190.88
ii)	Sales Tax matters *	**2,624.06**	1,918.38	1,616.48
iii)	Income Tax matters	**3.39**	4.16	4.16
iv)	On account of Cross Subsidy Surcharge on electricity	**9.38**	9.38	9.38

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

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

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,185.96 lakhs (31st March, 2016 ₹ 939.37 lakhs, 1st April, 2015 ₹ 292.33 lakhs).

35. Provision for warranty and other provisions:

(₹ in Lakhs)

	31st March, 2017	**31st March, 2017**	31st March, 2016	31st March, 2016	1st April, 2015	1st April, 2015
	Warranty Provision	**Other Provisions**	Warranty Provision	Other Provisions	Warranty Provision	Other Provisions
Opening Balance	**514.62**	**75.00**	465.95	-	365.84	-
Additions	**624.65**	**35.00**	582.10	75.00	427.54	-
Utilisations / Reversals	**576.41**	**10.00**	533.43	-	327.43	-
Closing Balance	**562.86**	**100.00**	514.62	75.00	465.95	-

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

Other provisions are provisions in respect of probable claims, the outflow of which would depend on the cessation of the respective events.

36. Share capital

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

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

Name of the Shareholder	**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares held	**% of Holding**	No. of shares held	% of Holding	No. of shares held	% of Holding
Vamanrai V. Parekh	**1,033,558**	**6.93%**	1,795,462	12.03%	1,795,462	12.03%
Nilkamal Builders Private Limited	**1,464,000**	**9.81%**	1,464,000	9.81%	1,464,000	9.81%
Sharad V. Parekh	**577,204**	**3.86%**	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	**1,594,105**	**10.68%**	1,209,962	8.11%	1,209,962	8.11%
Nayan S. Parekh	**1,900,277**	**12.73%**	1,201,473	8.05%	1,201,473	8.05%
Heirloom Finance Private Limited	**912,000**	**6.11%**	912,000	6.11%	912,000	6.11%
Manish V. Parekh	**1,191,658**	**7.99%**	814,415	5.45%	814,415	5.45%

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

Particulars	**2016-17**		2015-16		2014-15	
	Number	**₹ in Lakhs**	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	**14,922,525**	**1,492.25**	14,922,525	1,492.25	14,922,525	1,492.25
Shares issued during the year	**-**	**-**	-	-	-	-
Shares bought back during the year	**-**	**-**	-	-	-	-
Shares outstanding at the end of the year	**14,922,525**	**1,492.25**	14,922,525	1,492.25	14,922,525	1,492.25

37. Borrowings:

(A) Secured loans:

a) **Working Capital loans :**

Working capital facilities of ₹ 8,280.56 lakhs (31st March, 2016 ₹ 7,444.72 lakhs, 1st April, 2015 ₹ 12,523.90 lakhs) from banks are secured on first pari passu basis by way of hypothecation of current assets of the Company, second pari passu charge by way of equitable mortgage on the Company's immovable property and personal guarantee of Director/s. Working Capital Loans are repayable on Demand having Interest Rate from 9.30% p.a to 10.50% p.a (Previous Year 9.30% p.a to 10.50% p.a).

b) **Term Loans:**

Term loans of Nil (31st March, 2016 ₹ 3,055.64 lakhs, 1st April, 2015 ₹ 8,178.90 lakhs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil Nadu) together with all building and structures thereon and all Plant and Machinery, second pari passu charge by way of hypothecation of current assets of the Company. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of Nil (31st March, 2016 ₹ 3,055.64 lakhs, 1st April, 2015 ₹ 5,625.45 lakhs).

c) **Term of Repayment**

Forein currency loan are repayable in equal quaterly/ half yearly installments last installment due on March, 2018 as per repayment schedules, having interst rate from 3 moths Libor + 1.50% p.a to 2.50% p.a which are reset periodicaly. These laons have been repaid and prepaid during the current year and hence balance assets 31st March, 2017 is ₹ Nil.

(B) Commercial Paper balance outstanding at year end ₹ Nil (Previous Year ₹ Nil). Maximum balance outstanding during the year ₹ 5,000 Lakhs (Previous Year ₹ 5,000 Lakhs).

38. Cross Currency Interest Rate Swap:

Derivative Instruments outstanding at the Balance Sheet date:

1(a) Forward Contracts against imports:

Forward contracts to buy USD 21.00 lakhs (31st March, 2016 USD 25.75 lakhs, 1st April, 2015 USD 11.50 lakhs) amounting to ₹ 1,401.94 lakhs (31st March, 2016 ₹ 1,756.52 lakhs, 1st April, 2015 ₹ 727.47 lakhs).

Forward contracts to buy EURO Nil (31st March, 2016 EURO 1.59 lakhs, 1st April, 2015 EURO 1.40 lakhs)) amounting to Nil (31st March, 2016 ₹ 118.99 lakhs, 1st April, 2015 ₹ 108.48 lakhs).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from transactions like import of goods.

1(b) USD Floating rate/INR Fix rate cross-currency interest rate swap (CCIRS):

Outstanding USD/INR Floating rate cross-currency interest rate swap Nil USD (31st March, 2016 USD 46.12 lakhs, 1st April, 2015 USD 72.67 lakhs)) amounting to Nil Rupees (31st March, 2016 ₹ 3,055.64 lakhs, 1st April, 2015 ₹ 4,542.03 lakhs).

The above contracts had been undertaken to hedge against the foreign exchange exposure arising from foreign currency loan and interest thereon.

39. Dues to micro and small suppliers

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

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Principal amount remaining unpaid to any supplier as at the year end	-	-	-
Interest due thereon	-	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-

40. Related Party Disclosures:

Names of related parties and description of relationship

I	Subsidiaries where control exists	Nilkamal Eswaran Plastics Pvt. Ltd. Nilkamal Eswaran Marketing Pvt. Ltd. Nilkamal Crates and Bins, FZE.
II	Joint Ventures	Nilkamal Bito Storage Systems Pvt. Ltd. Cambro Nilkamal Pvt. Ltd.
III	Key Management Personnel	Mr. Vamanrai V. Parekh, Chairman Mr. Sharad V. Parekh, Managing Director Mr. Hiten V. Parekh, Joint Managing Director Mr. Manish V. Parekh, President and Executive Director – Furniture Mr. Nayan S. Parekh, President and Executive Director – Material Handling **Independent Director:** Mr. K. R. Ramamoorthy Mr. Mahendra V. Doshi Mr. Mufazzal S. Federal Mr. S. K. Palekar Ms. Hiroo Mirchandani Mr. Krishnamurthi Venkataraman (w.e.f. November 5, 2016) Mr. Dadi B. Engineer (ceased w.e.f. May 30, 2016)
IV	Relatives of Key Management Personnel	Mrs. Dhruvi Nakul Kumar Mr. Mihir H. Parekh Ms. Priyanka H. Parekh
V	Enterprise owned or significantly influenced by key Management Personnel or their relatives, where transactions have taken place	Nilkamal Crates & Containers M. Tech Industries

40. Related Party Disclosures (Continued):

(₹ in lakhs)

	Subsidiaries	**Joint Venture**	**Key Management Personnel**	**Relatives of Key Management Personnel**	**Enterprises owned or significantly influenced by key management personnel or their relatives**	**Total**	Subsidiaries	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2016-17	**2016-17**	**2016-17**	**2016-17**	**2016-17**	**2016-17**	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16
Sales of Finished Goods / Others	**830.92**	**894.64**	**-**	**-**	**50.81**	**1,776.37**	820.31	989.71	-	-	28.83	1,838.85
Sales of Fixed Assets	**0.48**	**-**	**-**	**-**	**58.13**	**58.61**	10.46	4.95	-	-	-	15.41
Purchases of raw materials, intermediaries and finished goods	**25.98**	**854.85**	**-**	**-**	**585.92**	**1466.75**	63.45	900.22	-	-	311.86	1,275.53
Paid for services and labour charges	**-**	**-**	**-**	**-**	**207.83**	**207.83**	-	-	-	-	253.32	253.32
Received for services & labour charges	**-**	**49.00**	**-**	**-**	**-**	**49.00**	-	26.40	-	-	-	26.40
Deputation Charges		**153.32**				**153.32**	-	150.29	-	-	-	150.29
Technical and Management Fees received	**38.39**	**552.96**	**-**	**-**	**-**	**591.35**	36.34	549.04	-	-	-	585.38
Dividend received	**806.16**	**131.40**	**-**	**-**	**-**	**937.56**	571.54	98.10	-	-	-	669.64
Purchase of fixed assets	**-**	**134.17**	**-**	**-**	**4.60**	**138.77**	45.11	3.12	-	-	-	48.23
Rent paid	**-**	**-**	**-**	**-**	**266.06**	**266.06**	-	-	-	9.84	251.16	261.00
Remuneration to Directors	**-**	**-**	**1,263.32**	**-**	**-**	**1263.32**	-	-	1,068.90	-	-	1,068.90
Salary Paid	**-**	**-**	**-**	**34.57**	**-**	**34.57**	-	-		18.41	-	18.41
Board & Audit Committee fees	**-**	**-**	**17.60**	**-**	**-**	**17.60**	-	-	25.20	-	-	25.20
Rent Received	**8.80**	**7.92**	**-**		**-**	**16.72**	5.64	-	-	-	-	5.64
Reimbursement of Expenses	**-**	**100.96**	**-**	**-**	**85.38**	**186.34**	17.21	56.42	-	-	87.16	160.79
Balances Outstanding at the year end:												
Deposits Receivable	**-**	**-**	**-**	**-**	**720.00**	**720.00**	-	-	-	3.00	720.00	723.00
Other Receivables	**104.85**	**523.87**	**-**	**-**	**22.57**	**651.29**	104.73	177.47	-	-	-	282.20
Other Payables	**-**	**72.74**	**-**	**-**	**32.78**	**105.52**	-	138.34	-	-	28.24	166.58
For working capital facilities guarantee jointly given by Mr. Vaman Parekh, Mr. Sharad Parekh and Mr. Hiten Parekh	**-**	**-**	**8,280.56**	**-**	**-**	**8,280.56**	-	-	7,444.72	-	-	7,444.72

Note 1 : The remuneration paid to key managerial personal excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

2.: The sales to and purchases from ralated parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are unsecured.

41. (a) (i) Operating Lease in respect of Properties taken on Lease:

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

(₹ in lakhs)

	Particulars	2016-17	2015-16
A	Lease payments recognised in the Statement of Profit and Loss (includes contingent rent of ₹ 222.70 lakhs (31st March, 2016 ₹ 782.73 lakhs)	**4,103.13**	4,067.84
B	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	**1,196.98**	1,276.53
	ii) Later than one year and not later than 5 years	**2,718.80**	3,545.12
	iii) Later than 5 years	**156.65**	348.12

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

(₹ in lakhs)

	Particulars	2016-17	2015-16
A	Lease payments recognised in the Statement of Profit and Loss	**648.36**	480.11
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	**670.75**	437.96
	ii) Later than one year and not later than 5 years	**1,182.62**	853.44
	iii) Later than 5 years	**-**	-

The agreement is executed with a non cancelable period upto 60 months (Previous Year 48 months).

(b) Assets given on Operating Lease:

The Company has leased out some of its Material Handling equipments. The lease term is in the range of 36-60 months. There is no escalation or renewal clause in the lease agreements and sub-letting is not permitted. Rent Income during the year ₹ 152.70 lakhs (31st March, 2016 ₹ 228.24 lakhs) The carrying amounts of equipments given on operating leases and depreciation thereon for the period are:

(₹ in lakhs)

	Particulars	2016-17	2015-16
i)	Gross Carrying Amount	**61.55**	194.26
ii)	Depreciation for the Year	**8.01**	52.95
iii)	Accumulated Depreciation	**16.02**	141.31
	The Total future Minimum rentals receivable at the Balance Sheet Date Is as Under		
i)	For a period not later than one year	**2.30**	3.60
ii)	For a period more than one year but not later than 5 years	**-**	-
iii)	For a period later than 5 years	**-**	-

42. Information on Joint Ventures:

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

Investment in Joint Ventures have been accounted at cost in the Standalone Financial Statements

43. In accordance with IND AS 108 – Operating Segment, segment information has been given in the Consolidated Financial Statement of Nilkamal Limited and therefore no separate disclosure on segment information is given in these financial statements.

44. Subsequent Events :

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

45. Disclosure of Specified Bank Notes :

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:-

(₹ in lakhs)

Particulars	**Specified Bank Notes**	**Other denomination Notes**	**Total**
Closing cash in hand as on 08.11.2016	102.59	74.91	177.50
(+) Permitted receipts *	-	661.70	661.70
(-) Permitted payments	-	126.93	126.93
(-) Amount deposited in Banks *	102.59	337.46	440.05
Closing cash in hand as on 30.12.2016	-	272.22	272.22

* These amounts include ₹ 228.67 lakhs which have been directly deposited in the bank by the customers of the Company.

46. Corporate Social Responsibility

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company, The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

(a) Gross amount required to be spent by the Company during the year 2016-17 ₹ 183.80 lakhs (Previous year ₹ 109.85 lakhs).

(b) Amount spent during the year on:

Particulars	2016-17 (₹ in lakhs)	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	183.87	199.07	-

47. Proposed Dividend:

The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 7 (Rupees seven only) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2017. The same amounts to ₹ 10,445.75 lakhs excluding dividend distribution tax of ₹ 119.85 lakhs.Same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

48. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

31st March, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Unquoted Equity Shares *	38.00		0.33	38.33				-
Employee Loans			376.47	376.47				
Security Deposits			1,910.46	1,910.46		1,910.46		1,910.46
Other financial assets			282.44	282.44				-
Trade receivables			29,002.24	29,002.24				-
Cash and cash equivalents			522.75	522.75				-
Other bank balances			81.51	81.51				-
Loans			565.26	565.26		565.26		565.26
Other Current Financial Assets			64.17	64.17				-
	38.00	-	32,805.63	32,843.63	-	2,475.72	-	2,475.72
Financial liabilities								
Non - current borrowings			-	-		-		-
Current borrowings			8,280.56	8,280.56				-
Trade and other payables			10,928.63	10,928.63				-
Other Non-Current financial liabilities			4,620.51	4,620.51		4,620.51		4,620.51
Other Current financial liabilities			2,329.60	2,329.60				-
	-	-	26,159.30	26,159.30	-	4,620.51	-	4,620.51

(₹ in lakhs)

	Carrying amount				Fair value			
31st March, 2016	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Unquoted Equity Shares *	32.00		0.32	32.32				-
Loans to Employees			372.30	372.30				-
Security Deposits			1,961.40	1,961.40		1,961.40		1,961.40
Other financial assets			146.04	146.04				-
Derivative asset	352.90			352.90		352.90		352.90
Trade receivables			25,758.83	25,758.83				-
Cash and cash equivalents			658.33	658.33				-
Other bank balances			293.55	293.55				
Loans			564.91	564.91		564.91		564.91
Other Current Financial Assets			31.82	31.82				-
	384.90	-	29,787.50	30,172.40	-	2,879.21	-	2,879.21
Financial liabilities								
Non - current borrowings			879.21	879.21		879.21		879.21
Current borrowings			7,444.72	7,444.72				-
Trade and other payables			10,741.76	10,741.76				-
Other Non-Current financial liabilities			3,826.38	3,826.38		3,826.38		3,826.38
Other Current financial liabilities			4,746.95	4,746.95				-
	-	-	27,639.02	27,639.02	-	4,705.59	-	4,705.59

48. Financial instruments – Fair values and risk management (Continued)

(₹ in lakhs)

	Carrying amount				Fair value			
1st April, 2015	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Unquoted Equity Shares *	26.70		0.32	27.02				-
Loans to Employees			341.28	341.28				-
Security Deposits			1,907.40	1,907.40		1,907.40		1,907.40
Other financial assets			112.42	112.42				-
Trade receivables			22,886.89	22,886.89				-
Cash and cash equivalents			721.23	721.23				-
Other bank balances			22.11	22.11				-
Loans			582.11	582.11		582.11		582.11
Derivative asset	333.55			333.55		333.55		333.55
Other Current Assets			87.63	87.63				-
	360.25	-	26,661.39	27,021.64	-	2,823.06	-	2,823.06
Financial liabilities								
Non - current borrowings			4,394.16	4,394.16		4,394.16		4,394.16
Current borrowings			12,523.90	12,523.90				-
Trade and other payables			9,264.27	9,264.27				-
Other Non-Current financial liabilities			3,529.76	3,529.76		3,529.76		3,529.76
Derivative liability				-				-
Other Current financial liabilities			4,621.21	4,621.21		-		-
	-	-	34,333.30	34,333.30	-	7,923.92	-	7,923.92

* The fair value in respect of the unquoted equity investments is equal to the cost of the investments as per the contractual aggrements.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Forward contracts	The fair value is determined using forward exchange rates at the reporting date.
Security Deposits	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Interest rate swaps	Present value of the estimated future cash flows based on observable yield curves

48. Financial instruments – Fair values and risk management (Continued)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further for domestic sales, the company segments the customers into Distributors and Others for credit monitoring.

The Company maintains security deposits for sales made to its distributors. For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

Impairment

At 31st March, 2017, the ageing of trade receivables was as follows.

	Carrying amount (₹ in lakhs)		
	31st March, 2017	31st March, 2016	1st April, 2015
Neither past due nor impaired	**14,901.23**	13,328.09	12,640.74
Past due 1–90 days	**10,631.44**	9,858.93	8,310.65
Past due 91–180 days	**1,704.11**	1,569.30	1,098.41
Past due 181-365 days	**1,432.28**	1,035.92	597.41
Past due 366 days	**1,002.44**	491.91	579.86
	29,671.50	26,284.15	23,227.07

48. Financial instruments – Fair values and risk management (Continued)

Management believes that the unimpaired amounts which are past due are collectible in full.

(₹ in lakhs)

Particulars	Trade receivables Impairments	Loans and advances
Balance as at 1st April, 2015	340.18	52.05
Impairment loss recognised	310.33	
Balance written back	(125.19)	
Balance as at 31st March, 2016	525.32	52.05
Impairment loss recognised	420.42	
Balance written back	(276.48)	
Balance as at 31st March, 2017	669.26	52.05

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 604.26 lakhs as on 31st March, 2017 (31st March, 2016 : ₹ 951.88 lakhs and 1st April, 2015 : ₹ 743.34 lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

Derivatives

The derivatives are entered into with bank counterparties with good credit ratings.

Loans and Advances:

The Company held Loans and advances of ₹ 3,198.80 lakhs as on 31st March, 2017 (31st March, 2016 : ₹ 3,429.37 lakhs and 1st April, 2015 : ₹ 3,364.39 lakhs). The loans and advances are in nature of rent deposit paid to landlords and are fully recoverable.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of 31st March, 2017, 31st March, 2016 and 1st April, 2015 the Company had unutilized credit limits from banks of ₹ 12,819 lakhs, ₹ 17,655 lakhs and ₹ 17,776 lakhs respectively.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

		Contractual cash flows					
31st March, 2017	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Foreign currency term loans from banks	-	-					
Working Capital Borrowings	8,280.56	8,280.56	8,280.56				
Trade and other payables	9,526.69	9,526.69	9,526.69				
Other financial liabilities	2,329.60	2,329.60	2,329.60				
Derivative financial liabilities							
Interest rate swaps	-	-					
Forward exchange contracts used for hedging							
- Outflow	1,401.94	1,401.94	1,401.94				
- Inflow	-	-					

48. Financial instruments – Fair values and risk management (Continued)

(₹ in lakhs)

		Contractual cash flows					
31st March, 2016	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Foreign currency term loans from banks	-	-					
Working Capital Borrowings	7,444.72	7,444.72	7,444.72				
Trade and other payables	8,866.45	8,866.45	8,866.45				
Other financial liabilities	2,570.52	2,570.52	2,570.52				
Derivative financial liabilities							
Interest rate swaps	3,055.64	3,055.64	1,088.21	1,088.22	879.21		
Forward exchange contracts used for hedging							
- Outflow	1,875.31	1,875.31	1,875.31				
- Inflow	-	-					

(₹ in lakhs)

		Contractual cash flows					
1st April, 2015	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Rupee term loans from banks	2,553.45	2,553.45	792.22	792.22	532.00	437.01	
Foreign currency term loans from banks	1,083.42	1,083.42	270.85	270.86	541.71		
Working Capital Borrowings	12,523.90	12,523.90	12,523.90				
Trade and other payables	8,428.32	8,428.32	8,428.32				
Other financial liabilities	836.47	836.47	836.47				
Derivative financial liabilities							
Interest rate swaps	4,542.03	4,542.03	829.29	829.29	1,658.59	1,224.86	
Forward exchange contracts used for hedging							
- Outflow	835.95	835.95	835.95				
- Inflow	-	-					

The gross inflows/(outflows) disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

48. Financial instruments – Fair values and risk management (Continued)

Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk(Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 are as below:

(In lakhs)

31st March, 2017	**USD**	**EURO**	**SGD**	**GBP**	**JPY**
Financial assets					
Trade and other receivables	1,426.70	215.46	-	12.14	31.81
	1,426.70	215.46	-	12.14	31.81
Financial liabilities					
Trade and other payables	1,160.17	124.70	-	-	-
Forecasted Purchase	201.68				
Less: Forward contracts	(1,361.85)	-			
	-	124.70	-	-	-
Net Exposure	1,426.70	90.76	-	12.14	31.81

(In lakhs)

31st March, 2016	**USD**	**EURO**	**SGD**	**GBP**	**JPY**
Financial assets					
Trade and other receivables	1,266.03	111.14		19.97	
Other Current financial assets	2.00				
	1,268.03	111.14	-	19.97	-
Financial liabilities					
Long term borrowings	3,079.60				
Less: Cross currency interest rate swap	(3,079.60)				
Trade and other payables	1,148.51	175.40			6.51
Forecasted Purchase	570.92				
Less: Forward contracts	(1,719.42)	(120.21)			
	-	55.19	-	-	6.51
Net Exposure	1,268.03	55.95	-	19.97	(6.51)

(In lakhs)

1st April, 2015	**USD**	**EURO**	**SGD**	**GBP**	**JPY**
Financial assets					
Trade and other receivables	879.54	56.20	4.51	3.14	0.02
	879.54	56.20	4.51	3.14	0.02
Financial liabilities					
Long term borrowings	5,630.06				
Less: Cross currency interest rate swap	(4,542.03)				
1st April, 2015	**USD**	**EURO**	**SGD**	**GBP**	**JPY**
Trade and other payables	536.11	36.13	3.61		3.16
Forecasted Purchase	183.29	57.54			
Less: Forward contracts	(719.40)	(93.67)			
	1,088.03	-	3.61	-	3.16
Net Exposure	(208.49)	56.20	0.90	3.14	(3.14)

48. Financial instruments – Fair values and risk management (Continued)

The following significant exchange rates have been applied during the year.

	Year end spot rate		
INR	**31st March, 2017**	31st March, 2016	1st April, 2015
USD 1	**64.85**	66.77	62.56
EUR1	**69.28**	75.61	66.90
JPY100	**0.60**	0.59	0.52
SGD1	**-**	-	45.10
GBP1	**80.95**	95.10	104.67

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign Currency against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	31st March, 2017		31st March, 2016	
	Profit or loss		Profit or loss	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
USD - 3% Movement	42.80	(42.80)	38.04	(38.04)
EUR - 3% Movement	2.72	(2.710	1.68	(1.68)
SGD - 3% Movement	-	-	-	-
JPY - 3% Movement	0.95	(0.95)	(0.20)	0.20
GBP - 3% Movement	0.36	(0.36)	0.60	(0.60)
	46.84	(46.84)	40.12	(40.12)

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Borrowings			
Fixed rate borrowings		-	2,553.45
Variable rate borrowings	8,280.56	10,500.36	18,149.35
Less: Interest rate Swaps		(3,055.64)	(4,542.03)
	8,280.56	7,444.72	16,160.77

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under theses swaps, the Company agrees with other parties to exchange, the difference between fixed contract rates and floating rates interest amounts calculated by reference to the agreed notional principal amounts.

A change of 50 basis points in interest rates would have increased or decreased the equity by ₹ Nil after tax (31st March, 2016 : ₹ 7.26 lakhs).

48. Financial instruments – Fair values and risk management (Continued)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in lakhs)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
31st March, 2017		
Variable-rate instruments	(82.81)	82.81
Interest rate swaps	-	-
Cash flow sensitivity (net)	(82.81)	82.81
31st March, 2016		
Variable-rate instruments	(74.45)	74.45
Interest rate swaps	30.56	(30.56)
Cash flow sensitivity (net)	(43.89)	43.89

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

49. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company’s Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Current Borrowings	**-**	879.21	4,394.16
Current Borrowings	**8,280.56**	7,444.72	12,523.90
Current maturity of long term debt	**-**	2,176.43	3,784.74
Gross Debt	**8,280.56**	10,500.36	20,702.80
Total equity	**69,713.30**	58,520.35	49,966.08
Adjusted Net debt to equity ratio	**0.12**	0.18	0.41

50. Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised ₹ 523.52 lakhs for year ended 31st March, 2017 (₹ 446.26 lakhs for year ended 31st March, 2016) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

Particulars	Gratuity		
	31st March, 2017	31st March, 2016	1st April, 2015
Defined benefit obligation	**1,402.78**	1,153.50	982.96
Fair value of Plan Assets at the end of the year	**(1,226.69)**	(958.30)	(570.88)
Net Obligation at the end of the year	**176.09**	195.20	412.08

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ in lakhs)

	Gratuity								
	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Opening balance	1,153.49	982.95	798.09	958.30	570.88	355.47	195.19	412.07	442.62
Included in profit or loss				70.78	57.43	38.74	(70.78)	(57.43)	(38.74)
Current service cost	189.59	158.69	129.48				189.59	158.69	129.48
Past service cost							-	-	-
Interest cost (income)	79.02	75.70	63.85				79.02	75.70	63.85
	1,422.10	**1,217.34**	**991.42**	**1,029.08**	**628.31**	**394.21**	**393.02**	**589.03**	**597.21**
Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:				47.61	(29.71)	26.67	(47.61)	20.01	(26.67)
Demographic assumptions									
Financial assumptions									
Experience adjustment	44.94	(2.01)	39.35				44.94	(2.01)	39.35
Return on plan assets excluding interest income							-	-	-
	1,467.04	**1,215.33**	**1,030.77**	**1,076.69**	**608.30**	**420.88**	**390.35**	**607.03**	**609.89**
Other									
Contributions paid by the employer	-	-	-	150.00	350.00	150.00	(150.00)	(350.00)	(150.00)
Benefits paid	(64.26)	(61.84)	(47.82)	-	-	-	(64.26)	(61.84)	(47.82)
Closing balance	**1,402.78**	**1,153.49**	**982.95**	**1,226.69**	**958.30**	**570.88**	**176.09**	**195.19**	**412.07**
Represented by									
Net defined benefit asset							(1,226.69)	(958.30)	(570.88)
Net defined benefit liability							1,402.78	1,153.49	982.95
							176.09	**195.19**	**412.07**

C. Plan assets

Plan assets comprise the following:

	31st March, 2017	31st March, 2016	1st April, 2015
Fund managed by Insurance Company	**1,226.69**	958.30	570.88
	1,226.69	958.30	570.88

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31st March, 2017	31st March, 2016	1st April, 2015
Discount rate	**6.85%p.a.**	7.70% p.a.	8.00% p.a.
Expected Rate of Return on Plan Assets	**6.85%p.a.**	9.00% p.a.	9.00% p.a.
Salary escalation rate	**7.00%p.a.**	7.00%p.a.	7.00% p.a.
Employee Turnover	**5.00%p.a.**	5.00% p.a.	5.00% p.a.
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2017		31st March, 2016	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**1,273.98**	**1,554.45**	1,047.63	1,277.67
Future salary growth (1% movement)	**1,552.70**	**1,273.03**	1,277.30	1,046.07
Rate of employee turnover (1% movement)	**1,401.23**	**1,404.54**	1,156.68	1,149.53

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at 31st March, 2017 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2017, i.e. ₹ 150 lakhs

Expected future benefit payments

	₹ In lakhs
March 31, 2018	116.98
March 31, 2019	83.05
March 31, 2020	65.74
March 31, 2021	68.17
March 31, 2022	96.67
Thereafter	212.66

Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹ 220.48 lakhs (31st March, 2016 ₹ 259.23 lakhs) and is included in Note 23 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 512.47 lakhs (31st March, 2016 ₹ 416.22 lakhs and 1 April,2015 ₹ 375.31 lakhs) and current provision aggregates ₹ 282.13 lakhs (31st March, 2016 ₹ 312.39 lakhs and 1st April, 2015 ₹ 248.15 lakhs).

51. Hedge accounting

The Company's risk management policy is to hedge its estimated foreign currency exposure in respect of highly probable forecast purchases and foreign currency borrowings. The Company uses forward exchange contracts to hedge its currency risk and cross currency interest rate swap to hedge its interest rate and currency risk related to foreign currency borrowings. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

a. Disclosure of effects of hedge accounting on financial position

i) Cash flow hedge - Forward exchange contracts

31st March, 2017 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	21.00			Assets	April 2017 - May 2017	1:1	66.76	(35.24)	35.24
Forward exchange forward contracts				Other non-current financial assets					
		-	-	Other current financial assets					
				Liabilities					
				Other non-current financial liabilities					
		-	35.24	Other current financial liabilities					

ii) Cash flow hedge - Cross Currency Interest Rate Swaps (CCIRS)

31st March, 2016 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	46.12			Assets	March 2017 - March 2018	1:1	57.56	19.35	(19.35)
Cross Currency Interest Rate Swap		-	-	Other non-current financial assets					
		352.90	-	Other current financial assets					
			-	Liabilities					
		-	-	Other non-current financial liabilities					
		-	-	Other current financial liabilities					

The CCRIS also converts the Company's floating rate exposure (all coupon payments) on the hedged item (Foreign Currency Borrowing) into a fixed rate exposure. Refer note 37 for contractual payment details.

1st April, 2015 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)			Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge				Assets	March 2017 - March 2018	1:1	57.42	NA	NA
Cross Currency Interest Rate Swap		-	-	Other non-current financial assets					
		333.55	-	Other current financial assets					
				Liabilities					
	72.67	-	-	Other non-current financial liabilities					
			-	Other current financial liabilities					

b. Disclosure of effects of hedge accounting on financial performance

31st March, 2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	7.10	-	13.18	Foreign exchange loss
31st March, 2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	6.87	-	12.48	Foreign exchange gain

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting

Movements in cash flow hedging reserve	
Balance at 1st April 2015	(20.05)
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	6.87
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax	-
As at 31st March, 2016	(13.18)
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(7.10)
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax	-
As at 31st March, 2017	**(20.28)**

52 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in lakhs)

i. Profit attributable to Equity holders of Company

	31st March, 2017	31st March, 2016
a) Profit attributable to equity holders of the Company:		
Continuing operations	**11,845.40**	10,478.42
Profit attributable to equity holders of the Company for basic earnings	**11,845.40**	10,478.42
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**11,845.40**	10,478.42

(₹ in lakhs)

b) Weighted average number of ordinary shares

	31st March, 2017	31st March, 2016
Issued ordinary shares at April 1	**1,492.25**	1,492.25
Effect of shares issued for cash	**-**	-
Weighted average number of shares at March 31 for basic and Diluted EPS	**1,492.25**	1,492.25

c) Basic and Diluted earnings per share

		(Amount in ₹)
	31st March, 2017	31st March, 2016
Basic earnings per share	**79.38**	70.22
Diluted earnings per share	**79.38**	70.22

53 First-time adoption of Ind AS

A. Transition to Ind AS

For the purposes of reporting as set out in Note 33, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles (“IGAAP”) to Ind AS. The accounting policies set out in note 33 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the “transition date”).

In preparing the opening Ind AS balance sheet as at 1st April, 2015 and in presenting the comparative information for the year ended 31st March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

B. Exemptions and exceptions availed

B.1 Ind AS mandatory exceptions

B.1.1Estimates

The estimates at 1st April 2015 and 31st march 2016 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

1. Investment in equity instruments carried at FVTPL;

B.1.2Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B.2 Ind AS optional exemptions

B.2.1Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the IGAAP

B.2.2Deemed cost for investments in subsidiaries and Joint Ventures

The Company has elected to continue with the carrying value of its investments in subsidiaries and Joint Ventures as recognised in the financial statements as at the date of transition to Ind AS.

Accordingly, the Company has measured all its investments in subsidiaries and Joint Ventures at their IGAAP carrying value.

53. First-time adoption of Ind AS (Continued)

C. Reconciliation between IGAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliation from IGAAP to Ind AS

1. Reconciliation of equity as at 1st April, 2015

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
(1) Non-current assets				
(a) Property, Plant and Equipment	5	28,166.28	198.00	28,364.28
(b) Capital work-in-progress		136.16	-	136.16
(c) Other Intangible assets		201.30	-	201.30
(d) Financial Assets		-	-	-
(i) Invesments in Subsidiaries and Joint Ventures		2,529.27	-	2,529.27
(ii) Investments		27.02	-	27.02
(iii) Loans	8	2,969.91	(721.23)	2,248.68
(iv) Others	6	462.01	(16.04)	445.97
(e) Non-Current Advance Tax Assets (Net)		545.58	-	545.58
(f) Other non-current assets	8,3	1,351.60	660.52	2,012.12
Total non current assets		**36,389.13**	**121.25**	**36,510.38**
(2) Current Assets				
(a) Inventories	5	27,666.89	(198.00)	27,468.89
(b) Financial Assets				
(i) Trade Receivables		22,886.89	-	22,886.89
(ii) Cash and Cash Equivalents		721.23	-	721.23
(iii) Bank Balances other than (ii) above		22.11	-	22.11
(iv) Loans		582.11	-	582.11
(v) Other Financial Assets		87.63	-	87.63
(c) Assets for Current Tax (Net)		4.91	-	4.91
(d) Other current assets	6	3,418.78	0.97	3,419.75
Total current assets		**55,390.55**	**(197.03)**	**55,193.52**
TOTAL ASSETS		**91,779.68**	**(75.78)**	**91,703.90**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		1,492.25	-	1,492.25
(b) Other equity	1,3,5,6,8	47,751.25	722.57	48,473.83
Total Equity		**49,243.50**	**722.57**	**49,966.08**
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings		4,394.16	-	4,394.16
(ii) Other financial liabilities		3,529.76	-	3,529.76
(b) Provisions		696.02	-	696.02
(c) Deferred tax liabilities (net)		1,577.80	(26.22)	1,551.58
(d) Other non-current liabilities		177.68	-	177.68
Total non current liabilities		**10,375.42**	**(26.22)**	**10,349.20**
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		12,523.90	-	12,523.90
(ii) Trade payables		9,264.27	-	9,264.27
(iii) Other financial liabilities		4,621.21	-	4,621.21
(b) Other current liabilities		3,460.83	-	3,460.83
(c) Provisions	1	2,290.54	(772.13)	1,518.41
(d) Current Tax Liabilities (net)			-	-
Total Current liabilities		**32,160.76**	**(772.13)**	**31,388.62**
Total liabilities		**42,536.18**	**(798.35)**	**41,737.82**
TOTAL EQUITY AND LIABILITIES		**91,779.68**	**(75.78)**	**91,703.90**

53 First-time adoption of Ind AS (Continued)

2. Reconciliation of equity as at 31st March, 2016

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
(1) Non-current assets				
(a) Property, Plant and Equipment	5	25,603.15	398.11	26,001.26
(b) Capital work-in-progress		451.37	-	451.37
(c) Other Intangible assets		91.36	-	91.36
(d) Financial Assets		2,529.27	-	2,529.27
(i) Invesments in Subsidiaries and Joint Ventures Investments		32.32	-	32.32
(ii) Other Investments				
(Iii) Loans	8	3,005.92	(672.22)	2,333.70
(iv) Other financeial assets	6	534.18	(35.24)	498.94
(e) Other non-current assets	8,3	1,656.69	570.06	2,226.75
Total non current assets		**33,904.26**	**260.71**	**34,164.97**
(2) Current Assets				
(a) Inventories	5	29,649.44	(249.78)	29,399.66
(b) Financial Assets				
(i) Trade receivables		25,758.83	-	25,758.83
(ii) Cash and cash equivalents		658.33	-	658.33
(iii) Bank balances other than (iii) above		293.55	-	293.55
(iv) Loans		564.91	-	564.91
(v) Other financeial assets		31.82	-	31.82
(c) Current Tax Assets (Net)			-	-
(d) Other current assets	6	2,856.63	32.42	2,889.05
Total current assets		**59,813.51**	**(217.36)**	**59,596.15**
TOTAL ASSETS		**93,717.77**	**43.35**	**93,761.12**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		1,492.25	-	1,492.25
(b) Other equity	3,5,6,8	57,006.00	22.10	57,028.10
Total Equity		**58,498.25**	**22.10**	**58,520.35**
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings		879.21	-	879.21
(ii) Other financial liabilities		3,826.38	-	3,826.38
(b) Provisions		499.61	-	499.61
(c) Deferred tax liabilities (net)		948.60	21.25	969.85
(d) Other non-current liabilities		180.36	-	180.36
Total non current liabilities		**6,334.16**	**21.25**	**6,355.41**
(3) Current liabilities				
(a) Financial liabilities				
(i) Short term borrowings		7,444.72	-	7,444.72
(ii) Trade payables		10,741.76	-	10,741.76
(iii) Other financial liabilities		4,746.95	-	4,746.95
(b) Other current liabilities		3,550.02	-	3,550.02
(c) Provisions		2,026.59	-	2,026.59
(d) Current tax Liabilities (net)		375.32	-	375.32
Total Current liabilities		**28,885.36**	**-**	**28,885.36**
Total liabilities		**35,219.52**	**21.25**	**35,240.77**
TOTAL EQUITY AND LIABILITIES		**93,717.77**	**43.35**	**93,761.12**

53 First-time adoption of Ind AS (Continued)

3. Reconciliation of equity as at 31st March, 2016

(₹ in lakhs)

		Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I.	**Revenue from Operations (Gross)**	7	200,376.36	(1,267.41)	199,108.95
IV.	**Other income**	8	896.26	49.60	945.86
III.	**Total Revenue (I+II)**		**201,272.62**	**(1,217.81)**	**200,054.81**
IV.	**Expenses**				
	Cost of materials consumed		65,156.85	-	65,156.85
	Purchase of Traded Goods		43,744.70	-	43,744.70
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1,453.56)	-	(1,453.56)
	Excise Duty	2	13,349.48	-	13,349.48
	Employee Benefits Expenses	4	13,519.95	(18.01)	13,501.94
	Finance costs	3	1,784.68	28.38	1,813.06
	Depreciation and Amortization Expenses	5	5,262.58	43.67	5,306.25
	Other Expenses	5,6,7,8	44,578.97	(1,408.96)	43,170.01
	Total Expenses		**185,943.65**	**(1,354.92)**	**184,588.73**
V.	**Profit/(loss) before Exceptional Items and Tax**		15,328.97	137.11	15,466.08
VI.	**Exceptional Items**		-	-	-
VII.	**Profit/(loss) before Tax**		**15,328.97**	**137.11**	**15,466.08**
VIII.	**Tax expense:**				
	1. Current Tax		5,575.00	-	5,575.00
	2. Deferred Tax		(629.18)	47.45	(581.73)
	3. Tax for Earlier years		(5.61)	-	(5.61)
IX.	**Profit/(Loss) for the period from continuing operations**		**10,388.76**	**89.66**	**10,478.42**
X.	**Profit/(Loss) for the period**		**10,388.76**	**89.66**	**10,478.42**
XI.	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss				
	Remeasurements of defined benefit liability (asset)	4	-	(18.01)	(18.01)
			-	(18.01)	(18.01)
	B (i) Items that will be reclassified to profit or loss				
	Effective portion of (Loss)/Gain on hedgeing instrument in a cash flow hedge		6.87	-	6.87
			6.87	-	6.87
	Other comprehensive income (net of tax)		6.87	(18.01)	(11.14)
XV.	**Total comprehensive income for the period**		**10,395.63**	**71.65**	**10,467.28**

4. Adjustments to Statement of Cash Flows

There were no material diffrences between the statement of Cash Flows presented under Ind AS and IGAAP

53. First-time adoption of Ind AS (Continued)

1 Proposed dividend

Under the IGAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of the financial statements were considered to be an adjusting event and accordingly recognised (alongwith related dividend distribution tax) as liabilities at the reporting date. Under Ind AS dividends so proposed by the Board are considered to be non adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under IGAAP has been reversed.

(₹ in lakhs)

	As at 1st April 2015
Provisions - proposed dividend including dividend distribution tax	772.13
Adjustment to retained earnings	772.13

2 Excise duty

Under IGAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016. The total comprehensive income for the year ended and equity as at 31 March 2016 has remained unchanged.

(₹ in lakhs)

	Year ended 31st March 2016
Revenue from operations	13,349.48
Other expenses	13,349.48

3 Borrowings at amortised cost

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using effective interest method.

(₹ in lakhs)

	As at 1st April 2015	**As at 31st March 2016**	**Year ended 31st March 2016**
Finance cost			28.38
Other Equity (Retained earnings)	47.09	-	
Other non-current assets	47.09	18.71	

4 Actuarial gain and loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under IGAAP the Company recognised actuarial gains and losses in profit and loss. However this has no impact on the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.

(₹ in lakhs)

	Year ended 31st March 2016
Employee Benefit Expenses	(18.01)
Other Comprehensive Income	(18.01)

5 Property Plant and Equipment

Under Ind AS, Items such as stores and spares and standby equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Under IGAAP the Company classified all such items as inventory.

(₹ in lakhs)

	As at 1st April 2015	**As at 31st March 2016**	**Year ended 31st March 2016**
Property Plant and Equipment	198.00	398.11	200.11
Inventory	(198.00)	(249.78)	51.78
Depreciation & Amortisation Expenses	-	-	43.67
Stores Sparesparts Consumed	-	-	192.00

53. First-time adoption of Ind AS (Continued)

6 Forward contracts

Under IGAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date is provided for. Under Ind AS, fiar value changes in foreign exchange forward contracts are recognised in profit and loss. Derivative assets and derivative liabilities are presented on gross basis.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	Year ended 31st March 2016
Other Equity (Retained earnings)	(15.07)		
Foreign exchange (gain)/ loss			12.26
Other Current Assets	0.97	32.42	
Other financial assets(non Current)	(16.04)	(35.24)	

7 Revenue recognition

Under IGAAP, revenue is recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any discounts, rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions and incentives given to customers, cash discount, promotional couponing and trade communication costs which have been reclassified from 'Advertising and sales promotion' within other expenses under IGAAP and netted from revenue under Ind AS.

(₹ in lakhs)

Statement of profit and loss	Year ended 31st March 2016
Revenue from operations	(1,267.41)
Other expenses	(1,267.41)

8 Security deposit

Under IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'. Under IGAAP, lease payments are required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease payments which are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as an expense in line with its contractual term. Accordingly, the provision for scheduled increases on operating lease recognised under IGAAP has been written back under Ind AS.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	Year ended 31st March 2016
Other financial assets (Non-current)	(721.23)	(672.22)	
Other non-current assets	613.43	551.35	
Other Equity (Retained earnings)	(107.80)	(120.87)	
Other income	-	-	49.60
Other expenses	-	-	62.71

54 Previous year figures have been re-group / reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756

Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NILKAMAL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Nilkamal Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "consolidatedInd AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Groupincluding its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standaloneInd AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs(a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entities, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated financial position of the Group and jointly controlled entities as at 31 March 2017, their consolidated financial performance (including other comprehensive income),their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

a. The consolidated Ind AS financial statement also include Group's share of net profit of ₹ 410.52 lakhs for the year ended 31st March 2017 for one jointly controlled entity whose financial statements have been audited by B S R & Co. LLP, one of the joint auditors of the Company.

b. We did not audit the financial statements of threesubsidiarieswhose financial statements reflect total assets of ₹ 5,089.43 lakhsas at 31st March 2017, total revenues of ₹ 7,706.02 lakhs and net cash outflows amounting to ₹ 543.97 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statement also include Group's share of net profit of ₹ 108.91 lakhs for the year ended 31st March 2017 for one jointly controlled entity whose financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entityand our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiariesand jointly controlled entity is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind As financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of subsidiaries and jointly controlled entities as noted in the 'Other Matter' paragraph, we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditorsof its jointly controlled entitiesincorporated in India, none of the Directors of the Holding Company, jointly controlled entities, incorporated in India isdisqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' reports of the Holding Company and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of, the Holding Company's / jointly controlled entities incorporated in India, internal financial controls over financial reporting; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of subsidiaries and jointly controlled entities, as noted in the 'Other Matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated Ind AS financial position of the Group and jointly controlled entities;

ii. The Groupand its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its jointly controlled entities incorporated in India; and

iv. The Group has provided requisite disclosure in its consolidated Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 by the Holding Company and its jointly controlled entities incorporated in India. Based on the audit procedures performed and relying on management representations we report that the disclosures made by the Group are in accordance with the books of accounts maintained by the Holding Company and its jointly controlled entities – Refer Note 43 to the consolidated Ind AS financial statements.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership Number: 031756

Mumbai
May 11, 2017

Annexure A to Independent Auditors' Report of even date on the consolidated Ind AS financial statement of Nilkamal Limited – 31st March 2017

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Nilkamal Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entities, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its jointly controlled entities, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 1 jointly controlled entity which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
May 11, 2017

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

Bharat B. Chovatia
Partner
Membership Number: 031756

Mumbai
May 11, 2017

Consolidated Balance Sheet as at 31st March, 2017

(₹ in lakhs)

Particulars	Note	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
I. ASSETS				
1 Non-current Assets				
(a) Propety, Plant and Equipment	1	**27,016.58**	27,160.77	29,755.93
(b) Capital Work-in-Progress		**3,198.59**	451.37	122.63
(c) Other Intangible assets	1	**57.27**	115.96	204.60
(d) Investment in Joint venture	2	**3,803.02**	3,407.01	2,760.74
(e) Financial Assets				
(i) Other Investments	3	**38.33**	32.32	27.02
(ii) Loans	4	**2,286.93**	2,333.70	2,248.68
(iii) Other Financial Assets	5	**282.44**	498.94	445.97
(e) Non-Current Advance Tax Assets (net)				545.58
(f) Other Non-Current Assets	6	**2,434.65**	2,249.25	2,012.12
Total Non-Current Assets		**39,117.81**	**36,249.32**	**38,123.27**
2 Current assets				
(a) Inventories	7	**33,604.69**	30,460.49	28,254.94
(b) Financial Assets				-
(i) Trade Receivables	8	**30,095.79**	26,908.55	23,686.99
(ii) Cash and cash equivalents	9	**1,329.01**	1,295.11	1,447.66
(iii) Bank balance other than above	10	**81.51**	293.55	22.10
(iv) Current Investments	11	**315.81**	912.17	462.26
(v) Loans	12	**565.26**	564.91	606.22
(vi) Other Financial Assets	13	**64.17**	76.91	87.63
(c) Current Tax Assets (Net)		**17.90**	27.95	4.91
(d) Other Current Assets	14	**4,121.16**	2,984.35	3,491.61
Total Current Assets		**70,195.30**	63,523.99	58,064.32
Total Assets		**109,313.11**	99,773.31	96,187.59
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	15	**1,492.25**	1,492.25	1,492.25
(b) Other Equity	16	**72,700.32**	61,259.28	51,813.04
Total Equity		**74,192.57**	62,751.53	53,305.29
2 Non-controlling Interests		**723.07**	720.90	623.78
3 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	**9.04**	879.21	4,394.16
(ii) Other Financial Liabilities	18	**4,628.22**	3,826.38	3,529.76
(b) Provisions	19	**730.93**	661.32	812.90
(c) Deferred Tax Liabilities (Net)	20	**650.86**	1,033.12	1,615.22
(d) Other Non-Current Liabilities	21	**280.06**	180.36	177.68
Total Non-current Liabilities		**6,299.11**	6,580.39	10,529.72
4 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	**8,280.56**	7,444.72	12,523.90
(ii) Trade Payables	23	**11,140.77**	11,190.85	9,419.27
(iii) Other Financial Liabilities	24	**2,335.39**	4,747.02	4,624.32
(b) Other Current Liabilities	25	**3,797.75**	3,721.35	3,639.18
(c) Provisions	26	**2,099.17**	2,026.56	1,518.41
(d) Current Tax Liabilites (Net)		**444.72**	589.99	3.72
Total Current Liabilities		**28,098.36**	29,720.49	31,728.80
TOTAL EQUITY AND LIABILITITES		**109,313.11**	99,773.31	96,187.59

Significant accounting policies

The notes referred to above form an integral part of the consolidated financial statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756

Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

Consolidated Statement of profit and loss for the year ended 31st March, 2017

(₹ in lakhs)

	Particulars	Note	Year ended 31st March 2017	Year ended 31st March 2016
I.	**Revenue from operations**	27	**216,216.13**	205,995.25
II.	**Other Income**	28	**331.19**	325.77
III.	**Total Revenue (I+II)**		**216,547.32**	206,321.02
IV.	**Expenses:**			
	Cost of Materials Consumed		**70,769.83**	67,475.24
	Purchases of Stock in Trade		**48,089.37**	45,031.62
	Changes in inventories of Finished Goods, Stock in Trade and Work-in-Progress	29	**(2,905.14)**	(1,448.83)
	Excise Duty		**13,819.95**	13,349.48
	Employee Benefits Expense	30	**15,456.80**	14,335.33
	Finance Costs	31	**1,167.24**	1,815.45
	Depreciation and Amortization Expense	1	**5,054.40**	5,501.39
	Other Expenses	32	**47,816.69**	44,253.20
	Total Expenses		**199,269.14**	190,312.88
V.	**Profit Before share of Profit of Equity accounted investee and IncomeTax (III-IV)**		**17,278.18**	16,008.14
VI.	**Shares of Profit in Joint Ventures (net of Tax)**		**519.43**	744.84
VII	**Profit before Tax (V+VI)**		**17,797.61**	16,752.98
VIII	**Income Tax Expense:**			
	Current tax	33	**5,640.47**	5,793.99
	Deferred tax	33	**(277.74)**	(578.52)
	Taxation for earlier years		**0.32**	(59.01)
	Total Tax expenses		**5,363.05**	5,156.46
IX	**Net Profit After Tax (VII-VIII)**		**12,434.56**	11,596.52
	Less: Share of Non-Controlling Interest		**181.24**	190.11
X	**Profit after non-controlling interest**		**12,253.32**	11,406.41
XI.	**Other Comprehensive Income (net of tax):**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability (asset)		**10.65**	(16.75)
	Income Tax effect on above		**(0.92)**	-
	Items that will be reclassified to profit or loss			
	Effective portion of (loss)/gain on hedging instrument in a cash flow hedge		**(7.10)**	6.87
	Total Other Comprehensive Income		**12,255.95**	11,396.53
XII.	**Earnings per equity share of ₹ 10 each (Previous Year ₹ 10 each)**	50		
	(1) Basic (in ₹)		**82.11**	76.44
	(2) Diluted (in ₹)		**82.11**	76.44
	Significant accounting policies	27		

The notes referred in above form an integral part of the Consolidated financial statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sadashiv Shetty
Partner
Membership No : 048648

Bharat B. Chovatia
Partner
Membership No. : 031756

Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

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Managing Director
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DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

Consolidated cash flow statement for the year ended 31st March, 2017

(₹ In Lacs)

			Year ended on 31st March 2017		Year ended on 31st March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax		**17,278.18**		16,008.14
	Adjustments for :				
	Depreciation and Amortisation	**5,054.40**		5,501.39	
	Loss on property plant and equipment sold / discarded (Net)	**17.10**		251.53	
	Finance Costs	**1,437.27**		2,076.49	
	Interest Income	**(277.04)**		(286.67)	
	Provision for Rent Equalisation	**99.70**		2.68	
	Provision for doubtful debts and advances	**156.50**		185.89	
	Provision for Wealth Tax	**-**		0.53	
	Bad Debts Written off	**72.52**		126.98	
	Unrealised Foreign Exchange Loss	**(36.65)**		(11.83)	
			6,523.80		7,846.99
	Operating Profit before Working Capital changes		**23,801.96**		23,855.13
	Working Capital adjustments:				
	(Increase) in Trade Receivables	**(3,404.48)**		(3,530.47)	
	(Increase) / Decrease in Other Receivables	**(677.52)**		1,024.30	
	(Increase) in Inventories	**(3,168.65)**		(2,511.64)	
	Increase / (Decrease) in Trade Payables	**(61.85)**		1,767.66	
	Increase / (Decrease) in Other Liabilities & Provisions	**709.51**		2,804.42	
			(6,602.99)		(445.73)
	Cash Generation from operation		**17,198.99**		23,409.40
	Direct Taxes Paid (Net)	**(5,776.00)**		(5,148.71)	
			(5,776.00)		(5,148.71)
	Net Cash Inflow / (Outflow) from Operating Activities (A)		**11,422.99**		18,260.69
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Addition to Fixed Assets, Capital Work-in-Progress and Capital Advances	**(8,122.41)**		(4,295.50)	
	Sale of Fixed Assets	**240.95**		357.15	
	Investments made during the year [Net]	**123.54**		(1,229.93)	
	Share of profit from Joint Venture	**519.43**		744.84	
	Interest Received	**276.49**		286.67	
	Net Cash Outflow from Investing Activities (B)		**(7,023.16)**		(4,136.77)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	(Repayment) of Long Term Borrowings	**(2,702.81)**		(5,126.10)	
	(Repayment) of Short Term Borrowings [Net]	**835.84**		(5,079.17)	
	(Repayment) of Lease Borrowing [Net]	**14.83**		-	
	Inrterest Paid	**(1,448.68)**		(2,076.49)	
	Dividend paid (including tax on dividend)	**(793.54)**		(1,913.01)	
	Net Cash Inflow/(Outflow) from Financing Activities (C)		**(4,094.36)**		(14,194.77)
	Change In Foreign Currency Fluctuation Reserve Arising On Consolidation (D)		**(271.57)**		(81.70)
	Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C+D)		**33.90**		**(152.55)**
	Cash and Cash Equivalents as at the beginning of the year	**1,295.11**		1,447.66	
	Cash and Cash Equivalents as at the year end	**1,329.01**		1,295.11	
	Net Increase /(Decrease) in Cash and Cash Equivalents		**33.90**		(152.55)

Consolidated cash flow statement for the year ended 31st March, 2017

(Currency: ₹ In Lacs)

Notes to the Cash Flow Statement

1. Components of cash and cash equivalents

		Year ended on 31st March 2017	Year ended on 31st March 2016
(a)	Cash on Hand	**105.90**	153.97
(b)	Cheques on Hand / Remittance in Transit	**269.86**	306.10
(c)	Balance in Current Accounts	**414.67**	457.95
(d)	Bank Deposits with less than 3 months	**538.58**	377.09
Cash and cash Equivalents		**1,329.01**	1,295.11

2 The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard *(Ind AS-7) Statement of Cash Flows.

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

AS PER OUR REPORT OF EVEN DATE ATTACHED
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No : 048648

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

Bharat B. Chovatia
Partner
Membership No. : 031756
Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

Notes to the Consolidated cash flow statement

Statement of Changes in Consolidated Equity (SOCIE) for the year ended 31st March, 2017.

(₹ in lakhs)

(a) Equity share capital

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	14,922,525	1,492.25	14,922,525	1,492.25
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	14,922,525	1,492.25	14,922,525	1,492.25

(b) Other equity

(₹ in lakhs)

Particulars	Reserves & Surplus					Items of Other comprehensive income		Total
	Securities Premium Reserve	Retained Earnings	General Reserve	Share of Profit in Joint Venture	Foreing Currency Transalation Reserves	Effective portion of cash flow hedges	Remeasurements of the net defined benefit Plans	
Balance at April 1, 2015	23,798.18	6,448.96	21,147.20	418.24	20.51	(20.05)		51,813.04
Profit for the year	11,406.41	-	-				-	11,406.41
Actuarial gain /(loss) on defined benefit plan							(16.75)	(16.75)
Net gain recognised on cash flow hedge						6.87		6.87
Other comprehensive income for the year	-	-	-	-	-	6.87	(16.75)	(9.88)
Total comprehensive income for the year	11,406.41	-	-	-	-	**6.87**	**(16.75)**	**11,396.53**
Interim dividend declared and paid	(1,044.58)							(1,044.58)
DDT on interim dividend distributed	(96.30)							(96.30)
Transfer to General reserve	(5,000.00)		5,000.00					-
Foreign Currency Monetary Item Translation Difference Account					(37.28)	-		(37.28)
Dividends including DDT	(772.13)							(772.13)
Balance at March 31, 2016	28,291.58	**6,448.96**	**26,147.20**	**418.24**	**(16.77)**	**(13.18)**	**(16.75)**	**61,259.28**
Profit for the year	12,253.32							12,253.32
Other comprehensive income for the year			-					
Actuarial gain /(loss) on defined benefit plan							9.73	9.73
Net gain recognised on cash flow hedge						(7.10)		(7.10)
Other comprehensive income for the year	-	-	-	-	-	(7.10)	9.73	2.63
Total comprehensive income for the year	12,253.32	-	-	-	-	**(7.10)**	**9.73**	**12,255.95**
Interim dividend declared and paid	(596.90)							(596.90)
Transfer to General reserve	(5,000.00)		5,000.00					-
DDT on interim dividend distributed	(50.20)							(50.20)
Foreign Currency Monetary Item Translation Difference Account					(167.81)			(167.81)
Balance at March 31, 2017	34,897.80	**6,448.96**	**31,147.20**	**418.24**	**(184.58)**	**(20.28)**	**(7.02)**	**72,700.32**

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Sadashiv Shetty
Partner
Membership No : 048648

Mumbai
May 11, 2017

For **VORA & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 111612W
Bharat B. Chovatia
Partner
Membership No. : 031756

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

1. Property Plant and Equipment

(₹ in lakhs)

	Property Plant and Equipment Consolidated with Subsidiaries											Intangible Assets Consolidated with Subsidiaries			
							Vehicles								
	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	(a) Others	(b) Under Finance Lease	Leasehold Improvements	Lease Equipments	Total Tangible Assets	Software	Models, Designs and Commercial Rights	Total Intangible Assets	Total
Gross Block															
Balance as at 1st April 2015	1,253.60	193.06	10,650.78	11,372.79	2,473.14	994.31	672.19	137.34	1,813.63	194.26	29,755.91	204.60	-	204.60	29,960.53
Addition during the year	-	-	42.20	3,064.87	92.23	200.64	10.28	-	10.17	-	3,420.39	48.19	-	48.19	3,468.57
Adjustments		(25.79)	(114.23)	(7.64)	0.07	9.88	-	-	137.71		-	-		-	-
Disposal	-	-	43.12	334.05	16.78	23.55	187.42	11.83	117.21	-	733.96	0.30	-	0.30	734.26
Exchange Translation	(4.36)	-	(27.58)	(14.42)	0.71	0.39	(1.32)	4.56	-	-	(42.02)	(0.12)	-	(0.12)	(42.14)
Balance as at 31st March 2016	1,249.24	167.27	10,508.05	14,081.57	2,550.18	1,181.67	493.73	130.07	1,844.30	194.26	32,400.34	252.36	-	252.36	32,652.70
Balance as at 1st April 2016	**1,249.254**	**167.27**	**10,508.05**	**14,082.86**	**2,550.18**	**1,180.40**	**493.73**	**130.07**	**1,844.30**	**194.26**	**32,400.34**	**252.36**	**-**	**252.36**	**32,652.70**
Addition during the year	**-**	**-**	**96.92**	**4,506.59**	**191.99**	**265.68**	**82.25**	**26.42**	**-**	**-**	**5,169.85**	**22.14**	**-**	**22.14**	**5,191.99**
Adjustments	**-**	**-**	**-**	**9.44**	**0.82**	**(12.57)**	**-**	**-**	**-**	**-**	**-**			**-**	**-**
Disposal	**-**	**-**	**12.34**	**85.74**	**52.28**	**37.14**	**187.73**	**-**	**227.24**	**132.71**	**735.18**	**-**	**-**	**-**	**735.18**
Exchange Translation	**(7.95)**	**-**	**(50.23)**	**(27.85)**	**(0.51)**	**(1.13)**	**(3.50)**	**(0.81)**	**-**	**-**	**(91.98)**	**(1.76)**	**-**	**(1.76)**	**(93.74)**
Balance as at 31st March 2017	**1,241.29**	**167.27**	**10,542.40**	**18,475.09**	**2,689.42**	**1,408.52**	**384.75**	**155.68**	**1,6`17.06**	**61.55**	**36,743.03**	**272.74**	**-**	**272.74**	**37,015.77**
Depreciation								-							
Balance as at 1st April 2015	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Depreciation for the year	-	2.50	490.61	2,877.18	614.44	465.49	136.62	43.28	681.81	52.95	5,364.88	136.51	-	136.51	5,501.39
Adjustments		-	-	1.27	-	(1.27)	-	-	-	-	-	-	-	-	-
Disposal /Adjustments	-	-	0.47	16.07	7.19	18.75	25.93	0.31	56.59	-	125.31	0.11	-	0.11	125.42
Exchange Translation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2016	-	2.50	490.14	2,862.38	607.25	445.47	110.69	42.97	625.22	52.95	5,239.57	136.40	-	136.40	5,375.97
Balance as at 1st April 2016	**-**	**2.50**	**490.14**	**2,862.38**	**607.25**	**445.47**	**110.69**	**42.97**	**625.22**	**52.95**	**5,239.57**	**136.40**	**-**	**136.40**	**5,375.97**
Depreciation for the year	**-**	**2.18**	**468.65**	**3,236.71**	**457.33**	**366.92**	**19.24**	**88.25**	**309.99**	**25.97**	**4,975.24**	**79.16**	**-**	**79.16**	**5,054.40**
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal /Adjustments	**-**	**-**	**0.28**	**45.85**	**47.71**	**24.12**	**4.40**	**65.75**	**226.12**	**62.90**	**477.13**	**-**	**-**	**-**	**477.13**
Exchange Translation	**-**	**-**	**(2.35)**	**(7.48)**	**(0.08)**	**(0.49)**	**(0.70)**	**(0.13)**	**-**	**-**	**(11.23)**	**(0.09)**	**-**	**(0.09)**	**(11.32)**
Balance as at 31st March 2017	**-**	**4.68**	**956.16**	**6,045.76**	**1,016.79**	**787.78**	**124.83**	**65.34**	**709.09**	**16.02**	**9,726.45**	**215.47**	**-**	**215.47**	**9,941.92**
NET BOOK VALUE															
As at 31st March 2017	**1,241.29**	**162.58**	**9,586.24**	**12,429.34**	**1,672.66**	**620.74**	**259.93**	**90.34**	**907.97**	**45.53**	**27,016.58**	**57.27**	**-**	**57.27**	**27,073.85**
As at 31st March 2016	1,249.24	164.77	10,017.91	11,219.19	1,942.93	736.20	383.04	87.10	1,219.08	141.31	27,160.77	115.96	-	115.96	27,276.73

Notes:- a) Leasehold Land acquisition value includes ₹ 0.01 lacs (Previous Year ₹ 0.01 lacs) paid by way of subscription of shares for membership of co-operative housing society. b) Pending completion of the relevant formalities of the fixed assets having Gross block value ₹ 263.07 lacs and Net block value ₹ 252.96 lacs which vested in the name of the Company pursuant to the scheme of amalgamation, such assets continue to be in the name of the erstwhile amalgamated companies c) For capital commitment with regard to property plant and equipment refer note no 35(b) d) For asset value given on lease refer note no 41 (b). e) The company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2015 under the previous GAAP.

Deemed cost as on 1st April, 2015

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	(a) Others	(b) Under Finance Lease	Leasehold Improvements	Lease Equipments	Total Tangible Assets	Software	Models, Designs and Commercial Rights	Total Intengible Assets	Total
Gross Block	1,253.60	224.71	14,942.11	43,200.90	4,534.57	3,745.09	1,292.27	302.02	3,025.02	318.46	72,838.75	949.53	2,012.52	2,962.05	75,800.80
Less: Accumulated Depreciation	-	31.65	4,291.33	31,828.09	2,060.62	2,750.78	620.08	164.68	1,211.39	124.20	43,082.82	744.93	2,012.52	2,757.45	45,840.27
Net Block	1,253.60	193.06	10,650.78	11,372.81	2,473.95	994.31	672.19	137.34	1,813.63	194.26	29,755.93	204.60	-	204.60	29,960.53

(₹ in lakhs)

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2	**Investments in Joint Ventures**			
	(Valued at cost unless stated otherwise)			
	Trade Investment (Unquoted)			
	Investment in Equity instruments of Joint Ventures			
	(i) 2,220,000 (31 March 2016 - 22,20,000, 1 April 2015 - 22,20,000) Equity Shares of of Rs. 10/ each of Nilkamal Bito Storage Systems Pvt Ltd., fully paid up	**2,215.50**	2,215.50	2,215.50
	(ii) 105,000 (31 March 2016 - 1,05,000, 1 April 2015 - 1,05,000) Equity Shares of Rs. 10/- each of Cambro Nilkamal Pvt Ltd., fully paid up	**200.50**	200.50	200.50
	Add : Shares of Profit in Joint Venture	**1,387.02**	991.01	344.74
	Total	**3,803.02**	3,407.01	2,760.74
	Aggregate amount of unquoted investments	**3,803.02**	3,407.01	2,760.74
3	**Other Non-Current Investments (Refer Note No 46)**			
	Unquoted			
	(a) Investment - Others			
	(i) 2,00,000 (31 March 2016 - 1,68,438, 1 April 2015 - 1,40,526) Equity Shares of ₹ 10/- each of Beta Wind Farm Private Limited fully paid -up	**38.00**	32.00	26.70
	(ii) 98 (31 March 2016- Nil, 1 April 2015- Nil) Equity share of Rs. 10/- each of Nilkamal Foundation	**0.01**	-	-
	(b) Investment in Government Securities			
	National Savings Certificates (Pledged with Government authorities)	**0.32**	0.32	0.32
	Total	**38.33**	32.32	27.02
	Aggregate amount of unquoted other investments	**38.33**	32.32	27.02
4	**Non-Current Loans**			
	Unsecured, Considered good			
	(a) Employee Loans	**376.47**	372.30	341.28
	(b) Security Deposit			
	(i) With Other than related parties	**1,190.46**	1,238.40	1,184.40
	(ii) With related parties (refer note no 40)	**720.00**	723.00	723.00
	Total	**2,286.93**	2,333.70	2,248.68
5	**Others Non-Current Financial Assets**			
	Unsecured, Considered good			
	Bank Deposits with more than 12 months maturity	**282.44**	146.04	112.42
	Derivative Assets	**-**	352.90	333.55
	Total	**282.44**	498.94	445.97

(₹ in lakhs)

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
6	**Other Non-Current assets**			
	Unsecured, Considered good			
	To parties other than related parties :			
	(i) Capital Advances	**899.78**	563.47	88.42
	(ii) Deposit with Government Authorities	**1,036.60**	1,043.04	1,077.93
	(iii) Other Loans and Advances			
	(a) Advance given	**66.57**	50.18	185.25
	(b) Prepaid Lease Rental	**428.35**	551.35	613.43
	(c) Prepaid Expenses	**-**	33.13	47.09
	(d) Staff Loans	**3.35**	8.08	-
	Total	**2,434.65**	2,249.25	2,012.12
7	**Inventories**			
	(Valued at the lower of cost and net realisable value)			
	I. Raw Material (including Goods in Transit ₹ 696.35 lakhs (31 March 2016 ₹ 1,352.00 lakhs, 1 April 2015 ₹ 542.50 lakhs))	**5,637.23**	5,885.29	5,493.29
	II. Work in Progress	**3,167.35**	2,481.24	2,183.02
	III.Finished Goods	**9,492.87**	8,597.61	6,995.75
	IV. Stock in Trade (including Goods in Transit ₹ 514.77 Lacs (31st March 2016 ₹ 297.06, 1st April 2015 ₹ 230.64 lakhs))	**12,995.12**	11,609.62	11,702.42
	V. Stores and Spares	**1,987.67**	1,589.60	1,549.71
	VI. Packing Material	**324.45**	297.13	330.75
	Total	**33,604.69**	30,460.49	28,254.94

During the year an amount of ₹ 185.88 lakhs (31st March 2016 ₹ 611.79 lakhs) was charged to the statement of profit and loss on account of damage and slow moving inventory.

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
8	**Trade Receivables**			
	(a) Secured, Considered good	**3,798.96**	3,171.50	2,464.89
	(b) Unsecured, Considered good	**26,296.83**	23,737.05	21,222.10
	(c) Doubful	**696.78**	541.35	355.46
	Less: Provision For Loss allownce (Refer Note No. 46)	**(696.78)**	(541.35)	(355.46)
	Total	**30,095.79**	26,908.55	23,686.99

Trade receivables (unsecured considered good) included ₹ 523.27 Lacs (31st March 2016 ₹ 177.47 lakhs, 1st April 2015 ₹ 109.78 Lakhs) due from joint venture companies

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
9	**Cash and Cash Equivalents**			
	(I) Cash and Cash Equivalents			
	(a) Cash on Hand	**105.90**	153.97	121.97
	(b) Cheques on Hand	**269.86**	306.10	379.37
	(c) Balance with banks in Current Accounts	**414.67**	457.95	946.32
	(d) Bank Deposits with less than 3 months original maturity	**538.58**	377.09	-
	Total	**1,329.01**	1,295.11	1,447.66
10	**Bank Balances other than Cash and Cash Equivalents**			
	(a) Bank Deposits with 3-12 months maturity	**51.33**	116.93	-
	(b) Earmarked Balance with Bank (Unclaimed Dividend)	**30.18**	176.62	22.10
	Total	**81.51**	293.55	22.10

(₹ in lakhs)

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
11	**Current Investments**			
	Valued at cost unless stated otherwise			
	Investment in Mutual Funds			
	Non Traded (Unquoted)			
	Sri Lankan Government Treasury Investment	**103.89**	249.60	462.26
	Sri Lankan Unit Trust - Namal High Yield Fund (Units 30,72,528.40 (31st March 2016 9,938,637.90 units, 1st April 2015 Nil)	**211.92**	662.57	-
	Total	**315.81**	912.17	462.26
	(Market Value of Investments is ₹ 315.82 Lacs (31st March 2016 ₹ 912.17 Lackhs, 1st April 2015 ₹ 462.33 Lakhs)			
12	**Current Loans**			
	Unsecured, consider good			
	To parties other than related parties :			
	a) Security Deposits	**565.26**	564.91	606.22
	b) Security Deposits Considered Doubtful	**52.05**	52.05	52.05
	Less: Provision for Doubtful Deposits	**(52.05)**	(52.05)	(52.05)
	Total	**565.26**	564.91	606.22
13	**Other Current Financial Assets**			
	(a) Interest Receivable	**1.64**	1.09	0.80
	(b) Due from Related Parties (Refer note no. 40)	**46.51**	71.41	25.72
	(c) Other Receivable	**16.02**	4.41	61.11
	Total	**64.17**	76.91	87.63
14	**Other Current Assets**			
	Loans and Advances			
	From parties other than related parties			
	(a) Advances to Vendors	**1,473.35**	1,211.44	1,296.84
	(b) Advances for Expenses	**74.34**	71.43	71.61
	(c) Balance with Excise Department	**1,582.26**	868.07	843.49
	(d) Prepaid Expenses	**318.72**	362.32	366.81
	(e) Deposit	**47.86**	24.95	-
	(f) Others	**624.63**	446.14	912.85
	Total	**4,121.16**	2,984.35	3,491.60
15	**Equity Share Capital**			
	Authorised			
	22,000,000 (31st March 2016 2,2000,000, 1st April 2015 - 2,20,00,000) Equity Shares of ₹ 10/- each	**2,200.00**	2,200.00	2,200.00
	3,000,000 (31st March 2016 30,00,000, 1st April 2015 - 30,00,000) Preference Shares of ₹ 10/- each	**300.00**	300.00	300.00
		2,500.00	2,500.00	2,500.00
	Issued, Subscribed and Fully Paid up			
	1,49,22525 (31st March 2016 - 1,49,22,525, 1st April 2015 - 1,49,22,525 Equity Shares of ₹ 10/- each) (Refer note no. 37)	**1,492.25**	1,492.25	1,492.25
	Total	**1,492.25**	1,492.25	1,492.25

(₹ in lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
16 Other Equity			
a. Surplus (Profit and Loss)			
At the Commencement of the year	**28,291.58**	23,798.18	
Add: Net Profit for the year	**12,253.32**	11,406.41	
Appropriations			
Final Equity Dividend [Dividend per share current year ₹ Nil per share (31st March 2016 ₹ Nil per share, 31st March 2015 ₹ 4.50 per share)	**-**	671.51	
Interim Dividend	**596.90**	1,044.58	
Tax on Final Interim Dividend	**50.20**	196.92	
Transfer to General Reserve	**5,000.00**	5,000.00	
	34,897.80	28,291.58	23,798.18
b. Securities Premium Reserve			
At the Commencement and at the end of the year	**6,448.96**	6,448.96	6,448.96
c. General Reserve			
At the Commencement of the year	**26,147.20**	21,147.20	
Add: Transferred from Surplus	**5,000.00**	5,000.00	
	31,147.20	26,147.20	21,147.20
d. Foreign Currency Translation Reserve			
At the Commencement of the year	**(16.77)**	20.51	
Add/(Less): Exchange Difference during the year	**(167.81)**	(37.28)	
	(184.58)	(16.77)	20.51
e. Share of Joint Venture			
Share of Profit in Joint Venture	**418.24**	418.24	
	418.24	418.24	418.24
f. Items of Other Comprehensive Income			
i) Hedge Reserve			
At the Commencement of the year	**(13.18)**	(20.05)	
Add: Net gain recognised on cash flow hedge	**(7.10)**	6.87	
	(20.28)	(13.18)	(20.05)
ii) Remeasurment of defined benefit liability			
At the commencement of the year	**(16.75)**	-	-
Add : Remeasurment of defined benefit liability (assets)	**9.73**	(16.75)	-
	(7.02)	(16.75)	-
Total Other Equity	**72,700.33**	61,259.28	51,813.04

1) **Securities premium reserve**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

2) **Capital reserve**
The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

3) **General reserve**
General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

4) **Cash flow hedge reserve**
For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

5) **Remeasurements of the net defined benefit Plans**
Remeasurements of the net defined benefit Plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

(₹ in lakhs)

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
17	**Borrowings - Non-current Liabilities**			
	Secured (For Security and terms of repayment (Refer Note no.38)			
	Term Loan from banks			
	(a) Rupee Loans	**-**	-	969.01
	(b) Foreign Currency Loans	**-**	879.21	3,425.15
	(c) Finance Lease Obligations	**9.04**	-	-
	Total	**9.04**	879.21	4,394.16
18	**Other Non-Current Financial Liabilities**			
	Security Deposit	**4,628.22**	3,826.38	3,529.76
	Total	**4,628.22**	3,826.38	3,529.76
19	**Non-Current Provisions**			
	Provision For Employee Benefits			
	(a) Gratuity	**218.46**	245.10	437.59
	(b)Compansated Absences	**512.47**	416.22	375.31
	Total	**730.93**	661.32	812.90
20	**Deferred Tax Liabilities (Net)**			
	Major components of deferred tax assets and liabilities arising on account of timing differences are:			
	Deferred Tax Liabilities :			
	Depreciation	**1,443.35**	1,469.47	1,957.94
	Allowances under Income Tax Act	**316.69**	316.69	316.69
		1,760.04	1,786.16	2,274.63
	Deferred Tax Assets:			
	Disallowances under Income Tax Act	**877.55**	577.76	544.21
	Provision for Doubtful Debts	**231.63**	175.28	115.20
		1,109.18	753.04	659.41
	Deferred Tax Liabilities (Net)	**650.86**	1,033.12	1,615.22
	Tax in respect of earlier years includes deferred tax charge of ₹ 105.44 lacs (31st March 2016- ₹ Nil & 1 April 2015- ₹ 20.90 lacs)			
21	**Other Non-Current Liabilities**			
	Rent Equalisation	**280.06**	180.36	177.68
	Total	**280.06**	180.36	177.68
22	**Borrowings - Current Liabilities**			
	Secured Loans (for securities and terms of prepayment :Refer Note no.38)			
	Working Capital Loan from Banks			
	Rupee Loans	**8,280.56**	7,444.72	12,523.90
	Total	**8,280.56**	7,444.72	12,523.90
23	**Trade Payables**			
	a. Due to micro, small and medium enterprise	**-**	-	-
	b. Due to Others	**11,140.77**	11,190.85	9,419.27
	Total	**11,140.77**	11,190.85	9,419.27

(₹ in lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
24 Other Current Financial Liabilities			
a. Current maturities of long-term debt (Refer Note no.38)			
(i) Rupee Loans	**-**	0.07	1,584.44
(ii) Foreign Currency Loans	**-**	2,176.43	2,200.30
(iii) Current Maturity of Finance Lease Obligations	**5.79**	-	2.91
b. Interest accrued but not due on borrowings	**7.13**	18.54	46.53
c. Derivative Liability (Refer Note no.49)	**35.24**	-	-
d. Unclaimed Dividend	**30.18**	176.62	22.11
e. Capital Creditors	**361.27**	208.17	184.76
f. Employee Benefits	**1,895.78**	2,167.19	583.27
Total	**2,335.39**	4,747.02	4,624.32
25 Other Current Liabilites			
(a) Advance from customers	**1,609.89**	1,720.33	2,135.35
(b) Statutory Dues :			
(i) Sales Tax	**1,486.72**	1,471.88	1,097.61
(ii) Excise and Service Tax	**115.47**	23.39	19.34
(iii) Tax Deducted at Source	**349.10**	262.99	186.55
(iv) Employee Benefits	**97.02**	48.43	64.27
(c) Others payable	**139.55**	194.33	136.06
Total	**3,797.75**	3,721.35	3,639.18
26 Current Provisions			
(a) Provision For Employee Benefits (Refer Note no.48)			
(i) Gratuity	**116.98**	111.80	91.37
(ii) Leave Salary	**282.14**	312.39	248.15
(b) Others Provisions			
(i) Provision For Excise Duty on Closing Stock	**1,037.19**	1,012.75	706.65
(ii) Provision For Product Warranties	**562.86**	514.62	465.95
(iii) Provision For Wealth Tax	**-**	-	6.29
(vii) Provision for Others	**100.00**	75.00	-
Total	**2,099.17**	2,026.56	1,518.41

	Year ended 31st March 2017	Year ended 31st March 2016
27 Revenue from Operations		
Sale of Products (Including Excise Duty)		
(i) Domestic	**2,07,012.72**	1,96,943.29
(ii) Export [including Deemed Exports of ₹ 2,894.22 Lacs, (31 March 2016 1,850,52 Lacs and 1 April 2015 ₹ 1,505.96 Lacs]	**7,761.81**	7,647.86
	2,14,774.53	2,04,591.15
Sale of Services	**683.75**	562.36
Other Operating Revenue		-
(a) Sale of Scrap	**275.68**	357.66
(b) Technical and Management Fees	**481.15**	481.80
(c) Others	**1.02**	2.28
Revenue from Operations	**2,16,216.13**	2,05,995.25

(₹ in lakhs)

		Year ended 31st March 2017	Year ended 31st March 2016
28	**Other Income**		
	(a) Interest income	**277.04**	286.67
	(b) Others	**54.15**	39.10
	Total	**331.19**	325.77
29	**Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress.**		
	Opening Stock		
	Work-in-Progress	**2,481.24**	2,183.02
	Stock in Trade	**11,609.62**	11,702.42
	Finished Goods	**8,597.60**	6,995.76
		22,688.46	20,881.20
	Closing Stock		
	Work-in-Progress	**3,167.35**	2,481.24
	Stock in Trade	**12,995.12**	11,609.62
	Finished Goods	**9,492.87**	8,597.60
		25,655.34	22,688.46
	Add / (Less) : Excise Duty on Increase/ Decrease in Finished Goods	**61.74**	358.43
	Total	**(2,905.14)**	(1,448.83)
30	**Employee Benefits Expense**		
	(a) Salary, Wages and Bonus (Net)	**13,739.97**	12,843.99
	(b) Contribution to Provident and Other funds (Refer Note no.48)	**583.67**	497.18
	(c) Workmen and Staff Welfare Expenses	**1,133.16**	994.16
	Total	**15,456.80**	14,335.33
31	**Finance Costs**		
	(a) Interest on Term Loans	**158.72**	430.57
	(b) Interest Paid to Banks	**544.36**	877.77
	(c) Other Interest	**396.29**	425.60
	(d) Other Borrowing Costs	**67.87**	81.51
	Total	**1,167.24**	1,815.45
32	**Other Expenses**		
	Stores and Spare Consumed	**2,077.04**	1,979.43
	Power and Fue l	**4,505.71**	4,704.70
	Repairs :		
	(i) Building	**211.58**	175.46
	(ii) Machinery	**307.38**	254.84
	(iii) Others	**991.77**	1,061.66
	Labour Charges	**8,470.76**	7,380.19
	Rent (Refer Note no.41)	**4,808.84**	4,677.95
	Rates and Taxes	**1,149.02**	1,172.21
	Insurance	**258.17**	287.96
	Postage and Telephone Expenses	**694.17**	538.70
	Loss on Sale of Fixed Assets/ Discarded (Net)	**17.10**	251.53
	Packing Material Consumed	**1,948.13**	2,005.40
	Travelling and Conveyance Expenses	**1,747.78**	1,654.88
	Commission	**982.73**	1,163.17
	Advertisements and Sales Promotion Expense	**3,493.76**	2,038.32
	Computer Expenses	**632.32**	555.06
	Transportation and Forwarding Charges	**11,641.95**	10,244.42
	Security and Gaurds	**424.54**	440.61
	House Keeping Expenses	**401.68**	428.64
	Legal and Professional Fess	**818.53**	1,232.74
	Vehilcle Expenses	**767.44**	637.22

(₹ in lakhs)

	Year ended 31st March 2017	Year ended 31st March 2016
Printing and Staionery	**162.64**	110.11
Board Meeting Fees	**17.71**	25.20
Provision for Wealth Tax	**-**	0.53
Bad Debts written off	**73.60**	126.98
Provision for Doubtful Debts and Advances	**155.42**	185.89
Corporate Social Responsibility Expenses	**183.87**	199.07
Foreign Exchange Loss	**199.70**	45.27
Bank Charges	**270.03**	261.04
Sundry Expenses	**403.32**	414.02
Total	**47,816.69**	44,253.20

33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in lakhs)

	Year ended 31st March 2017	Year ended 31st March 2016
Current income tax	**5,640.47**	5,793.99
Adjustment in respect of current income tax of previous year	**0.32**	(59.01)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(277.74)**	(578.52)
Deferred tax expense	**(277.74)**	(578.52)
Tax expense for the year	**5,363.05**	5,156.46
Effective tax rate for the year	**31.04%**	32.21%

(b) Amounts recognised in other comprehensive income

Particulars	Year ended 31st March 2017			Year ended 31st March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	**10.65**	**(0.92)**	**9.73**	(16.75)	-	(16.75)
Items that will be reclassified to profit or loss			**-**			-
Effective portion of Gain/(loss) on hedging instruments in a cash flow hedge	**(7.10)**		**(7.10)**	(6.87)	-	(6.87)
	3.55	**(0.92)**	**2.63**	(23.62)	-	(23.62)

(C) Reconciliation of effective tax rate

	Year ended 31st March 2017	Year ended 31st March 2016
Profit before tax	**17,278.18**	16,008.14
Tax using the Company's domestic tax rate	**34.61%**	34.61%
Reduction in tax rate		
Tax effect of:		
differences in tax rates in foreign jurisdictions	**(0.15%)**	(0.22%)
Tax impact of income not subject to tax	**(1.61%)**	(1.48%)
Tax effects of amounts which are not deductible for taxable income	**1.58%**	1.04%
Tax deduction Under Chapter VI	**(3.02%)**	(1.67%)
Adjustment for currect tax of prior period	**0.00%**	(0.37%)
Others	**(0.37%)**	0.31%
	31.04%	32.21%

The applicable Indian corporate statutory rate for the year ended 31 March 2017 and 2016 is 34.61%.

33 Tax expense (continued)

(d) Movement in deferred tax balances

(₹ in lakhs)

	31st March, 2017								
	Net balance 1st April , 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net balance 31st March, 2016	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liabilities)									
Property, plant and equipment	(1,511.09)	52.08				3.89	(1,455.12)	-	(1,455.12)
Exchange Rate on Opening Closing balance	-						-		(3.58)
Employee benefits	344.93	84.31				76.57	505.81	505.81	-
Rent equilasation	60.56	34.50					95.06	95.06	-
Provision for Doubtful Debts / Advances	175.29	56.33					231.62	231.62	-
Other provisions	(102.81)	50.52	(0.92)	-	-	24.98	(28.23)	288.46	(316.69)
Tax assets (Liabilities)	**(1,033.12)**	**277.74**	**(0.92)**	**-**	**-**	**105.44**	**(650.86)**	**1,120.95**	**(1,771.81)**
Set off tax									
Net tax assets / (liabilities)	**(1,033.12)**	**277.74**	**(0.92)**	**-**	**-**	**105.44**	**(650.86)**	**1,120.95**	**(1,771.81)**

(e) Movement in deferred tax balances

	31 March, 2016								
	Net balance 1st April , 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net balance 31st March, 2016	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liabilities)									
Property, plant and equipment	(2,045.98)	534.89					(1,511.09)	-	(1,511.09)
Employee benefits	382.31	(37.38)					344.93	344.93	-
Rent equilasation	61.49	(0.93)					60.56	60.56	-
Provision for Doubtful Debts / Advances	115.20	60.09					175.29	175.29	-
Other provisions	(128.24)	21.85				3.58	(102.81)	-	(102.81)
Tax assets (Liabilities)	**(1,615.22)**	**578.52**	**-**	**-**	**-**	**3.58**	**(1,033.12)**	**580.78**	**(1,613.90)**
Set off tax									
Net tax assets / (liabilities)	**(1,615.22)**	**578.52**	**-**	**-**	**-**	**3.58**	**(1,033.12)**	**580.78**	**(1,613.90)**

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1) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

2) Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

3) As on 31st March 2017, the tax liability with respect to the dividends proposed is ₹. 119.85 lakhs (31st March, 2016 : ₹ Nil, 1st April, 2015 : ₹ 100.62 lakhs)

34 Significant accounting policies

a) Basis of preparation of Financial Statements:

The Consolidated Financial Statements comprise the financial statements of Nilkamal Limited ("the holding Company") and its subsidiaries ("the holding Company and its subsidiaries together referred as the group"). Company have been prepared in accordance accounting with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Rules 2016. For all periods up to and for the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Group's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Group's equity and its net profit is provided in Note no 50. The financial statements were authorised for issue by the Holding Company's Board of Directors on 11th May 2017.

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

b) Principles of Consolidation:

The consolidated financial statements comprise the financial statements of Nilkamal Limited ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred as "the Group") and jointly controlled entities.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

Joint ventures (equity accounted investees)

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

The financial statements of the subsidiaries and the jointly controlled entities used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company, i.e. 31st March 2017.

The Subsidiary Companies and Joint ventures considered in the consolidated financial statements are:

Name of the Company	**Country of Incorporation**	**% Ownership held as at 31st March, 2017**	% Ownership held as at 31st March, 2016
Subsidiaries: Nilkamal Eswaran Plastics Private Limited	Sri Lanka	76%	76%
Nilkamal Eswaran Marketing Private Limited	Sri Lanka	76%	76%
Nilkamal Crates and Bins FZE	Ajman, UAE,	100%	100%
Joint Ventures: Nilkamal Bito Storage System Private Limited	India	50%	50%
Cambro Nilkamal Private Limited	India	50%	50%

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

Functional and presentation currency

These financial statements are presented in Indian rupees in lakhs, which is the Holding Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company, i.e. 31st March 2017.

Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain consolidated financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

c) Use of Estimates and Judgements:

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Consolidated balance sheet and Consolidated statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of Property plant and equipment.**

  Useful lives of Property plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II for plant and machinery and dies and moulds, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

  All consolidated financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

  At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

  At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.

- **Segment reporting**

  Operating segments are reported in a manner consistent with the internal reporting. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

- **Fair value of financial instruments**

  Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts and interest rate swaps. Fair valued of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

d) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the Group.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cashsettled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the consolidated financial statements as the Group does not have any cash settled awards.

e) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in cosolidated profit or loss.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in consolidated profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

f) Depreciation

- Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for plant and machinery and Dies and moulds which is based on technical evaluation. Management believes that these useful lives best represent the period over which management expects to use these assets. Hence the useful life for plant and machinery of 10 years and for Dies and Moulds of 6 years for continuous running is different from the useful life as prescribed under Part C of Schedule II of the Companies Act 2013;
  - Useful life of property plant and equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate
  - Cost of leasehold land is amortised over the period of lease;
  - 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;

- Assets like mobile phones, telephone instruments, etc. are fully depreciated in the year of purchase / acquisition;

Individual assets except assets given on lease acquired for less than 15,000/- are depreciated entirely in the year of acquisition.

g) Intangible Fixed Assets

Intangible assets, which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

The cost of intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

h) Amortisation

Software (Intangible assets) are amortised over their estimated useful lives on a straight line basis but not exceeding the period of 36 months.

Models, Designs and other Commercial rights (intangible assets) are 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.

Useful life of Intangible assets are reviewed at each balance sheet date and adjusted prospectively, if appropriate

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Cash Flow Hedges

The Group uses derivative financial instrument such as forward contracts and cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

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

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is transferred to consolidated Statement of Profit and Loss for the year.

- **Financial assets**

Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 46.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

- **Financial liabilities**

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Valuation of Inventories:

Inventories of Raw Materials, Packing Materials, Stores and Spares, Work-in Progress, Traded goods and Finished goods are valued 'at cost and net realisable value' whichever is lower. Cost comprises all cost of purchase, appropriate direct production overheads and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formulae used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Group. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

k) 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, Employees' State Insurance Corporation, etc., are charged to the consolidated Statement of Profit and Loss as incurred.

Defined Benefit Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method.. 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.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

Other Long Term Employee Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the consolidated Statement of Profit and Loss in the year in which they arise.

l) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

m) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n) Recognition of Income and Expenditure:

i) Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

ii) Income from Services is recognised on completion of service.

iii) Revenue/Income and Cost/Expenditure are accounted on accrual as they are earned or incurred, except in case of significant uncertainties.

iv) Benefit on account of entitlement to import duty-free raw materials under advance license is estimated and accounted in the year of export as an adjustment to raw material consumption, provided there is a reasonable degree of certainty with regard to its ultimate realisation.

v) Liability for excise duty payable on stock in bonded warehouse at the year-end is provided for.

vi) Dividend income and keyman insurance policy refund is recognised when the right to receive the income is established.

vii) Interest income is recognised on an effective interest rate basis.

viii) Product warranty expenses are determined / estimated and provided for on the basis of the past experience of the Group.

o) Leases

i. Lease payments

Payments made under operating leases are recognised in consolidated statement of profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii. Lease assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

p) Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r) Taxation:

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

s) Government grants

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions.

Government grants related to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and netted off with the expense in the statement of profit and loss.

Government grants related to purchase of property plant and equipment are recognised as deferred income and are credited to profit or loss on a straight line basis over expected life of the related asset and presented within other income.

t) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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

a) Contingent liabilities :-

(₹ in lakhs)

		31st March, 2017	31st March, 2016	1st April, 2015
i)	Excise and Service Tax matters	**504.69**	203.26	190.88
ii)	Sales Tax matters *	**2,624.06**	1,918.38	1,616.48
iii)	Income Tax matters	**3.39**	4.16	4.16
iv)	On account of Cross Subsidy Surcharge on electricity	**9.38**	9.38	9.38

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

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

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,447.76 lakhs (31st March 2016 ₹ 975.66 lakhs, 1st April 2015 ₹ 312.26 lakhs).

36. Provision for warranty and other provisions:

(₹ in lakhs)

	31st March, 2017	**31st March, 2017**	31st March, 2016	31st March, 2016	1st April, 2015	1 stApril, 2015
	Warranty Provision	**Other Provisions**	Warranty Provision	Other Provisions	Warranty Provision	Other Provisions
Opening Balance	**514.62**	**75.00**	465.95	-	365.84	-
Additions	**624.65**	**35.00**	582.10	75.00	427.54	-
Utilisations / Reversals	**576.41**	**10.00**	533.43	-	327.43	-
Closing Balance	**562.86**	**100.00**	514.62	75.00	465.95	-

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

Other provisions are provisions in respect of probable claims, the outflow of which would depend on the cessation of the respective events.

37. Share capital

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

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

Name of the Shareholder	**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares held	**% of Holding**	No. of shares held	% of Holding	No. of shares held	% of Holding
Vamanrai V. Parekh	**1,033,558**	**6.93%**	1,795,462	12.03%	1,795,462	12.03%
Nilkamal Builders Private Limited	**1,464,000**	**9.81%**	1,464,000	9.81%	1,464,000	9.81%
Sharad V. Parekh	**577,204**	**3.86%**	1,292,908	8.66%	1,292,908	8.66%
Hiten V. Parekh	**1,594,105**	**10.68%**	1,209,962	8.11%	1,209,962	8.11%
Nayan S. Parekh	**1,900,277**	**12.73%**	1,201,473	8.05%	1,201,473	8.05%
Heirloom Finance Private Limited	**912,000**	**6.11%**	912,000	6.11%	912,000	6.11%
Manish V. Parekh	**1,191,658**	**7.99%**	814,415	5.45%	814,415	5.45%

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

Particulars	**2016-17**		2015-16		2014-15	
	Number	**₹ (in Lakhs)**	Number	₹ (in Lakhs)	Number	₹ (in Lakhs)
Shares outstanding at the beginning of the year	**14,922,525**	**1,492.25**	14,922,525	1,492.25	14,922,525	1,492.25
Shares issued during the year	**-**	**-**	-	-	-	-
Shares bought back during the year	**-**	**-**	-	-	-	-
Shares outstanding at the end of the year	**14,922,525**	**1,492.25**	14,922,525	1,492.25	14,922,525	1,492.25

38. Borrowings:

(A) Secured loans:

a) Working Capital loans :

Working capital facilities of ₹ 8,280.56 lakhs (31st March 2016 ₹ 7,444.72 lakhs, 1st April 2015 ₹ 12,523.90 lakhs) 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 Holding Company's immovable property and personal guarantee of Director/s. Working Capital Loans are repayable on Demand having Interest Rate from 9.30% p.a to 10.50% p.a (31st March 2016 9.30% p.a to 10.50% p.a)

b) Term Loans:

Term loans of Nil (31st March 2016 ₹ 3,055.71 lakhs, 1st April 2015 ₹ 8,178.90 lakhs) from the Banks are secured on first pari passu basis by way of Equitable mortgage created on Company's immovable properties situated at Sinnar (Maharashtra), Barjora (West Bengal), Noida (Uttar Pradesh), Vasona (UT of D & NH), Puducherry (UT), Kharadpada (UT of D & NH), Jammu (Jammu & Kashmir), Hosur (Tamil Nadu) together with all building and structures thereon and all Plant and Machinery, second pari passu charge by way of hypothecation of current assets of the Company. Also personal guarantee of a Director has been provided for the Term loans, except for a foreign currency loan of Nil (31st March 2016 ₹ 3,055.64 lakhs, 1st April 2015 ₹ 5,625.45 lakhs).

Subsidiary Companies

Lease Loans:

Lease loans of ₹ 14.83 lakhs (31st March 2016 ₹ Nil, 1st April 2015 ₹ 2.91 lakhs) is secured against the company specific assets.

c) Term of Repayment

Forein currency loan are repayable in equal quaterly/ half yearly installments last installment due on March, 2018 as per repayment schedules, having interst rate from 3 moths Libor + 1.50% p.a to 2.50% p.a which are reset periodicaly. These laons have been repaid and prepaid during the current year and hence balance assets 31st March, 2017 is ₹ Nil

(B) Commercial Paper balance outstanding at year end ₹ Nil (31st March 2016 ₹ Nil). Maximum balance outstanding during the year ₹ 5,000 lakhs (31st March 2016 ₹ 5,000 lakhs).

39. Cross Currency Interest Rate Swap:

Derivative Instruments outstanding at the Balance Sheet date:

1(a) Forward Contracts against imports:

Forward contracts to buy USD 24.55 lakhs (31st March 2016 USD 25.75 lakhs, 1st April 2015 USD 11.50 lakhs) amounting to 1,639.06 lakhs (31st March 2016 1,756.52 lakhs, 1st April 2015 727.47 lakhs).

Forward contracts to buy EURO Nil (31st March 2016 EURO 1.59 lakhs, 1st April 2015 EURO 1.40 lakhs)) amounting to Nil (31st March 2016 118.99 lakhs, 1st April 2015 108.48 lakhs).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from transactions like import of goods.

1(b) USD Floating rate/INR Fixed rate cross-currency interest rate swap (CCIRS):

Outstanding USD/INR Floating rate cross-currency interest rate swap Nil USD (31st March 2016 USD 46.12 lakhs, 1st April 2015 USD 72.67 lakhs) amounting to Nil (31st March 2016 3,055.64 lakhs, 1st April 2015 4,542.03 lakhs).

The above contracts had been undertaken to hedge against the foreign exchange exposure arising from foreign currency loan and interest thereon.

40. Related Party Disclosures:

Names of related parties and description of relationship

I	Joint Ventures	Nilkamal Bito Storage Systems Pvt. Ltd. Cambro Nilkamal Pvt. Ltd.
II	Key Management Personnel	Mr. Vamanrai V. Parekh, Chairman Mr. Sharad V. Parekh, Managing Director Mr. Hiten V. Parekh, Joint Managing Director Mr. Manish V. Parekh, President and Executive Director - Furniture Mr. Nayan S. Parekh, President and Executive Director -Material Handling **Independent Director:** Mr. K. R. Ramamoorthy Mr. Mahendra V. Doshi Mr. Mufazzal S. Federal Mr. S. K. Palekar Ms. Hiroo Mirchandani Mr. Krishnamurthi Venkataraman (w.e.f. November 5, 2016) Mr. Dadi B. Engineer (ceased w.e.f. May 30, 2016)
IV	Relatives of Key Management Personnel	Mrs. Dhruvi Nakul Kumar Mr. Mihir H. Parekh Ms. Priyanka H. Parekh
V	Enterprise owned or significantly influenced by key Management Personnel or their relatives, where transactions have taken place	Nilkamal Crates & Containers M. Tech Industries

40. Related Party Disclosures (Continued):

	Joint Venture	**Key Management Personnel**	**Relatives of Key Management Personnel**	**Enterprises owned or significantly influenced by key management personnel or their relatives**	**Total**	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2016-17	**2016-17**	**2016-17**	**2016-17**	**2016-17**	2015-16	2015-16	2015-16	2015-16	2015-16
Sales of Finished Goods / Others	**894.64**	**-**	**-**	**50.81**	**945.45**	989.71	-	-	28.83	1,018.54
Sales of Fixed Assets	**-**	**-**	**-**	**58.13**	**58.13**	4.95	-	-	-	4.95
Purchases of raw materials, intermediaries and finished goods	**854.85**	**-**	**-**	**585.92**	**1,440.77**	900.22	-	-	311.86	1,212.08
Paid for services and labour charges	**-**	**-**	**-**	**207.83**	**207.83**	-	-	-	253.32	253.32
Received for services & labour charges	**49.00**	**-**	**-**	**-**	**49.00**	26.40	-	-	-	26.40
Deputation Charges	**153.32**				**153.32**	150.29	-	-	-	150.29
Technical and Management fees	**552.96**	**-**	**-**	**-**	**552.96**	549.04	-	-	-	549.04
Dividend received	**131.40**	**-**	**-**		**131.40**	98.10	-	-	-	98.10
Purchase of fixed assets	**134.17**	**-**	**-**	**4.60**	**138.77**	3.12	-	-	-	3.12
Rent paid	**-**	**-**	**-**	**266.06**	**266.06**	-	-	9.84	251.16	261.00
Remuneration to Directors	**-**	**731.33**	**-**	**-**	**731.33**	-	1,068.90	-	-	1,068.90
Salary Paid	**-**	**-**	**34.57**	**-**	**34.57**	-	-	18.41	-	18.41
Board & Audit Committee fees	**-**	**17.60**	**-**	**-**	**17.60**	-	25.20	-	-	25.20
Rent Received	**7.92**	**-**	**-**	**-**	**7.92**	-	-	-	-	-
Reimbursement of Expenses	**100.96**	**-**	**-**	**85.38**	**186.34**	56.42	-	-	87.16	143.58
Balances Outstanding at the year end:										
Deposits Receivable	**-**	**-**	**-**	**720.00**	**720.00**	-	-	-	720.00	723.00
Other Receivables	**523.87**	**-**	**-**	**22.57**	**546.44**	177.47	-	-	-	177.47
Other Payables	**72.74**	**-**	**-**	**32.78**	**105.52**	138.34	-	-	28.24	166.58
For working capital facilities guarantee jointly given by Mr. Vaman Parekh, Mr. Sharad Parekh and Mr. Hiten Parekh	**-**	**8,280.56**	**-**	**-**	**8,280.56**	-	7,444.72		-	7,444.72

1. The remuneration paid to key managerial personal excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.
2. The sales to and purchases from ralated parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are unsecured.

41. (a) (i) Operating Lease in respect of Properties taken on Lease:

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

			(₹ in lakhs)
	Particulars	**2016-17**	2015-16
A	Lease payments recognised in the Statement of Profit and Loss (includes contingent rent of ₹ 222.70 lakhs (31st March 2016 ₹ 782.73 lakhs)	**4,160.48**	4,135.13
B	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	**1,196.98**	1,276.53
	ii) Later than one year and not later than 5 years	**2,718.80**	3,545.12
	iii) Later than 5 years	**156.65**	348.12

(ii) Operating Lease in respect of Other Assets taken on Lease: **(₹ in lakhs)**

	Particulars	**2016-17**	2015-16
A	Lease payments recognised in the Statement of Profit and Loss	**648.36**	480.11
b	Future minimum Lease Payments under non cancelable agreements.		
	i) Not later than one year	**670.75**	437.96
	ii) Later than one year and not later than 5 years	**1,182.62**	853.44
	iii) Later than 5 years	**-**	-

The agreement is executed with a non cancelable period upto 60 months (Previous Year 48 months).

(b) Assets given on Operating Lease:

The Company has leased out some of its Material Handling equipments. The lease term is in the range of 36-60 months. Rent income during the year ₹ 152.70 lakhs(31st March 2016 ₹ 228.24 lakhs) There is no escalation or renewal clause in the lease agreements and sub-letting is not permitted. The carrying amounts of equipments given on operating leases and depreciation thereon for the period are:

(₹ in lakhs)

	Particulars	**2016-17**	2015-16	2014-15
i)	Gross Carrying Amount	**61.55**	194.26	194.26
ii)	Depreciation for the Year	**8.01**	52.95	
iii)	Accumulated Depreciation	**16.02**	141.31	-
	The Total future Minimum rentals receivable at the Balance Sheet Date Is as Under			
i)	For a period not later than one year	**2.30**	3.60	76.42
ii)	For a period more than one year but not later than 5 years	**-**	-	-
iii)	For a period later than 5 years	**-**	-	-

42. Subsequent Events :

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

43. Disclosure of Specified Bank Notes :

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:-

(₹ in lakhs)

Particulars	**Specified Bank Notes**	**Other denomination Notes**	**Total**
Closing cash in hand as on 08.11.2016	102.59	74.91	177.50
(+) Permitted receipts*	-	661.70	661.70
(-) Permitted payments	-	126.93	126.93
(-) Amount deposited in Banks*	102.59	337.46	440.05
Closing cash in hand as on 30.12.2016	-	272.22	272.22

* The+se amolunts include ₹ 228,67 lakhs which have been directly deposited in the bank by the customers of the Company.

44. Corporate Social Responsibility

As required by As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company, The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

(a) Gross amount required to be spent by the Company during the year 2016-17 ₹ 183.80 lakhs (Previous year ₹109.85 lakhs).

(b) Amount spent during the year on:

Particulars	2016-17	2015-16	2014-15
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	183.87	199.07	-

45. Proposed Dividend:

The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 7 (Rupees seven only) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2017. The same amounts to ₹ 10,445.75 lakhs excluding dividend distribution tax of ₹ 119.85 lakhs.Same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

46. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

March 31, 2017 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Unquoted Equity Shares *	38.00		0.33	38.33				-
Employee Loans			376.47	376.47				-
Security Deposits			1,910.46	1,910.46		1,910.46		1,910.46
Other financial assets			282.44	282.44				-
Trade receivables			30,095.79	30,095.79				-
Cash and cash equivalents			1,329.01	1,329.01				-
Current investments	315.81			315.81				
Other bank balances			81.51	81.51				-
Loans			565.26	565.26		565.26		565.26
Other Current Financial Assets			64.17	64.17				-
	353.81	-	34,705.44	35,059.25	-	2,475.72	-	2,475.72
Financial liabilities								
Non-Current Borrowings			9.04	9.04		9.04		9.04
Current Borrowings			8,280.56	8,280.56				-
Trade and other payables			11,140.77	11,140.77				-
Other Non-Current financial liabilities			4,628.22	4,628.22		4,628.22		4,628.22
Other Current financial liabilities			2,335.39	2,335.39				-
	-	-	26,393.98	26,393.98	-	4,637.26	-	4,637.26

46. Financial instruments – Fair values and risk management (Contd.)

(₹ in lakhs)

31st March, 2016	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Unquoted Equity Shares *	32.00		0.32	32.32				-
Loans				-				-
Loans to Employees			372.30	372.30				-
Security Deposits			1,961.40	1,961.40		1,961.40		1,961.40
Other financial assets			146.04	146.04				-
Derivative asset	352.90			352.90		352.90		352.90
Current								
Trade receivables			26,908.55	26,908.55				-
Cash and cash equivalents			1,295.11	1,295.11				-
Other bank balances			293.55	293.55				
Current investments			912.17	912.17				
Loans			564.91	564.91		564.91		564.91
Other Current Financial Assets			76.91	76.91				-
	384.90	-	32,531.26	32,916.16	-	2,879.21	-	2,879.21
Financial liabilities								
Non-Current Borrowings			879.21	879.21		879.21		879.21
Current Borrowings			7,444.72	7,444.72				-
Trade and other payables			11,190.85	11,190.85				-
Other Non-Current financial liabilities			3,826.38	3,826.38		3,826.38		3,826.38
Other Current financial liabilities			4,747.02	4,747.02				-
	-	-	28,088.18	28,088.18	-	4,705.59	-	4,705.59

(₹ in lakhs)

	Carrying amount				Fair value			
1st April, 2015	**FVTPL**	**FVTOCI**	**Amotised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Investments				-				-
Unquoted Equity Shares *	26.70		0.32	27.02				-
Preference shares				-				-
Loans				-				-
Loans to Employees			341.28	341.28				-
Security Deposits			1,907.40	1,907.40		1,907.40		1,907.40
Other financial assets			112.42	112.42				-
Current				-				-
Current investments			462.26	462.26				-
Trade receivables			23,686.99	23,686.99				-
Cash and cash equivalents			1,447.66	1,447.66				-
Other bank balances			22.10	22.10				-
Loans			606.22	606.22		606.22		606.22
Security Deposits				-				-
Others				-				-
Derivative asset	333.55			333.55		333.55		333.55
Other Current financial assets			87.63	87.63				-
	360.25	-	28,674.28	29,034.53	-	2,847.17	-	2,847.17
Financial liabilities								
Non-Current Borrowings			4,394.16	4,394.16		4,394.16		4,394.16
Current Borrowings			12,523.90	12,523.90				-
Trade and other payables			9,419.27	9,419.27				-
Other Non-Current financial liabilities			3,529.76	3,529.76		3,529.76		3,529.76
Derivative liability				-				-
Other Current financial liabilities			4,624.32	4,624.32				-
	-	-	34,491.41	34,491.41	-	7,923.92	-	7,923.92

* The fair value in respect of the unquoted equity investments is equal to the cost of the investments as per the contractual aggrements.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Financial instruments measured at fair value

Type	Valuation technique
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Forward contracts	The fair value is determined using forward exchange rates at the reporting date.
Security Deposits	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Interest rate swaps	Present value of the estimated future cash flows based on observable yield curves

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Group, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

ii. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the gruop's standard payment and delivery terms and conditions are offered. Further for domestic sales, the group segments the customers into Distributors and Others for credit monitoring.

The group maintains security deposits for sales made to its distributo For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The group monitors each loans and advances given and makes any specific provision wherever required.

The group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

Impairment

At 31stMarch , 2017, the ageing of trade receivables was as follows.

(₹ in lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Neither past due nor impaired	14,901.23	13,328.09	12,640.87
Past due 1–90 days	11,672.51	10,989.83	9,008.59
Past due 91–180 days	1,761.20	1,593.46	1,193.38
Past due 181-365 days	1,450.19	1,046.61	620.01
Past due 366 days	1,002.44	491.91	579.60
	30,792.57	27,449.90	24,042.45

Management believes that the unimpaired amounts which are past due are collectible in full.

(₹ in lakhs)

	Trade receivables Impairments	Loans
Balance as at April 1, 2015	355.45	52.05
Impairment loss recognised	311.09	-
Balance written back	(125.19)	-
Amounts written off	-	-
Balance as at March 31, 2016	**541.35**	**52.05**
Impairment loss recognised	431.91	-
Balance written back	(276.48)	-
Amounts written off	-	-
Balance as at March 31, 2017	**696.78**	**52.05**

Cash and cash equivalents and other Bank balances

The group held cash and cash equivalents and other bank balances of ₹ 1,410.52 lakhs as on 31st 2017 (31st March 2016 : ₹ 1,588..67 lakhs and 1st April, 2015 :₹ 1,469.76 lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

Derivatives

The derivatives are entered into with bank, counterparties with good credit rating.

Loans and Advances:

The group held Loans and advances of ₹ 3,198.80 lakhs as on 31st March 2017 (31st March 2016 :₹ 3,474.46 lakhs and 1st April, 2015 : ₹ 3,388.50 lakhs). The loans and advances are in nature of rent deposit paid to landlords, bank deposits with maturity more than twelve months and others and are fully recoverable.

iii. Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

As of 31st March, 2017, 31st March, 2016 and 1st April, 2015 the Company had unutilized credit limits from banks of ₹ 13,280 lakhs, ₹ 18,145 lakhs and ₹ 8,284 lakhs respectively.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

(₹ in lakhs)

	Contractual cash flows						
31st March, 2017	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Foreign currency term loans from banks	-	-	-				
Working Capital Borrowings	8,280.56	8,280.56	8,280.56				
Trade and other payables	9,501.71	9,501.71	9,501.71				
Other financial liabilities	2,335.39	2,335.39	2,335.39				
Derivative financial liabilities							
Interest rate swaps		-					
Forward exchange contracts used for hedging							
- Outflow	1,639.06	1,639.06	1,639.06				
- Inflow	-	-	-				

(₹ in lakhs)

	Contractual cash flows						
31st March, 2016	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Foreign currency term loans from banks	-	-					
Working Capital Borrowings	7,444.72	7,444.72	7,444.72				
Trade and other payables	9,315.54	9,315.54	9,315.54				
Other financial liabilities	2,570.59	2,570.59	2,570.59				
Derivative financial liabilities							
Interest rate swaps	3,055.64	3,055.64	1,088.21	1,088.21	879.22		
Forward exchange contracts used for hedging		-					
- Outflow	1,875.31	1,875.31	1,875.31				
- Inflow	-	-	-				

(₹ in lakhs)

	Contractual cash flows						
1st April, 2015	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Rupee term loans from banks	2,553.45	2,553.45	792.22	792.22	532.00	437.01	
Foreign currency term loans from banks	1,083.42	1,083.42	270.85	270.86	541.71		
Working Capital Borrowings	12,523.90	12,523.90	12,523.90				
Trade and other payables	8,583.32	8,583.30	8,583.30				
Other financial liabilities	839.58	839.58	839.58				
Derivative financial liabilities							
Interest rate swaps	4,542.03	4,542.03	829.29	829.29	1,658.59	1,224.86	
Forward exchange contracts used for hedging		-					
- Outflow	835.95	835.95	835.95				
- Inflow							

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the group is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk(Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 are as below:

	31st March, 2017				
	USD	EURO	SGD	GBP	JPY
Financial assets					
Trade and other receivables	1,321.85	215.46	-	12.14	31.81
	1,321.85	215.46	-	12.14	31.81
Financial liabilities					
Trade and other payables	1,390.38	124.70	-	-	-
Forecasted Purchase	201.68				
Less: Forward contracts	(1,592.07)	-			
	-	124.70	-	-	-
Net Exposure	**1,321.85**	**90.76**	**-**	**12.14**	**31.81**

	31st March, 2016				
	USD	EURO	SGD	GBP	JPY
Financial assets					
Trade and other receivables	1,163.20	111.14		19.97	
Other Current financial assets	2.00				
	1,165.20	111.14	-	19.97	-
Financial liabilities					
Long term borrowings	3,079.60				
Less: Cross currency interest rate swap	(3,079.60)				
Trade and other payables	1,402.25	175.40			6.51
Forecasted Purchase	317.18				
Less: Forward contracts	(1,719.42)	(120.21)			
	-	55.19	-	-	6.51
Net Exposure	**1,165.20**	**55.95**	**-**	**19.97**	**(6.51)**

	1st April, 2015				
	USD	EURO	SGD	GBP	JPY
Financial assets					
Trade and other receivables	658.09	56.20	4.51	3.14	0.02
	658.09	56.20	4.51	3.14	0.02
Financial liabilities					
Long term borrowings	5,630.06				
Less: Cross currency interest rate swap	(4,542.03)				
Trade and other payables	546.74	36.13	3.61		3.16
Forecasted Purchase	172.66	57.54			
Less: Forward contracts	(719.40)	(93.67)			
	1,088.03	-	3.61	-	3.16
Net Exposure	**(429.94)**	**56.20**	**0.90**	**3.14**	**(3.14)**

The following significant exchange rates have been applied during the year.

	Year-end spot rate		
INR	31st March, 2017	31st March, 2016	1st April, 2015
USD 1	64.85	66.77	62.56
EUR1	69.28	75.61	66.90
JPY100	0.60	0.59	0.52
SGD1	-	-	45.10
GBP1	80.95	95.10	104.67

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign Currency against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	31st March, 2017		31st March, 2016	
	Profit or loss		Profit or loss	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
USD - 3% Movement	39.66	(39.66)	34.96	(34.96)
EUR - 3% Movement	2.72	(2.72)	1.68	(1.68)
SGD - 3% Movement	-	-	-	-
JPY - 3% Movement	0.95	(0.95)	(0.20)	0.20
GBP - 3% Movement	0.36	(0.36)	0.60	(0.60)
	43.70	(43.70)	37.04	(37.04)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the group's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Borrowings			
Fixed rate borrowings	14.83	0.07	2,556.36
Variable rate borrowings	8,280.56	10,500.36	18,149.35
Less: Interest rate Swaps	-	(3,055.64)	(4,542.03)
Total	8,295.39	7,444.79	16,163.68

Fair value sensitivity analysis for fixed-rate instruments

The group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under theses swaps, the group agrees with other parties to exchange, the difference between fixed contract rates and floating rates interest amounts calculated by reference to the agreed notional principal amounts.

A change of 50 basis points in interest rates would have increased or decreased the equity by ₹ Nil after tax (31st March, 2016 : ₹ 7.26 lakhs).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or (loss)	
INR	**100 bp increase**	**100 bp decrease**
March 31, 2017		
Variable-rate instruments	(82.81)	82.81
Interest rate swaps	-	-
Cash flow sensitivity (net)	(82.81)	82.81
March 31, 2016		
Variable-rate instruments	(74.45)	74.45
Interest rate swaps	30.56	(30.56)
Cash flow sensitivity (net)	(43.89)	43.89

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

47 For the purpose of the group's capital management, capital includes issued capital and other equity reserves. The primary objective of the group's Capital Management is to maximise shareholders value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

	INR		
	As at 31st March, 2017	**As at 31st March, 2016**	**As at 1st April, 2015**
Non-Current Borrowings	9.04	879.21	4,394.16
Current Borrowings	8,280.56	7,444.72	12,523.90
Current maturity of long term debt	5.79	2,176.50	3,787.65
Gross Debt	8,295.39	10,500.43	20,705.71
Total equity	74,192.57	62,751.53	53,305.29
Adjusted Net debt to equity ratio	0.11	0.17	0.39

48. Employee Benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised ₹ 523.52 lakhs for year ended 31st March, 2017 (₹ 446.26 lakhs for year ended 31st March, 2016) provident fund contributions in the Consolidated Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

Particulars	Gratuity		
	31st March, 2017	31st March, 2016	1st April, 2015
Defined benefit obligation	**1,562.14**	1,315.20	1,099.84
Fair value of Plan Assets at the end of the year	**(1,226.69)**	(958.30)	(570.88)
Net Obligation at the end of the year	335.45	356.90	528.96

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ in lakhs)

	Gratuity								
	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Opening balance	1,315.20	1,099.84	883.67	958.30	570.88	355.47	356.90	528.96	528.20
Included in profit or loss				70.78	57.43	38.74	(70.78)	(57.43)	(38.74)
Current service cost	176.64	203.95	160.79				176.64	203.95	160.79
Past service cost							-	-	-
Interest cost (income)	91.32	83.03	63.85				91.32	83.03	63.85
	1,583.16	**1,386.82**	**1,108.31**	**1,029.08**	**628.31**	**394.21**	**554.08**	**758.51**	**714.10**
Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:				47.61	(20.01)	26.67	(47.61)	20.01	(26.67)
Demographic assumptions									
Financial assumptions									
Experience adjustment	44.94	(2.00)	39.35				44.94	(2.00)	39.35
Return on plan assets excluding interest income							-	-	-
	1,628.10	**1,384.82**	**1,147.66**	**1,076.69**	**608.30**	**420.88**	**551.41**	**776.52**	**726.78**
Other									
Contributions paid by the employer	-	-	-	150.00	350.00	150.00	(150.00)	(350.00)	(150.00)
Benefits paid	(65.96)	(69.62)	(47.82)	-	-	-	(65.96)	(69.62)	(47.82)
Closing balance	1,562.14	1,315.20	1,099.84	1,226.69	958.30	570.88	335.45	356.90	528.96
Represented by									
Net defined benefit asset							(1,226.69)	(958.30)	(570.88)
Net defined benefit liability							1,562.14	1,315.20	1,099.84
							335.45	356.90	528.96

C. Plan assets

Plan assets comprise the following:

	31st March, 2017	31st March, 2016	1st April, 2015
Fund managed by Insurance Company	**1,226.69**	958.30	570.88
	1,226.69	958.30	570.88

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31st March, 2017	31st March, 2016	1st April, 2015
Discount rate	**6.85%-11% p.a.**	7.70%-10 % p.a.	8.00% p.a.
Expected Rate of Return on Plan Assets	**6.85%p.a.**	9.00% p.a.	9.00% p.a.
Salary escalation rate	**7.00%-10 % p.a.**	7.00%-12 % p.a.	7.00%-10 % p.a.
Employee Turnover	**5.00% -10 % p.a.**	5.00% -10 % p.a.	5.00% -10 % p.a.
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2017		31st March, 2016	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**1,273.98**	**1,554.45**	1,047.63	1,277.67
Future salary growth (1% movement)	**1,552.70**	**1,273.03**	1,277.30	1,046.07
Rate of employee turnover (1% movement)	**1,401.23**	**1,404.54**	1,156.68	1,149.53

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at 31st March, 2017 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2017, i.e. ₹ 150 lakhs

Expected future benefit payments

	₹ In lakhs
March 31, 2018	116.98
March 31, 2019	83.05
March 31, 2020	65.74
March 31, 2021	68.17
March 31, 2022	96.67
Thereafter	212.66

Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹ 220.48 lakhs (31st March, 2016 ₹ 259.23 lakhs) and is included in Note 23 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 512.47 lakhs (31st March, 2016 ₹ 416.22 lakhs and 1st April,2015 ₹ 375.31 lakhs) and current provision aggregates ₹ 282.13 lakhs (31st March, 2016 ₹ 312.39 lakhs and 1st April, 2015 ₹ 248.15 lakhs).

49. Hedge accounting

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly probable forecast purchases and foreign currency borrowings. The Company uses forward exchange contracts to hedge its currency risk and cross currency interest rate swap to hedge its interest rate and currency risk related to foreign currency borrowings. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

a. Disclosure of effects of hedge accounting on financial position

i) Cash flow hedge - Forward exchange contracts

31st March, 2017 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	21.00			Assets	April 2017 - May 2017	1:1	66.76	(35.24)	35.24
Forward exchange forward contracts				Other non-current financial assets					
		-	-	Other current financial assets					
				Liabilities					
				Other non-current financial liabilities					
		-	35.24	Other current financial liabilities					

ii) Cash flow hedge - Cross Currency Interest Rate Swaps (CCIRS)

31st March, 2016 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge	46.12			Assets	March 2017 - March 2018	1:1	57.56	19.35	(19.35)
Cross Currency Interest Rate Swap		-	-	Other non-current financial assets					
		352.90	-	Other current financial assets					
			-	Liabilities					
		-	-	Other non-current financial liabilities					
		-	-	Other current financial liabilities					

The CCRIS also converts the Company's floating rate exposure (all coupon payments) on the hedged item (Foreign Currency Borrowing) into a fixed rate exposure. Refer note 37 for contractual payment details.

1st April, 2015 (₹ in lakhs)

Type of hedge and risks	Nominal Value (USD in lakhs)	Carrying amount of hedging instrument (in INR)			Maturity date	Hedge ratio	Weighted Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Cash flow hedge				Assets	March 2017 - March 2018	1:1	57.42	NA	NA
Cross Currency Interest Rate Swap		-	-	Other non-current financial assets					
		333.55	-	Other current financial assets					
				Liabilities					
	72.67	-	-	Other non-current financial liabilities					
		-		Other current financial liabilities					

b. Disclosure of effects of hedge accounting on financial performance

31st March, 2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	7.10	-	13.18	Foreign exchange loss
31st March, 2016	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	6.87	-	12.48	Foreign exchange gain

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting

Movements in cash flow hedging reserve	
Balance at 1st April 2015	(20.05)
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	6.87
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax	-
As at 31st March, 2016	(13.18)
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	(7.10)
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax	-
As at 31st March, 2017	**(20.28)**

50 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

a) Profit attributable to Equity holders of Company

(₹ in lakhs)

	31st March, 2017	31st March, 2016
Profit attributable to equity holders of the Company:		
Continuing operations	**12,253.32**	11,406.41
Profit attributable to equity holders of the Company for basic earnings	**12,253.32**	11,406.41
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**12,253.32**	11,406.41

b) Weighted average number of ordinary shares

(₹ in lakhs)

	31st March, 2017	31st March, 2016
Issued ordinary shares at April 1	**1,492.25**	1,492.25
Effect of shares issued for cash	**-**	-
Weighted average number of shares at March 31 for basic and Diluted EPS	**1,492.25**	1,492.25

c) Basic and Diluted earnings per share

(Amount in ₹)

	31st March, 2017	31st March, 2016
Basic earnings per share	**82.11**	76.44
Diluted earnings per share	**82.11**	76.44

51. SEGMENT INFORMATION

Segment Wise Revenue, Results and Other Information

A) Business Segment:

The Group has organized businesses into 2 categories viz Plastics and Lifestyle Furniture, Furnishings and Accessories. Accordingly the Company has reported its segmental results for these categories. This change complies with the Ind AS segment reporting principles and is made effective from 1 April 2016. The comparative figures for the previous periods for segment reporting have been restated to conform to the new segments.

(₹ in lakhs)

	Particulars	2016-17			2015-16		
		Plastics	**Lifestyle Furniture, Furnishings & Accessories**	**Total**	Plastics	Lifestyle Furniture, Furnishings & Accessories	Total
1	**Revenue from Operations**	195,182.49	23,294.40	218,476.89	184,027.16	23,576.49	207,603.65
	Less: Inter Segment Revenue	**2,260.76**		**2,260.76**	1,608.40		1,608.40
	Net Revenue from Operations	**192,921.73**	**23,294.40**	**216,216.13**	182,418.76	23,576.49	205,995.25
2	**Segment Result before Tax & interest**	**18,742.21**	**318.96**	**19,061.17**	20,183.09	(1,205.41)	18,977.68
	Less: Unallocated expense(Net of Unallocated Income)			**615.75**			1,154.09
	Operating Profit			**18,445.42**			17,823.59
	Less: Finance Costs			**1,167.24**			1,815.45
	Profit Before Share of profit of equity accounted investee and income tax			**17,278.18**			16,008.14
	Share of net profit from Joint venture			**519.43**			744.84
	Net Profit before Tax			**17,797.61**			167,52.98
	Less: Provision for Taxes(Net)			**5,363.05**			5,156.46
	Net Profit after tax			**12,434.56**			11,596.52
	Less; Non Controlling Interests			**181.24**			190.11
	Profit for the Year			**12,253.32**			11,406.41
3	**Other Information**						
	Segment Assets	**94,007.02**	**9,503.89**	**103,510.91**	83,464.25	10,325.48	93,789.73
	Add: Unallocated Assets			**5,802.20**			5,983.58
	Total Assets			**109,313.11**			99,773.31
	Segment Liabilities	**20,946.97**	**3,849.64**	**24,796.61**	19,928.85	3,846.14	23,774.99
	Add: Unallocated Liabilities			**9,600.85**			12,525.89
	Total liabilities			**34,397.46**			36,300.88
	Capital Expenditure	**7,923.57**	**15.64**	**7,939.21**	3,705.66	91.69	3,797.35
	Depreciation and Amortisation	**4,365.85**	**688.55**	**5,054.40**	4,744.95	997.42	5,742.37
	Significant Non Cash Expenses other than Depreciation and Amortisation	**272.72**	**56.00**	**328.72**	320.57	(5.02)	315.55

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

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Holding Company.

B) **Geographical Segment:**

Although the Group's operations are managed by product area, we provide additional information based on geographies.

(₹ in lakhs)

		Year Ended 31st March, 2017			Year Ended 31st March, 2016		
Sr. No.	**Particulars**	**India**	**Rest of The World**	**Total**	**India**	**Rest of The World**	**Total**
1	Segment Revenue(Net Sales)	200,736.55	15,479.58	216,216.13	190,491.65	15,503.60	205,995.25
2	Carrying cost of Segment Assets	99,050.25	4,460.66	103,510.91	88,699.23	5,090.50	93,789.73

C) Revenue from Major Customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer

52. Investment in Joint Ventures

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

The Holding Company has no material Joint Ventures as at March 31, 2017. The aggregate summarized financial information in respect of the Company's immaterial associate that is accounted for using the equity method is set forth below.

(₹ in lakhs)

Particulars	31st March, 2017	31st March, 2016
Carrying amount of the Company's interest in Joint Ventures	3,803.01	3,407.01
Company's share of profit/(loss) in Joint Ventures	519.43	744.84
Company's share of other comprehensive income in Joint Ventures	-	-
Company's share of total comprehensive income in Joint Ventures	519.43	744.84

53. Transition to Ind AS:

For the purposes of reporting as set out in Note 34, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 34 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the "transition date").

In preparing the opening Ind AS balance sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

B. Exemptions and exceptions availed

B.1 Ind AS mandatory exceptions

B.1.1Estimates

The estimates at 1st April 2015 and 31st march 2016 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

1. Investment in equity instruments carried at FVTPL;

B.1.2Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B.2 Ind AS optional exemptions

B.2.1 Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the IGAAP

B.2.2 Deemed cost for investments in subsidiaries and Joint Ventures

The Company has elected to continue with the carrying value of its investments in subsidiaries and Joint Ventures as recognised in the financial statements as at the date of transition to Ind AS.

Accordingly, the Company has measured all its investments in subsidiaries and Joint Ventures at their IGAAP carrying value.

C. Reconciliation between IGAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliation from IGAAP to Ind AS

1. Reconciliation of equity as at 1st April, 2015

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS From propportionate Consolidation method to Equity method	Effects of transition to Ind AS	Amount as per Ind AS
(1) Non-current assets					
(a) Property, Plant and Equipment	5	30,392.93	835.00	198.00	29,755.93
(b) Capital work-in-progress		122.63	-	-	122.63
(c) Other Intangible assets		205.42	0.82	-	204.60
(d) Invesments in Joint Ventures		-	(2,760.74)	-	2,760.74
(e) Financial Assets				-	
(i) Other Investments		27.02	-	-	27.02
(ii) Loans	8	3,022.66	52.75	(721.23)	2,248.68
(iii) Other finacial assets	6	462.01	-	(16.04)	445.97
(f) Advance Tax Assets (Net)		549.42	3.84	-	545.58
(g) Other non-current assets	8,3	1,360.67	9.07	660.52	2,012.12
Total non current assets		**36,142.73**	**(1,859.27)**	**121.25**	**38,123.25**
(2) Current Assets					
(a) Inventories	5	29,236.05	783.11	(198.00)	28,254.94
(b) Financial Assets					
(i) Trade receivables		24,715.51	1,028.52	-	23,686.99
(ii) Cash and cash equivalents		1,584.79	137.13	-	1,447.66
(iii) Bank balances other than above		462.50	440.40	-	22.10
(iv) Current Investments		462.26	-	-	462.26
(v) Loans		615.66	9.44	-	606.22
(vi) Other Financial Assets		87.63	-	-	87.63
(c) Current Tax Assets (Net)		4.91	-	-	4.91
(d) Other current assets	6	3,607.13	116.49	0.97	3,491.61
Total current assets		60,776.44	2,515.09	(197.03)	58,064.32
TOTAL ASSETS		**96,919.20**	**655.83**	**(75.78)**	**96,187.59**
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital		1,492.25	-	-	1,492.25
(b) Other equity	1,3,5,6,8	51,005.15	(50.16)	757.73	51,813.04
Total equity		**52,497.40**	**(50.16)**	**757.73**	**53,305.29**

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS From propportionate Consolidation method to Equity method	Effects of transition to Ind AS	Amount as per Ind AS
(2) Non-Controlling Intrests		622.14	-	1.64	623.78
(3) Non current liabilities					
(a) Financial liabilities					
(i) Borrowings		4,394.16	-	-	4,394.16
(ii) Other financial liabilities		3,529.76	-	-	3,529.76
(b) Provisions		839.40	26.50	-	812.90
(c) Deferred tax liabilities (net)		1,686.98	8.74	(63.02)	1,615.22
(d) Other non-current liabilities		177.68	-	-	177.68
Total non current liabilities		**10,627.98**	**35.24**	**(63.02)**	**10,529.72**
(4) Current liabilities					
(a) Financial liabilities					
(i) Borrowings		12,721.38	197.48	-	12,523.90
(ii) Trade payables		9,643.61	224.34	-	9,419.27
(iii) Other financial liabilities		4,636.36	12.04	-	4,624.32
(b) Other current liabilities		3,806.54	167.36	-	3,639.18
(c) Provisions	1	2,334.77	44.23	(772.13)	1,518.41
(d) Current tax Liabilities (net)		29.02	25.30	-	3.72
Total Current liabilities		**33,171.68**	**670.75**	**(772.13)**	**31,728.80**
TOTAL EQUITY AND LIABILITIES		**96,919.20**	**655.83**	**(75.78)**	**96,187.59**

2. **Reconciliation of equity as at March 31, 2016**

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS From propportionate Consolidation method to Equity method	Effects of transition to Ind AS	Amount as per Ind AS
(1) Non-current assets					
(a) Property, Plant and Equipment	5	27,507.00	744.34	398.11	27,160.77
(b) Capital work-in-progress		451.37	-	-	451.37
(c) Other Intangible assets		115.96	-	-	115.96
(d) Invesments in Joint Ventures		-	(3,407.01)	-	3,407.01
					(₹ in lakhs)
(e) Financial Assets			-	-	
(i) Other Investments		32.32	-	-	32.32
(ii) Loans	8	3,034.43	28.27	(672.46)	2,333.70
(iii) Other fianacial asssets	6	534.18	-	(35.24)	498.94
(f) Other non-current assets	8,3	1,728.64	49.57	570.18	2,249.25
Total non current assets		**33,403.90**	**(2,584.83)**	**260.59**	**36,249.32**
(2) Current Assets					
(a) Inventories	5	31,594.01	883.74	(249.78)	30,460.49
(b) Financial Assets		-		-	
(i) Trade receivables		28,553.34	1,644.79	-	26,908.55

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS From propportionate Consolidation method to Equity method	Effects of transition to Ind AS	Amount as per Ind AS
(ii) Cash and cash equivalents		1,554.72	259.61	-	1295.11
(iii) Bank balances other than above		494.25	200.70	-	293.55
(iv) Current Investments		1,066.08	153.91	-	912.17
(v) Loans		577.00	12.09	-	564.91
(vi) Other fiancial assets		76.91	-	-	76.91
(c) Current Tax assets (Net)		27.95	-	-	27.95
(d) Other current assets	6	3,091.33	138.54	32.56	2,984.35
Total current assets		**67,035.59**	**3,293.38**	**(217.22)**	**63,523.99**
TOTAL ASSETS		**100,439.49**	**709.55**	**43.37**	**99,773.31**
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital		1,492.25	-	-	1,492.25
(b) Other equity	1,3,5,6,8	61,129.75	(62.47)	67.06	61,259.28
Total equity		62,622.00	(62.47)	67.06	62,751.53
(2) Non controling interest		**719.84**	**-**	**1.06**	**720.90**
(3) Non current liabilities					
(a) Financial liabilities					
(i) Borrowings		879.21	-	-	879.21
(ii) Other financial liabilities		3,826.38	-	-	3,826.38
(b) Provisions		698.24	36.92	-	661.32
(c) Deferred tax liabilities (net)		1,055.27	(2.60)	(24.75)	1,033.12
(d) Other non-current liabilities		180.36	-	-	180.36
Total non current liabilities		6,639.46	34.32	(24.75)	6,580.39
(4) Current liabilities					
(a) Financial liabilities					
(i) Short term borrowings		7,539.53	94.81	-	7,444.72
(ii) Trade payables		11,558.72	367.87	-	11,190.85
(iii) Other financial liabilities		4,796.64	49.62	-	4,747.02
(b) Other current liabilities		3,876.29	154.94	-	3,721.35
(c) Short-term provisions		2,097.00	70.44	-	2,026.56
(d) Liabilities for current tax (net)		590.01	0.02	-	589.99
Total Current liabilities		30,458.19	737.70	-	29,720.49
TOTAL EQUITY AND LIABILITIES		**1,00,439.49**	**709.55**	**43.37**	**99,773.31**

3. Reconciliation of profit or loss for the year ended 31 March 2016

(₹ in lakhs)

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS From propportionate Consolidation method to Equity method	Effects of transition to Ind AS	Amount as per Ind AS
Revenue					
I. Revenue from Operations	7	2,14,000.93	6,643.66	(1,362.02)	2,05,995.25
II. Other income	8	310.52	(64.85)	49.60	325.77
III. Total Income (I+II)		2,14,311.45	6,578.81	(1,312.42)	2,06,321.02
IV. Expenses					
Cost of materials consumed		70,286.36	2,811.12	-	67,475.24
Purchase of Traded Goods		45,481.62	450.00	-	45,031.62
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(1,594.90)	(146.07)	0.00	(1,448.83)
Excise Duty		13,669.82	320.34	(0.00)	13,349.48
Employee Benefits Expenses	4	14,845.95	529.43	18.81	14,335.33
Finance costs		1,804.17	17.10	28.38	1,815.45
Depreciation and Amortization Expenses	5	5,633.92	176.20	43.67	5,501.39
Other Expenses	5,7,8	47,270.92	1,475.10	(1,542.62)	44,253.20
Total Expenses		1,97,397.86	5,633.22	(1,451.76)	1,90,312.88
V. Profit/(loss) before Share of Profits of Equity accounted investee and Income Tax (III- IV)		16,913.59	945.59	139.34	16,008.14
VI Shares of Profit / (Loss) in Joint Ventures			-	(744.84)	744.84
VII Profit before Tax		16,913.59	945.59	(605.50)	16,752.98
VIII. Tax expense:					
1. Current Tax		6,082.46	288.47	-	5,793.99
2. Deferred Tax		(631.73)	5.76	47.45	(578.52)
3. Tax for Earlier years		(58.91)	0.10	-	(59.01)
Total Income Tax Expenses		5,390.44	292.95	47.45	5,156.46
IX.Profit/(Loss) for the period		11,523.15	652.64	(652.95)	11,596.52
X) Less: Share of Non-Controlling Interest		191.50	-	(1.39)	190.11
Profit after non-controlling interst		11,331.65	652.64	(651.56)	11,406.41
XI) Other Cmprenensive Income					
A (i) Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability (asset)	4	-	-	(16.75)	(16.75)
		-	-	(16.75)	(16.75)
B (i) Items that will be reclassified to profit or loss					
Effective portion of cash flow hedge reserve		6.87	-	-	6.87
Other comprehensive income (net of tax)		6.87	-	(16.75)	(9.88)
XII) Total comprehensive income for the period		11,338.52	652.64	(668.31)	11,396.53

4 **Adjustments to Statement of Cash Flows**

There were no material diffrences between the statement of Cash Flows presented under Ind AS and IGAAP

1 **Proposed dividend**

Under the IGAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of the financial statements were considered to be an adjusting event and accordingly recognised (alongwith related dividend distribution tax) as liabilities at the reporting date. Under Ind AS dividends so proposed by the Board are considered to be non adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under IGAAP has been reversed.

(₹ in lakhs)

	As at 1st April 2015
Provisions - proposed dividend including dividend distribution tax	772.13
Adjustment to retained earnings	772.13

2 **Excise duty**

Under IGAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016. The total comprehensive income for the year ended and equity as at 31 March 2016 has remained unchanged.

(₹ in lakhs)

	Year ended 31st March 2016
Revenue from operations	13,349.48
Other expenses	13,349.48

3 **Borrowings at amortised cost**

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using effective interest method.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	Year ended 31st March 2016
Finance cost			28.38
Other Equity (Retained earnings)	47.09	-	
Other non-current assets	47.09	18.71	

4 **Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under IGAAP the Company recognised actuarial gains and losses in profit and loss. However this has no impact on the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.

(₹ in lakhs)

	Year ended 31st March 2016
Employee Benefit Expenses	(18.81)
Other Comprehensive Income	(18.81)

5 **Property Plant and Equipment**

Under Ind AS, Items such as stores and spares and standby equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Under IGAAP the Company classified all such items as inventory.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	year ended 31st March 2016
Property Plant and Equipment	198.00	398.11	200.11
Inventory	(198.00)	(249.78)	51.78
Depreciation & Amortisation Expenses	-	-	43.67
Stores Sparesparts Consumed	-	-	191.25

53. First-time adoption of Ind AS (Continued)

6 Forward contracts

Under IGAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date is provided for. Under Ind AS, fiar value changes in foreign exchange forward contracts are recognised in profit and loss. Derivative assets and derivative liabilities are presented on gross basis.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	year ended 31st March 2016
Other Equity (Retained earnings)	(15.07)		
Foreign exchange (gain)/ loss			12.26
Other Current Assets	0.97	32.56	
Other financial assets(non Current)	(16.04)	(35.24)	

7 Revenue recognition

Under IGAAP, revenue is recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any discounts, rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions and incentives given to customers, cash discount, promotional couponing and trade communication costs which have been reclassified from 'Advertising and sales promotion' within other expenses under IGAAP and netted from revenue under Ind AS.

(₹ in lakhs)

Statement of profit and loss	year ended 31st March 2016
Revenue from operations	(1,362.02)
Other expenses	(1,362.02)

8 Security deposit

Under IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'. Under IGAAP, lease payments are required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease payments which are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as an expense in line with its contractual term. Accordingly, the provision for scheduled increases on operating lease recognised under IGAAP has been written back under Ind AS.

(₹ in lakhs)

	As at 1st April 2015	As at 31st March 2016	For the year ended 31st March 2016
Other financial assets (Non-current)	(721.23)	(672.46)	
Other non-current assets	613.43	551.48	
Other Equity (Retained earnings)	(107.80)	(120.98)	
Other income	-		49.60
Other expenses	-		62.78

54. Additional Information to be given as required under Schedule III of to the 2013, of enterprises consolidated as Subsidiary and Joint Venture

Sr. No.	Name of the Entity	31st March ,2017								31st March,2016						
		Net Assets i.e Total Assets minus Total Liabilities		Share in Profit		Other Comprehensive Income		Total Comprehensive Income		Net Assets i.e Total Assets minus Total Liabilities		Share in Profit		Other Comprehensive Income	Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	As % of consolidated Total Comprehensive income	Amount
	Nilkamal Limited	89.49%	67,045.41	87.66%	10,741.19	100.00%	2.63	87.66%	10,743.82	88.03%	55,874.24	84.13%	9,596.35	100.00%	84.10%	9,572.72
	Foreign Subsidiaries															
1	Nilkamal Eswaran Plastics Private Limited	3.00%	2,249.93	4.68%	572.87			4.67%	572.87	3.53%	2,241.54	5.16%	588.55	0.00%	5.17%	588.55
2	Nilkamal Eswaran Marketing Private Limited	0.08%	58.46	0.09%	10.88			0.09%	10.88	0.08%	52.05	0.13%	15.16	0.00%	0.13%	15.16
3	Nilkamal Crates and Bins FZE	1.38%	1,035.76	1.86%	227.69			1.86%	227.69	1.85%	1,176.70	2.38%	271.40	0.00%	2.38%	271.40
	Minority Interest															
1	Nilkamal Eswaran Plastics Private Limited	0.94%	704.61	1.45%	177.81			1.45%	177.81	1.11%	704.46	1.62%	185.32	0.00%	1.63%	185.32
2	Nilkamal Eswaran Marketing Private Limited	0.02%	18.46	0.03%	3.44			0.03%	3.44	0.03%	16.44	0.04%	4.79	0.00%	0.04%	4.79
	Joint Venture															
	Nilkamal Bito Storage Systems Private Limited	4.06%	3,041.12	3.35%	410.52			3.35%	410.52	4.29%	2,722.52	5.22%	595.30	0.00%	5.23%	595.30
	Cambro Nilkamal Private Limited	1.02%	761.90	0.89%	108.91			0.89%	108.91	1.08%	684.49	1.31%	149.54	0.00%	1.31%	149.54
	Total	**100.00%**	**74,915.65**	**100.00%**	**12,253.32**	**100.00%**	**2.63**	**100.00%**	**12,255.95**	**100.00%**	**63,472.43**	**100.00%**	**11,406.41**	**100.00%**	**100.00%**	**11,382.79**

The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2017

55 Previous year figures have been re-group / reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sadashiv Shetty
Partner
Membership No : 048648

Bharat B. Chovatia
Partner
Membership No. : 031756

Mumbai
May 11, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh
Managing Director
DIN : 00035747

Hiten V. Parekh
Joint Managing Director
DIN : 00037550

Paresh B. Mehta
Chief Financial Officer
Membership No : 44670

Priti P. Dave
Company Secretary
Membership No : 19469

Mumbai
May 11, 2017

Salient features of the financial statements of Subsidiaries / Joint Ventures
[Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 -AOC-1]
Part "A" : Subsidiaries

(₹ in lakhs)

Sr. No.	Name of Subsidiary	Nilkamal Eswaran Plastics Private Limited, Sri Lanka	Nilkamal Eswaran Marketing Private Limited, Sri Lanka	Nilkamal Crates and Bins - FZE (Ajman - UAE)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	SLR vs US $	SLR vs US $	AED vs US $
3	Share Capital	63.16	0.00	33.05
4	Reseve and Surplus	2,186.77	58.46	1,002.71
5	Total Assets	3,619.87	200.53	1,269.02
6	Total Liabilities (Excluding Minority interest)	659.44	123.61	233.26
7	Investment other than investment in Subsidiary	0.01	-	-
8	Turnover and Other Income	5,093.48	316.42	2,217.36
9	Profit Before Taxation	1,029.04	23.74	227.69
10	Provision for Taxation (incl Deferred Tax)	275.27	9.42	-
11	Profit after Tax	753.78	14.32	227.69
12	Dividend	410.57	1.89	357.30
13	% of shareholding	76.00%	76.00%	100.00%

Part "B" : Joint Ventures

Sr. No.	Name of Joint Ventures	Nilkamal BITO Storage Systems Private Limited	Cambro Nilkamal Private Limited
1	Latest audited Balance Sheet Date	31st March 2017	31st March 2017
2	Shares of Associate/Joint Ventures held by the company on the year end	50.00%	50.00%
3	No. of Share fully paid up of ₹ 10 each	22,00,000	1,05,000
4	Amount of Investment in Associates/Joint Venture	2,215.50	200.50
5	Extend of Holding %	50.00%	50.00%
6	Description of how there is significant influence	Joint Venture	Joint Venture
7	Reason why the associate/Joint Venture is not consolidated	Consolidated	Consolidated
8	Networth attributable to Shareholding as per latest aduited Balance Sheet (₹ in lakhs)	3,098.38	773.83
9	Profit for the year		
a	Considered in Consolidation	435.77	119.72
b	Not Considered in Consolidation	Nil	Nil

1 Names of Joint Ventures which are yet to Commence operations - Nil
2 Names of Joint Ventures which are liquidated during the year - Nil

FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS OF NILKAMAL LIMITED
CIN : L25209DN1985PLC000162

Sharad V. Parekh	Hiten V. Parekh	Paresh B. Mehta	Priti P. Dave
Managing Director	Joint Managing Director	Chief Financial Officer	Company Secretary
DIN : 00035747	DIN : 00037550	Membership No : 44670	Membership No : 19469

Mumbai
May 11, 2017

NILKAMAL LIMITED

CIN: L25209DN1985PLC000162
Regd. Office: Survey No. 354/2 and 354/3, Near Rakholi Bridge,
Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli. Phone: 0260-2699082, Fax: 0260-2699023.
Email: investor@nilkamal.com, Website: www.nilkamal.com

THIRTY FIRST ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 8, 2017.

ATTENDANCE SLIP

Serial No.

Regd. Folio / DP ID / Client ID	
Name and address of the Member(s) **Joint Holder 1** **Joint Holder 2**	
Shares	

I / We hereby record my / our presence at the 31st Annual General Meeting of the Company, to be held on Tuesday, August 8, 2017 at 12.00 noon at Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli.

-- Member's / Proxy's name in Block Letters

------------------------------------ Member's / Proxy's Signature

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

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	*Default PAN
170711002	

* Only Members who have not updated their PAN with the Company / Depository Participant shall use the default PAN in the PAN field.

Note: i) Please read the Instructions printed under the Note No. 17 to the Notice of the 31st Annual General Meeting of the Company to be held on August 8, 2017. The voting period starts on Saturday, August 5, 2017 at 10.00 a.m. and ends on Monday, August 7, 2017 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

ii) Proxy Form is attached to the Annual Report.

NILKAMAL LIMITED

CIN: L25209DN1985PLC000162

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

Phone: 0260-2699082, Fax: 0260-2699023.
Email: investor@nilkamal.com, Website: www.nilkamal.com

THIRTY FIRST ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 8, 2017

PROXY FORM

Name of the member(s): ____________________

Registered Address: ____________________

____

E-mail ID: ____________________

Folio No. / DP ID/ Client ID: ____________________

I/We, being the member(s) of Nilkamal Limited, holding ____________shares of the Company, hereby appoint:

1) Name ____________________ Address ____________________
Email ID ____________________ Signature ____________________ or failing him ;

2) Name ____________________ Address ____________________
Email ID ____________________ Signature ____________________ or failing him ;

3) Name ____________________ Address ____________________
Email ID ____________________ Signature ____________________ or failing him ;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, August 8, 2017 at 12.00 noon at Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa – Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli and at any adjournment thereof in respect of following resolutions:

Ordinary Business:
1. Consideration and adoption of the Audited Financial Statements including Audited Consolidated Financial Statement for the year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. Declaration of dividend on equity shares for year ended March 31, 2017.
3. Re-appointment of Mr. Manish V. Parekh, who retires by rotation.
4. Retirement of M/s. Vora and Associates and ratification of appointment of M/s. B S R & Co. LLP as the Statutory Auditors of the Company and fixing their remuneration.
Special Business:
5. Appointment of Mr. K. Venkataramanan as an Independent Director.
6. Ratification of remuneration payable to Cost Auditors for the financial year 2017-2018.
7. Revision in remuneration payable to Mr. Mihir H. Parekh, appointed at a place of profit in the Company.

Affix Revenue Stamp ₹ 1/-

Signed this __________ day of ____________, 2017.

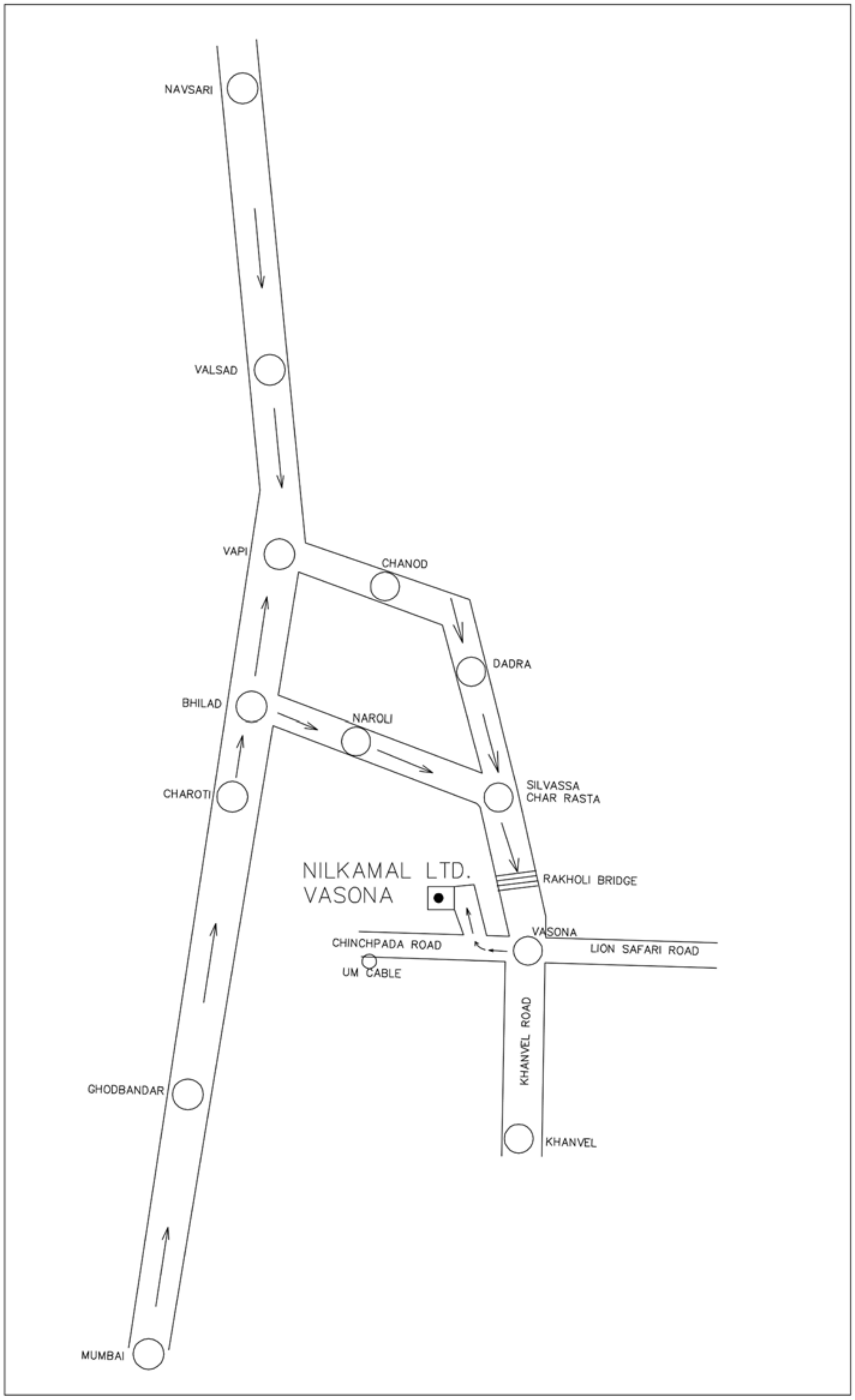
Signature of Member: ____________________

Signature of the Proxy holder(s) ____________________

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st Annual General Meeting.

ROUTE MAP


NAVSARI
VALSAD
VAPI
CHANOD
DADRA
BHILAD
NAROLI
CHAROTI
SILVASSA CHAR RASTA
NILKAMAL LTD.
VASONA
RAKHOLI BRIDGE
VASONA
CHINCHPADA ROAD
LION SAFARI ROAD
UM CABLE
KHANVEL ROAD
GHODBANDAR
KHANVEL
MUMBAI

#MakingHeadLoadingHistory

Nilkamal has an exclusive partnership with **Wello (NGO from USA)** for their patented ***'Rolling Water Technology'.***

The partnership utilizes Nilkamal's expertise in plastics and its robust distribution network. It allows the water wheel to reach out to the women in the remotest of villages. These women today spend 1 to 6 hours daily on multiple trips to fetch water. Nilkamal Wello Water Wheel is a disruptive product that **reduces the strain on the head and spine of these women.**

To identify the needy and distribute the water wheels, Nilkamal has tied-up with NGO 'Habitat for Humanity India' (Contact: Perwej Alam - 9820974157) (www.habitatindia.in).

All contributions to Habitat for Humanity India, fall under Income Tax exemption Section 80(G) of the Income Tax Act & are eligible for CSR spends for corporates. HFH will share a proof of donation to the beneficiary.

For corporate donations of Nilkamal Wello Water Wheel, please connect to us on
presales.furniture@nilkamal.com or 08879803704.

NILKAMAL CSR

Successful approaches to safeguard the health of the disadvantaged

#FlushForGood

Nilkamal has an exclusive partnership with Lixil Corporation - a Japanese Conglomerate which owns brands like American Standard, Grohe and Jaxson in the sanitaryware space.

SaTo (Safe Toilets) pan - a CSR initiative funded by Bill & Melinda Gates Foundation, uses its patented design that allows a person to flush the toilet with less than one litre water. The traditional P trap is removed, and the toilet outlet is sealed with a trap-door and water seal mechanism to prevent the spread of foul smell and insects.

The product is in extensive use in Bangladesh and Africa. In India with 60% of toilets not in use because of water shortage, we foresee Nikamal SaTo pan as an effective and obvious solution to the crisis.

NILKAMAL CRATES & BINS FZE

Financial Statements

31 March 2017

Registered office:

Warehouse C-15 to 17,
Ajman Free Zone,
P. O. Box 21008,
Ajman, U.A.E.

NILKAMAL CRATES & BINS FZE

Financial Statements
31 March 2017

CONTENTS

NILKAMAL CRATES & BINS FZE
Manager's Report

The manager submits his report and accounts for the year ended 31 March 2017.

Results and dividend

The profit for the year amounted to AED 1,273,400/-.

The manager has approved payment of interim dividend amounting to AED 2 Million for the year ended 31st March 2017.

Review of the business

The company is registered to carry out activity of general trading / import and export. During the year, the company has mainly traded in various plastic crates, pallets, material handling equipment, racking systems, bins and related products.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the company.

Shareholder and its interest

The sole shareholder, at 31 March 2017 and its interest, as of that date, in the share capital of the company, was as follows:

Name of the shareholder	*Country of incorporation*	*No. of share*	*AED*
Nilkamal Limited *(Represented by Mr. Saumil Mukund Mehta)*	India	1	185,000

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board of directors at the annual general meeting.

S. M. Mehta

Mr. Saumil Mukund Mehta
Manager

نيلكامال كريتس اند بينس (م.ح.ح)
Nilkamal
P.O.BOX 21008 FREE ZONE AJMAN - U.A.E
NILKAMAL CRATES & BINS-F.Z.E

Independent Auditors' Report to the Shareholder of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NILKAMAL CRATES & BINS FZE** (the "Company"), which comprises of the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

Management is responsible for the other information. Other information comprises the manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Shareholder of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements (contd.):

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report to the Shareholders of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements (contd.):

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KSI Shah & Associates

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

KSI SHAH & ASSOCIATES
P.O. Box 71241
Dubai - U.A.E.

20 APR 2017

NILKAMAL CRATES & BINS FZE

Statement of Financial Position
At 31 March 2017

	Notes	2017 AED	2016 AED
ASSETS			
Non-current assets			
Fixed assets	6	**440,913**	**553,343**
Current assets			
Inventories	7	970,231	1,346,262
Trade and other receivables	8	1,554,127	2,237,417
Prepayments		68,365	79,971
Cash and bank balances	9	4,069,807	3,368,604
		6,662,530	**7,032,254**
TOTAL ASSETS		**7,103,443**	**7,585,597**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	185,000	185,000
Statutory reserve	11	92,500	92,500
Accumulated profits		5,520,232	6,246,832
Total equity		**5,797,732**	**6,524,332**
Non-current liability			
Staff end of service gratuity		**281,946**	**242,138**
Current liabilities			
Trade and other payables	12	**1,023,765**	**819,127**
TOTAL EQUITY AND LIABILITIES		**7,103,443**	**7,585,597**

The accompanying notes 1 to 21 form an integral part of these financial statements.
The Independent Auditors' Report is set forth on pages 2-4.
Approved by the shareholder on 20th April 2017 and signed on its behalf by:

For NILKAMAL CRATES & BINS FZE

S. M. Mehta

Mr. Saumil Mukund Mehta
Director

نيلكامال كريتس اند بينس (م.م.ح)
Nilkamal
P.O.BOX 21008 FREE ZONE AJMAN-UAE
NILKAMAL CRATES & BINS-F.Z.E.

NILKAMAL CRATES & BINS FZE

Statement of Comprehensive Income
for the year ended 31 March 2017

	Notes	2017 AED	2016 AED
Sales		**12,008,564**	**14,950,070**
Cost of sales	13	(8,249,833)	(10,551,560)
Gross profit		**3,758,731**	**4,398,510**
Expenses	14	(2,534,769)	(2,931,563)
Profit from operating activities for the year		**1,223,962**	**1,466,947**
Other income	15	49,438	21,007
Interest on vehicle loan		-	(629)
Profit for the year		**1,273,400**	**1,487,325**
Other comprehensive income		-	-
Total comprehensive income		**1,273,400**	**1,487,325**

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Changes in Equity
for the year ended 31 March 2017

	Share capital AED	*Statutory reserve AED*	*Accumulated profits AED*	*Total AED*
As at 31 March 2015	**185,000**	**92,500**	**6,759,507**	**7,037,007**
Interim dividend	-	-	(2,000,000)	(2,000,000)
Profit for the year	-	-	1,487,325	1,487,325
As at 31 March 2016	**185,000**	**92,500**	**6,246,832**	**6,524,332**
Interim dividend	-	-	(2,000,000)	(2,000,000)
Profit for the year	-	-	1,273,400	1,273,400
As at 31 March 2017	**185,000**	**92,500**	**5,520,232**	**5,797,732**

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Cash Flows
for the year ended 31 March 2017

	Notes	2017 AED	2016 AED
Cash flows from operating activities			
Profit for the year		1,273,400	1,487,325
Adjustment for:			
Provision for staff end of service gratuity		39,808	136,701
Interest income		(33,801)	(21,007)
Depreciation		112,242	124,385
Loss on sale of fixed assets		1,042	45,915
Interest on vehicle loan		-	629
Operating profit before working capital changes		**1,392,691**	**1,773,948**
Changes in inventories and materials at site		376,031	501,525
Changes in trade and other receivables		683,290	92,820
Changes in prepayments		11,606	44,945
Changes in trade and other payables		204,638	(678,431)
Cash from operating activities		**2,668,256**	**1,734,807**
Staff end of service gratuity paid		-	(28,324)
Interest on vehicle loan		-	(629)
Net cash generated from operations		**2,668,256**	**1,705,854**
Cash flow from investing activities			
Purchase of fixed assets		(1,504)	(30,128)
Proceeds from disposal of fixed assets		650	21,475
Changes in margin and time deposit accounts		(938,242)	(2,076,500)
Interest income		33,801	21,007
Net cash (used in) investing activities		**(905,295)**	**(2,064,146)**
Cash flow from financing activities			
Interim dividend paid		(2,000,000)	(2,000,000)
Changes in vehicle loan (net)		-	(16,933)
Net cash (used in) financing activities		**(2,000,000)**	**(2,016,933)**
Net changes in cash and cash equivalents		**(237,039)**	**(2,375,225)**
Cash and cash equivalents at beginning of the year		**1,292,104**	**3,667,329**
Cash and cash equivalents at end of the year	16	**1,055,065**	**1,292,104**

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

(Incorporated in the Ajman Free Zone, Emirate of Ajman, U.A.E.)
(Registration No. 26166)

Notes to the Financial Statements

for the year ended 31 March 2017

1. Legal status and business activity

a) **NILKAMAL CRATES & BINS FZE** ("The Company") is a free zone establishment registered with the Ajman Free Zone, Ajman, U.A.E. on 09 August, 2003 under the commercial license No. 1252 issued by the Government of Ajman.

b) The company is registered to carry out activity of general trading / import and export. During the year, the company has mainly traded in various plastic crates, pallets, material handling equipment, racking systems, bins and related products.

2. Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2016 and the implementing rules and regulations of Ajman Free Trade Zone.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3. Use of estimates and judgement

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of fixed assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to Statement of comprehensive income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of fixed assets

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

Doubtful debt provision

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of fixed assets and all financial assets other than loans and receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

4. Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards and amendments

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting year and which are applicable to the company are as follows:

- IFRS 14 Regulatory Deferral Accounts
- Disclosure Initiative (Amendments to IAS 1)
- Clarification on acceptable methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Investment Entities: Applying the Consolidation Exception (Amendment to IFRS 10,IFRS 12 and IAS 28)
- Accounting for acquisitions of Interest in Joint operations (Amendments to IFRS 11)
- Amendments to IAS 19 Employee Benefits
- Equity method in Separate Financial Statements (Amendments to IAS 27)
  Annual Improvements to IFRSs 2012-2014 Cycle.

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

IAS 7 – Disclosure initiatives – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IFRS 9 – Financial Instruments (July 2014 version) This replaces the earlier IFRS 9 and is the final version – The effective date of the standard is set for annual periods beginning on or after 1 January 2018 with choice for early adoption. From February 2015 entities newly applying IFRS 9 will need to apply the version published in July 2014.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRS 16 – Leases – The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Significant accounting policies:

a) Depreciation of fixed assets

The cost of fixed assets is depreciated by equal annual instalments over their estimated useful lives as under:

Furniture and office equipment	3 - 10 years
Vehicles	8 years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on disposal to and including the month of disposal of the asset.

b) Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

Financial assets

Non derivative financial assets

Initial Recognition and Measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financials assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of non - derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

The company has financial assets in the nature of loans and receivables only.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in Statement of comprehensive income when the loans and receivables are derecognized or impaired, and through the amortization process.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c) Inventories

Inventories are valued at lower of cost using the weighted average method or net realizable value.

Cost comprises invoice value plus applicable landing charges.

Net realizable value is based on estimated selling price less further cost expected to be incurred for disposal.

Materials at site constitute stock items delivered to the customer pending installation and invoicing and is valued at the costs of material issued.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

d) Trade and other receivables

Trade receivables are carried at the original invoice amount to the customers.

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

e) Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the balance sheet date.

Resulting gain or loss is taken to the Statement of comprehensive income.

f) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortized cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of comprehensive income.

If a write-off is later recovered, the recovery is credited to the Statement of comprehensive income.

g) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

Impairment of non-financial assets (contd.):

Impairment losses of continuing operations are recognized in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of comprehensive income.

h) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

i) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

j) Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

k) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

l) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the Statement of comprehensive income on a straight line basis over the period of lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

m) Revenue recognition

Sales of goods

Sales represents net amount invoiced for goods delivered during the year. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

The company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company; and specific criteria have been met for each of the companies' activities.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

n) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

o) Dividend

Interim dividend is paid out of accumulated profits, when declared.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

6. Fixed assets

	Furniture and office equipment AED	Vehicles AED	Total AED
Cost			
As at 01.04.2016	332,272	672,278	1,004,550
Additions during the year	1,504	-	1,504
Disposals during the year	(22,782)	-	(22,782)
As at 31.03.2017	**310,994**	**672,278**	**983,272**
Depreciation			
As at 01.04.2016	178,045	273,162	451,207
Charge for the year [a]	38,974	73,268	112,242
Relating to disposals	(21,090)	-	(21,090)
As at 31.03.2017	**195,929**	**346,430**	**542,359**
Net book value			
As at 31.03.2017	**115,065**	**325,848**	**440,913**
As at 31.03.2016	**154,227**	**399,116**	**553,343**

[a] *In the opinion of the management, there was no impairment in respect of the above fixed assets. Hence the carrying values of the fixed assets as at 31 March 2017 approximates to their net book values.*

7. Inventories and materials at site

	2017 AED	2016 AED
Inventories	1,053,202	1,494,723
Provision for slow moving inventories	(200,000)	(200,000)
	853,202	**1,294,723**
Goods in transit	71,467	51,539
Materials at site	45,562	-
	970,231	**1,346,262**

8. Trade and other receivables

	2017 AED	2016 AED
Trade receivables	1,325,923	2,008,336
Staff advances	-	3,247
Advance to suppliers	85,498	87,413
Other receivable	17,967	17,103
Deposits	124,739	121,318
	1,554,127	**2,237,417**

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

9. Cash and bank balances

	2017 AED	2016 AED
Cash on hand	8,164	2,259
Bank balances in:		
Current accounts	1,046,901	1,289,845
Margin account	-	76,500
Time deposit accounts	3,014,742	2,000,000
	4,069,807	3,368,604

10. Share capital

	2017 AED	2016 AED
Authorized, issued and paid capital		
1 share of AED 185,000/-	185,000	185,000

11. Statutory reserve

Statutory reserve is created by allocating 10% of the net profit of the company as required by Article 103 of the U.A.E. Commercial Companies Law No. 2 of 2015, as amended concerning Commercial Companies in the U.A.E. The company have discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

12. Trade and other payables

	2017 AED	2016 AED
Trade payables *(refer note 17)*	724,269	627,591
Advance from customers	273,044	166,536
Accruals	26,452	25,000
	1,023,765	819,127

13. Cost of sales

	2017 AED	2016 AED
Inventories at beginning of the year	1,494,723	1,724,042
Purchases *(refer note 17)*	6,999,024	9,164,917
Other direct costs	809,288	1,157,324
Inventories at the end of the year	(1,053,202)	(1,494,723)
	8,249,833	10,551,560

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

14. Expenses

	2017 AED	2016 AED
Manager's remuneration *(refer note 17)*	275,575	262,043
Staff salaries and benefits	1,095,489	1,176,435
Rent	310,631	378,639
Loss on disposal of assets	1,042	45,915
Other administration expenses	739,790	944,145
Depreciation	112,242	124,386
	2,534,769	**2,931,563**

15. Other income

	2017 AED	2016 AED
Interest income	33,801	21,007
Miscellaneous income	15,638	-
	49,439	**21,007**

16. Cash and cash equivalents

	2017 AED	2016 AED
Cash on hand	8,164	2,259
Bank balances in:		
Current accounts	1,046,901	1,289,845
	1,055,065	**1,292,104**

17. Related party transactions

For the purpose of this financial statement, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making that party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

The nature and amount of significant related party transactions during the year and balance as at 31 March 2017 are as under:

	Key management personnel 2017 AED	*Parent company 2017 AED*	*Total 2017 AED*	*Total 2016 AED*
Purchases *(refer note 13)*	-	3,239,042	3,239,042	3,989,373
Sales	-	141,842	141,842	353,903
Manager's remuneration *(refer note 14)*	275,575	-	275,575	262,043

The significant balances outstanding as of the reporting date were:

	Parent company AED	*Total 2017 AED*	*Total 2016 AED*
Included in current liabilities:			
Trade payables *(refer note 12)*	291,749	291,749	413,144

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

18. Financial instruments: Credit, interest rate, liquidity risk and exchange rate risk exposures

The company has exposure to the following risks from its use financial instruments:

a) Credit risk
b) Market risk
c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables and bank balances.

Trade receivables

As at 31 March 2017, the company's maximum exposure to credit risk from trade receivables within U.A.E. amounted to AED 355,510/- due from two customers *(previous year AED 599,885/- due from two customers)*.

There are no significant concentrations of credit risk from trade receivables outside U.A.E and outside the industry in which the company operates.

Bank balances

The company's bank balances in current and time deposit accounts are placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

In the absence of any bank or other borrowings, interest rate risk is minimal.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham is fixed.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2017

Liquidity risk (contd.):

The following are the contractual maturities of the company's financial liabilities as of 31 March 2017.

Non-derivative financial liabilities	*Carrying amounts* *AED*	*Payable within next 12 months* *AED*	*Payable after 12 months* *AED*
Staff end of service gratuity	281,946	-	281,946
Trade and other payables:			
Trade payables	724,269	724,269	-
Advance from customers	309,544	309,544	-
Accruals	26,452	26,452	-

19. Financial instruments: Fair values

The fair values of the company's financial assets, comprising of trade and other receivables, bank balances and financial liabilities comprising of trade and other payables approximate to their carrying values.

20. Contingent liability

	2017 *AED*	*2016* *AED*
Banker's letter of guarantee	-	76,500

21. Comparative figures

Previous years figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Nilkamal Eswaran Marketing (Private) Limited, ("the Company"), which comprise the statement of financial position as at March 31, 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.
b) In our opinion we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

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CHARTERED ACCOUNTANTS
Colombo
03 May 2017

NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Notes	2017 Rs.	2016 Rs.
Revenue	5	72,348,281	60,692,551
Cost of sales		(53,647,842)	(42,268,013)
Gross profit		**18,700,439**	**18,424,538**
Administrative expenses		(3,923,275)	(3,494,133)
Distribution expenses		(7,188,928)	(7,040,822)
Profit from operating activities	6	7,588,236	7,889,583
Net finance expenses	7	(1,577,721)	(345,026)
Profit before taxation		6,010,515	7,544,557
Income tax expense	8	(2,266,017)	(2,920,609)
Profit for the year		3,744,498	4,623,948
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,744,498	4,623,948
Basic earnings per share	9	37,445	46,239

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

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NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Notes	2017 Rs	2016 Rs
ASSETS			
Current assets			
Inventories	10	22,314,208	18,791,766
Trade and other receivables	11	19,930,215	12,937,223
Related party receivables	12	69,749	160,553
Cash and cash equivalents	13	5,767,407	1,523,950
Total current assets		**48,081,579**	**33,413,492**
TOTAL ASSETS		**48,081,579**	**33,413,492**
EQUITY			
Stated capital	14	1,000	1,000
Retained earnings		18,508,720	15,364,222
Total equity		**18,509,720**	**15,365,222**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	8,288,329	5,979,748
Related party payables	16	21,253,124	10,115,482
Current taxation		30,406	1,953,040
Total current Liabilities		**29,571,859**	**18,048,270**
TOTAL EQUITY AND LIABILITIES		**48,081,579**	**33,413,492**

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of Companies Act No 7 of 2007.

....
Finance Manager

The Board of Directors are responsible for the preparation of these Financial Statements.
Approved and signed for and on behalf of the Board:

....
(Sgd) Biyanka Wanasinghe
Director

....
(Sgd) Eassuwaran Deivanayagam
Director

03 May 2017
Colombo

KPMG
CHARTERED ACCOUNTANTS

NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2017,

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2015	**1,000**	**11,240,274**	**11,241,274**
Profit for the year	-	4,623,948	4,623,948
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**4,623,948**	**4,623,948**
Transactions with owners, recorded directly in equity			
Final dividend for 2014/15	-	(500,000)	(500,000)
Total transactions with owners of the Company	**-**	**(500,000)**	**(500,000)**
Balance as at 31 March 2016	**1,000**	**15,364,222**	**15,365,222**
Balance as at 01 April 2016	**1,000**	**15,364,222**	**15,365,222**
Profit for the year	-	3,744,498	3,744,498
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**3,744,498**	**3,744,498**
Transactions with owners, recorded directly in equity			
Final dividend for 2015/16	-	(600,000)	(600,000)
Total transactions with owners of the Company	**-**	**(600,000)**	**(600,000)**
Balance as at 31 March 2017	**1,000**	**18,508,720**	**18,509,720**

The Company has paid a final dividend of Rs. 600,000/- (Rs.6,000 per share) in respect of the year ended 31 March 2016 during the year.

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

KPMG CHARTERED ACCOUNTANTS

NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31st March,	2017 Rs.	2016 Rs.
Cash flows from operating activities		
Profit before income tax	6,010,515	7,544,557
Adjustment for:		
Provision for slow moving inventories	378,776	2,157,418
Provision for impairement of trade debtors	1,422,981	224,326
Provision for employee benefits	8,060	330,193
Finance expense	1,655,250	379,319
Operating profit before working capital changes	9,475,582	**10,635,813**
Increase in inventories	(3,901,218)	(10,375,810)
Increase in trade and other receivables	(8,415,973)	(2,887,086)
Decrease/(Increase) in related party receivables	90,804	(96,424)
Increase in trade and other payables	1,987,559	4,538,708
Increase in related party payables	11,450,604	594,483
Cash generated from operating activities	**10,687,358**	**2,409,684**
Current tax paid	(4,188,651)	(1,772,440)
Net cash generated from operations	**6,498,707**	**637,244**
Cash flows from financing activities		
Dividend paid	(600,000)	(500,000)
Finance expenses	(1,655,250)	(379,319)
Net cash used in financing activities	**(2,255,250)**	**(879,319)**
Net increase/(Decrease) in cash and cash equivalents	4,243,457	(242,075)
Cash & cash equivalents at the beginning of the year	1,523,950	1,766,025
Cash & cash equivalents at the end of the year (Note 13)	5,767,407	**1,523,950**

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in bracket indicate deductions.

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1. REPORTING ENTITY

1.1 Domicile and Legal Form

Nilkamal Eswaran Marketing (Private) Limited ('the Company') is a limited liability company incorporated in and domiciled in Sri Lanka. The registered office of the Company and the principal place of business are located at 328, Madapatha Road, Batakettera, Piliyandala.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company is buying and selling of all kinds of furniture's and crates.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity and ultimate parent entity are Nilkamal Eswaran Plastics (Pvt) Limited and Nilkamal Limited - India respectively.

1.4 Number of Employees

The number of employees of the Company as at 31st March 2017 are as follow:

Company	Nil (2016– Nil)

1.5 Date of Authorization for Issue

The Financial Statements of the Company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the Board of Directors on 27 April 2017.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company comprise the Statement of Financial Position, Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows together with accounting policies and Notes to the Financial Statements.

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium Sized – Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of Companies Act, No. 7 of 2007 and amendments thereto.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

These Financial Statements have been prepared on the basis that the Company would continue as a going concern for the foreseeable future.

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CHARTERED ACCOUNTANTS

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees (Rs.) unless otherwise indicated.

2.5 Use of Estimate and Judgment

The preparation of the Financial Statements are in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Current taxation (Note 3.2)
- Provisions and contingencies (Note 3.8)

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.1. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.
Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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3.2. Income Tax Expense

Income tax expenses comprise of current & deferred tax expenses recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(a) Current Taxation

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 10 of 2006 and amendments thereto.

(b) Deferred Taxation

Deferred tax is provided on the liability method for all temporary differences as at the reporting date between the tax bases of assets and liabilities and their carrying amounts of assets and liabilities for financial reporting purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purpose of the assets on which tax depreciation has been claimed and the net book value of such asset, offset by the provision for employee benefit which is deductible for tax purpose only on payment.

Currently the Company does not hold any deferred tax assets nor liabilities as at reporting date due to availability of assets or liabilities arising in temporary differences.

3.3. Events occurring after the reporting date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments or disclosures have been made in the Financial Statements where necessary.

ASSETS AND BASES OF THEIR VALUATION

3.4. Inventories

Inventories are valued at lower of cost or net realizable value, after making due allowance for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

Finished Goods - At purchase cost on first-in-first-out (FIFO) basis
Goods in Transit - At purchase cost

3.5. Financial Assets

An entity shall recognise a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument.

3.5.1. Initial measurement

When a financial asset or financial liability is recognised initially, an entity shall measure it at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the entity shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

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CHARTERED ACCOUNTANTS

3.5.2. Subsequent measurement

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

Debt instruments shall be measured at amortised cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other receivables

Trade and other receivables and due from Related Parties are initially recognized at costs. Trade receivable and other receivables are stated at the amounts they are estimated to realize net of impairment for bad and doubtful receivables.

If receivables extend beyond the normal credit terms, those receivables are measured at amortized cost using the effective interest rate at the end of each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.5.3. Impairment of financial assets measured at cost or amortised cost

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately. Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the entity about the loss events.

3.5.3.1. Measurement

An entity shall measure an impairment loss on financial assets measured at cost or amortised cost as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3.5.4. Derecognition of a financial asset

An entity shall measure an impairment loss on financial assets measured at cost or amortised cost as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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CHARTERED ACCOUNTANTS

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities on the Statement of Financial Position are those obligations payable on demand or within one year from the Statement of Financial Position. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.6. Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The non – derivative financial liabilities comprises only with trade and other payables

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.7. Provisions and liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount rate is recognised as a finance cost.

3.8. Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.9. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognized when significant risks and rewards of ownership have been transferred to the customers, usually on dispatch of the goods.

(b) Other Income

Other income is recognized on an accrual basis.

Net gains and losses of a revenue nature on the disposal of non-current assets are accounted for in the Statement of Profit or Loss and Other Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

3.10. Expenditure Recognition

(a) Operating Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on the basis of a direct association between the cost incurred and the earning specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

(b) Finance Income and Expense

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments throughout the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(c) Borrowing cost

All borrowing costs are recognised as an expense in the period in which they are incurred.

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CHARTERED ACCOUNTANTS

3.11 Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a price being charged.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using the Indirect Method.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

KPMG
CHARTERED ACCOUNTANTS

For the year ended 31st March,	2017 Rs.	2016 Rs.
5. Revenue		
Sale of goods	72,348,281	60,692,551
	72,348,281	60,692,551

Revenue comprises the invoiced value of goods dispatched and accepted by the customers outside the group during the year and there were no sales within the group.

6. Profit from operations

Profit from operations is stated after charging all the expenses including the following,

	2017 Rs.	2016 Rs.
Directors emoluments	Nil	Nil
Salaries and wages	2,153,284	1,900,285
Employees provident fund	412,516	354,695
Employees trust fund	86,033	70,468
Bonus	136,189	108,489
Provision for employee benefits	8,060	330,193
Auditors fees and expenses	326,643	279,645
Secretarial Fees	76,744	76,213
Provision for impairment of doubtful debts	1,422,981	224,326
Provision for impairement of slow moving stock	378,776	2,157,418

7. Net finance expense

	2017 Rs.	2016 Rs.
Finance income		
Exchange gain	77,529	34,293
	77,529	34,293
Finance expense		
Interest expense	(1,469,613)	(338,024)
Bank charges	(185,637)	(41,295)
	(1,655,250)	(379,319)
	(1,577,721)	(345,026)

8. Income tax expense

	2017 Rs.	2016 Rs.
Current tax (Note 8.1)	2,240,573	2,920,609
Last year under provision	25,444	-
	2,266,017	2,920,609

8.1 Reconciliation of the accounting profit and the income tax expense

	2017 Rs.	2016 Rs.
Profit before taxation	6,010,515	7,544,557
Disallowable expenses	1,991,532	2,886,188
Allowable expenses	-	-
Taxable income	8,002,047	10,430,745
Income liable at 12%	-	-
Income liable at 28%	2,240,573	2,920,609
Current tax expense	2,240,573	2,920,609

9. Basic earnings per share

Calculation of basic earning per share is based on the net profit attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.

	2017 Rs.	2016 Rs.
Profit for the year (Rs.)	3.744.498	4.623.948
Weighted average number of ordinary shares	100	100
Basic earnings per share (Rs.)	37,445	46,239

KPMG
CHARTERED ACCOUNTANTS

As at 31st March,	2017 Rs.	2016 Rs.
10. Inventories		
Finished goods - Furniture	12,802,385	8,124,756
- Crates	12,707,463	13,483,873
	25,509,847	21,608,629
Less : Provision for slow moving inventories (Note 10.1)	(3,195,639)	(2,816,863)
	22,314,208	**18,791,766**
10 Movement in Provision for Slow Moving Inventories		
Balance as at the beginning of the year	2,816,863	659,445
Provision for the year	378,776	2,157,418
Balance as at the end of the year	**3,195,639**	**2,816,863**
11. Trade and other receivables		
Trade receivables	16,692,847	8,928,964
Provision for trade receivables	(1,647,307)	(224,326)
	15,045,540	8,704,638
Refundable Deposits	12,100	64,532
Prepayments	18,394	16,324
VAT receivables	4,854,181	4,151,729
	19,930,215	**12,937,223**

11.1. Debtors balances outstanding over 120 days are considered for provisioning after obtaining relevant information from marketing division. During the year a provision of Rs. 1,422,981 (2016 - Rs. 0/-) has been made against the trade receivable balances.

	2017 Rs.	2016 Rs.
11.2 Provision for Impairment of Trade Receivables		
Balance as at the beginning of the year	224,326	-
Provision for impairment of trade receivables	1,422,981	224,326
Balance as at the end of the year	**1,647,307**	**224,326**
12. Related party receivables		
Good Value Eswaran (Pvt) Ltd	69,749	160,553
	69,749	**160,553**
13. Cash and cash equivalents		
Cash in hand	89,809	66,338
Cash at bank	5,677,598	1,457,612
Cash & cash equivalents as per the cash flow statement	**5,767,407**	**1,523,950**
14. Stated capital		
Issued and fully paid		
100 ordinary shares	1,000	1,000
	1,000	**1,000**
15. Trade and other payables		
Trade payables - Nilkamal Limited - India	6,733,160	4,173,883
- Other	566,822	1,486,588
	7,299,982	5,660,471
Other payables	704,001	70,177
Accrued expenses	284,346	249,100
	8,288,329	**5,979,748**
16. Related party payables		
Nilkamal Eswaran Plastics (Pvt) Ltd	21,253,124	10,115,482
	21,253,124	**10,115,482**

KPMG CHARTERED ACCOUNTANTS

As at 31st March,

17. Related party disclosures

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', the details of which are reported below:

17.1.Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard for SMEs, Key Management Personnel are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Company, Directors of Nilkamal Eswaran Plastics (Pvt) Ltd ("the Parent") (including Executive, Non-Executive and Alternative Directors) and other members of the management team who hold significant authority and responsibility for planning, directing and controlling the entity's activities have been classified as KMP of the Company.

Compensation paid to Key Management Personnel	**2017 Rs.**	**2016 Rs.**
Short Term Benefits	-	-
Post Employee Benefits	-	-

17.2. Transactions with Related Entities

Name of the Related Party	**Relationship**	**Nature of the Transaction**	**Transaction Amount 2016/17 Rs.**	**Transaction Amount 2015/16 Rs.**
Nilkamal Limited - India	Ultimate parent	Purchase of goods from Nilkamal Limited	28,065,846	41,156,231
Nilkamal Eswaran Plastics (Pvt) Ltd	Immediate Parent	Dues of Marketing settled by Plastics	21,048,978	6,946,098
		Net fund transfers to/(from) Plastics	19,790,000	(5,600,000)
		Overdraft interest expense charged by Plastics	1,467,892	337,981
		Reimbursement charges charged by Plastics	8,723,732	7,437,965
		Gratuity cost transferred to Marketing	321,022	330,193

The Company is part of a defined benifit plan which shares risks between it's Parent and the Company and ascertains the net defined benefit cost applicable to the entity as follows.

All common expenses including net defined benefit cost applicable to the administrative staff, marketing staff and any other common divisional staff which is measured in accordance with Section 28.18 of SLFRS for SMEs for the group as a whole is allocated between the companies based on the sales performance of the companies, amount of staff allocated between marketing and furniture division and divisional sales respectively.

Amounts receivable from and due to related entities as at 31st March 2017 are disclosed in the Note 12 and 16 respectively

KPMG CHARTERED ACCOUNTANTS

For the year ended 31st March,

18. Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

18.1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, related parties, short term investments and cash and cash equivalents.

The company trades with own distributors with bank guarantee and trades maximum up to the guarantee value. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts in not significant. Cash and cash equivalents are held with banks which have good ratings based on Fitch ratings.

18.1.1 Credit risk exposure and managing the risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

As at 31 March	2017	2016
	Rs.	Rs.
Trade and other receivables	19,930,215	12,937,223
Cash & cash equivalents	5,767,407	1,523,950
	25,697,622	14,461,173

18.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

KPMG CHARTERED ACCOUNTANTS

For the year ended 31st March,

18.2 Liquidity Risk (Cont..)

Maturity Analysis

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2017 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & Other Payable	8,288,329	-	-	8,288,329
Related party payables	21,253,124	-	-	21,253,124
	29,541,453	-	-	**29,541,453**

As at 31 March 2016 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & Other Payable	5,979,748	-	-	5,979,748
Related party payables	10,115,482	-	-	10,115,482
	16,095,230	-	-	**16,095,230**

18.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

18.4 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk arising mainly from foreign currency denominated in a currency other than the respective functional currencies of Company. The currencies in which these transactions primarily are denominated in USD.

The Company's exposure to foreign currency risk is as follows;

As at 31 March 2017	USD	Converted to Rs.
Cash & Cash Equivalents	-	-
Trade Payable	-	-
	-	-

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

18.5 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

Management of Interest Rate Risk

The Company's investment decisions in interest bearing assets are controlled by the higher level authorities appointed

by the Board of Directors and they are advised and guided only to invest in secured and regulated investment sources.

19. Capital Commitments and Contingent Liabilities

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date.
There have been no material Contingent Liabilities outstanding as at the reporting date.

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For the year ended 31st March,

20. Litigation and claim

There were no pending litigation or claims as at the reporting date.

21. Comparative figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

22. Events Occurring after the Reporting date

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclose in the financial statements.

23. Board of Director's responsibility for financial reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.

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KPMG
KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NILKAMAL ESWARAN PLASTICS (PRIVATE) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Nilkamal Eswaran Plastics (Private) Limited, ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("Group"), which comprise the statement of financial position as at March 31, 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for small and medium-sized entities.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above

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b) In our opinion:
   - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
   - The financial statements of the Company give a true and fair view of its financial position as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities.
   - The financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

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CHARTERED ACCOUNTANTS
Colombo
03 May 2017

NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	Group 2017 Rs.	Group 2016. Rs.	Company 2017 Rs.	Company 2016 Rs.
Revenue	5	1,242,079,261	1,134,025,230	1,169,730,980	1,073,332,679
Cost of sales		(768,726,605)	(717,125,204)	(715,078,763)	(674,857,191)
Gross Profit		**473,352,656**	**416,900,026**	**454,652,217**	**398,475,488**
Other income	6	22,607,015	7,227,984	23,147,015	7,673,484
Administrative expenses		(76,240,468)	(68,737,832)	(72,257,193)	(65,243,699)
Distribution expenses		(167,634,706)	(155,614,771)	(160,445,778)	(148,573,949)
Profit from Operations	8	**252,084,497**	**199,775,407**	**245,096,261**	**192,331,324**
Net finance income / (expense)	7	(641,908)	6,885,953	935,813	7,230,979
Profit Before Taxation		**251,442,589**	**206,661,359**	**246,032,074**	**199,562,303**
Income tax expense	9	(68,865,513)	(38,611,649)	(66,599,496)	(35,641,541)
Profit for the Year		**182,577,076**	**168,049,710**	**179,432,578**	**163,920,762**
Other Comprehensive Income for the Year		-	-	-	-
Total Comprehensive Income for the Year		**182,577,076**	**168,049,710**	**179,432,578**	**163,920,762**
Basic Earnings per Share (Rs.)	10	91.29	84.02	89.72	81.96

Figures in brackets indicate deductions.

The notes to the Financial Statements on pages 18 to 30 form an integral part of these Financial Statements.

NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	288,540,334	214,506,462	288,540,334	214,506,462
Intangible assets	12	9,060,161	6,131,227	9,060,161	6,131,227
Investment in subsidiary	13	-	-	1,000	1,000
Total Non-Current Assets		**297,600,495**	**220,637,689**	**297,601,495**	**220,638,689**
Current Assets					
Short term investments	14	50,995,612	148,657,176	50,995,612	148,657,176
Inventories	15	203,608,470	193,698,225	181,294,262	174,906,459
Trade and other receivables	16	248,157,273	230,452,731	228,157,309	217,354,955
Related party receivables	17	-	-	21,253,120	10,115,480
Cash and cash equivalents	18	44,056,813	62,562,308	38,289,406	61,038,358
Total Current Assets		**546,818,168**	**635,370,440**	**519,989,709**	**612,072,428**
Total Assets		**844,418,663**	**856,008,129**	**817,591,204**	**832,711,117**
EQUITY & LIABILITIES					
Equity					
Stated capital	19	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings		672,773,728	620,196,652	654,265,007	604,832,429
Total Equity		**692,773,728**	**640,196,652**	**674,265,007**	**624,832,429**
Non-Current Liabilities					
Deferred taxation	22	20,322,954	11,803,152	20,322,954	11,803,152
Employee benefits	21	26,227,191	26,482,101	26,227,191	26,482,101
Interest bearing borrowings	20	2,175,515	-	2,175,515	-
Total Non Current Liabilities		**48,725,660**	**38,285,253**	**48,725,660**	**38,285,253**
Current Liabilities					
Trade and other payables	23	71,359,528	126,116,684	63,071,196	120,136,934
Related party payables	24	3,060,700	3,228,599	3,060,700	3,228,599
Interest bearing borrowings	20	1,393,807	15,858	1,393,807	15,858
Current taxation		27,105,240	48,165,083	27,074,834	46,212,043
Total Current Liabilities		**102,919,275**	**177,526,224**	**94,600,537**	**169,593,434**
Total Liabilities		**151,644,935**	**215,811,477**	**143,326,197**	**207,878,687**
Total Equity and Liabilities		**844,418,663**	**856,008,129**	**817,591,204**	**832,711,117**

Figures in brackets indicate deductions.
The notes to the Financial Statements on pages 18 to 30 form an integral part of these Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

....
(Sgd) Ms. Biyanka Wanasinghe
Senior Manager - Finance

The Board of Directors are responsible for the preparation and presentation of the Financial Statements.
Signed for and on behalf of the Board:

....
(Sgd) Hiten Parekh
Director

....
(Sgd) Eassuwaran Deivanayagam
Director

03 May 2017
Colombo

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CHARTERED ACCOUNTANTS

NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2017

Group	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2015	20,000,000	512,151,941	532,151,941
Comprehensive Income for the Year			
Profit for the year	-	168,049,710	168,049,710
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	168,049,710	168,049,710
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2014/15	-	(30,005,000)	(30,005,000)
First interim dividend for 2015/16	-	(10,000,000)	(10,000,000)
Second interim dividend for 2015/16	-	(20,000,000)	(20,000,000)
Balance as at 31st March 2016	**20,000,000**	**620,196,652**	**640,196,652**
Balance as at 1st April 2016	20,000,000	620,196,652	640,196,652
Comprehensive Income for the Year			
Profit for the year	-	182,577,076	182,577,076
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	182,577,076	182,577,076
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2015/16	-	(50,000,000)	(50,000,000)
First interim dividend for 2016/17	-	(50,000,000)	(50,000,000)
Second interim dividend for 2016/17	-	(30,000,000)	(30,000,000)
Balance as at 31st March 2017	**20,000,000**	**672,773,728**	**692,773,728**

Company	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2015	20,000,000	500,911,667	520,911,667
Comprehensive Income for the Year			
Profit for the year	-	163,920,762	163,920,762
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	163,920,762	163,920,762
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2014/15	-	(30,000,000)	(30,000,000)
First interim dividend for 2015/16	-	(10,000,000)	(10,000,000)
Second interim dividend for 2015/16	-	(20,000,000)	(20,000,000)
Balance as at 31st March 2016	**20,000,000**	**604,832,429**	**624,832,429**
Balance as at 1st April 2016	20,000,000	604,832,429	624,832,429
Comprehensive Income for the Year			
Profit for the year	-	179,432,578	179,432,578
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	179,432,578	179,432,578
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2015/16	-	(50,000,000)	(50,000,000)
First interim dividend for 2016/17	-	(50,000,000)	(50,000,000)
Second interim dividend for 2016/17	-	(30,000,000)	(30,000,000)
Balance as at 31st March 2017	**20,000,000**	**654,265,007**	**674,265,007**

Figures in brackets indicate deductions.

The notes to the Financial Statements on pages 18 to 30 form an integral part of these Financial Statements.

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NILKAMAL ESWARAN PLASTICS (PVT) LTD
CASH FLOW STATEMENT

	Group		Company	
For the year ended 31st March	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities				
Profit Before Taxation	251,442,589	206,661,359	246,032,074	199,562,303
Adjustment for :				
Depreciation on property, plant & equipment	46,064,384	41,517,386	46,064,384	41,517,386
Amortisation of intangible assets	1,673,846	369,697	1,673,846	369,697
Provision for gratuity	152,798	6,169,570	152,798	5,966,148
Provision for slow moving inventories	1,216,523	3,617,576	837,747	1,460,158
Provision for Trade receivables	3,024,482	211,423	1,601,501	(12,903)
Gain on disposal of property, plant & equipment	(7,957,579)	(1,171,737)	(7,957,579)	(1,171,737)
Property, plant & equipment and intangible assets write off	-	51,051	-	51,051
Gain on short term investments	(12,393,861)	(2,657,176)	(12,393,861)	(2,657,176)
Interest expense	2,545,152	1,926,655	2,357,794	1,885,317
	285,768,334	**256,695,804**	**278,368,704**	**246,970,244**
Decrease in inventories	(11,126,768)	(92,936,211)	(7,225,550)	(82,560,401)
Increase in related party, trade and other receivables	(20,729,024)	(64,437,544)	(23,541,495)	(67,025,492)
Increase/ (decrease) in related party, trade and other payables	(54,925,055)	65,614,613	(57,233,637)	65,926,109
Cash Generated from Operations	**198,987,487**	**164,936,663**	**190,368,022**	**163,310,460**
Employee benefit paid	(407,708)	-	(407,708)	-
Current tax paid	(81,405,554)	(1,821,940)	(77,216,903)	-
Net Cash Flow Generated from Operating Activities	**117,174,225**	**163,114,722**	**112,743,411**	**163,310,460**
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(115,778,586)	(17,296,996)	(115,778,586)	(17,296,996)
Acquisition of intangible assets	(4,602,780)	(5,117,953)	(4,602,780)	(5,117,953)
Proceeds from sale of property, plant and equipment	8,037,909	9,002,548	8,037,909	9,002,548
Short term investments	110,000,064	(146,000,000)	110,000,064	(146,000,000)
Interest recieved on fixed deposits	55,361	-	55,361	-
Net Cash Flow used in Investing Activities	**(2,288,032)**	**(159,412,401)**	**(2,288,032)**	**(159,412,401)**
Cash Flows from Financing Activities				
Lease rentals paid	(1,181,240)	-	(1,181,240)	-
Interest paid	(2,210,448)	(1,926,655)	(2,023,091)	(1,885,317)
Dividends paid	(130,000,000)	(60,005,000)	(130,000,000)	(60,000,000)
Net Cash Flow used in Financing Activities	**(133,391,688)**	**(61,931,655)**	**(133,204,331)**	**(61,885,317)**
Net Decrease in Cash & Cash Equivalents	(18,505,495)	(58,229,333)	(22,748,952)	(57,987,258)
Cash & cash equivalents at the beginning of the year	62,562,308	120,791,641	61,038,358	119,025,616
Cash & Cash Equivalents at the End of the Year (Note 18)	44,056,813	62,562,308	38,289,406	61,038,358

The notes to the Financial Statements on pages 18 to 30 form an integral part of these Financial Statements.

KPMG
CHARTERED ACCOUNTANTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Nilkamal Eswaran Plastics (Private) Limited ('the Company') is a limited liability company incorporated in and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is located at 328, Madapatha Road, Batakettera, Piliyandala.

The Consolidated Financial Statements of the Group as at and the year ended 31 March 2017 comprise the Company and its subsidiary (together referred to as the "Group" and individually as "Group entities"). The Company has a fully owned subsidiary, Nilkamal Eswaran Marketing (Private) Limited.

1.2 Principal Activities and Nature of Operations

The principal activities of the Group were as follows;

Nilkamal Eswaran Plastics (Private) Limited	Manufacturing of injection molded plastic articles and sofa
Nilkamal Eswaran Marketing (Private) Limited	Importing and selling of all kinds of plastic articles

1.3 Parent Entity and Ultimate Parent Entity

The Group's parent entity and ultimate parent entity is Nilkamal Limited, which is incorporated in India.

1.4 Number of Employees

The number of employees of the Group and Company as at 31st March 2017 are as follow:

Group	118 (2016– 110)
Company	118 (2016– 110)

The subsidiary Nilkamal Eswaran Marketing (Pvt) Limited did not have any employees as at 31st March 2017.

1.5 Date of Authorization for Issue

The consolidated Financial Statements of the Group and the separate Financial Statements of the Company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the Board of Directors on 27 April 2017.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company, which comprise the Statement of Financial Position, Statement of Profit or Loss and Comprehensive Income, Changes in Equity and Cash Flows together with accounting policies and notes to the Financial

Statements of the Company and Group as at 31st March 2017 and for the year then ended have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium Sized – Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of Companies Act, No. 7 of 2007 and amendments thereto.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following material items in the Statement of Financial Position:

- Liability for employee benefits is recognized based on the Gratuity Act.

These Consolidated Financial Statements have been prepared on the basis that the Group would continue as a going concern for the foreseeable future.

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees (Rs.) unless otherwise indicated.

2.5 Use of Estimate and Judgment

The preparation of the Financial Statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Impairment of assets (Note 3.9.4)
- Current taxation (Note 3.3)
- Deferred taxation and utilization of tax losses (Note 3.3)
- Measurement of Employee benefits (Note 3.10)
- Provisions and contingencies (Note 3.12 and Note 3.13)

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

KPMG CHARTERED ACCOUNTANTS

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of Consolidation

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated. The accounting policies have been applied consistently by the Group.

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of that enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The Financial Statements of subsidiary is included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. Accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

All companies in the Group have a common financial year, which ends on 31st March.

Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's Accounting Policy for financial assets (see Accounting Policy 3.9 below) depending on the level of influence retained

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from the intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Accounting for investment in subsidiaries

When separate Financial Statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of Financial Position at cost less accumulated impairment losses.

3.2. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.3. Income Tax Expense

Income tax expenses comprise of current & deferred tax expenses recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(a) Current Taxation

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 10 of 2006 and amendments thereto.

(b) Deferred Taxation

Deferred tax is recognised in respect of all temporary differences as at the reporting date between the tax bases of assets and liabilities and their respective carrying amounts for financial reporting purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purpose of the assets on which tax depreciation has been claimed and the net book value of such asset, offset by the provision for employee benefit which is deductible for tax purpose only on payment.

Deferred tax assets, including those related to temporary tax effect of income tax losses and credits available to be carried forward are recognized only to the extent that it is probable that future taxable profit will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4. Events occurring after the reporting date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the Financial Statements where necessary.

ASSETS AND BASES OF THEIR VALUATION

3.5. Property, Plant and Equipment

a) Cost and Valuation

Property, plant & equipment are carried at cost less accumulated depreciation, less accumulated impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or losses rising on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

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CHARTERED ACCOUNTANTS

b) Subsequent Cost

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

c) Depreciation

The provision for depreciation is calculated by using straight line method on all property, plant and equipment in order to write off such amounts over the following estimated useful economic lives by equal installments.

	2017	**2016**
Buildings on Freehold Land	20 years	20 years
Plant and Machinery	9.67 years	9.67 years
Moulds	6.17 years	6.17 years
Office Equipment	5 years	5 years
Computer Equipment and Software	5 years	5 years
Furniture and Fittings	10 years	10 years
Motor Vehicles	5 years	5 years

Free hold land is not depreciated

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

d) Impairment of Property Plant and Equipment

The carrying value of property plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in the Statement of Profit or Loss and Other Comprehensive Income unless it reverses a previous revaluation surplus for the same asset.

3.6. Intangible Assets

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included in the Statement of Financial Position under the category Intangible Assets and carried at cost less accumulated amortization and accumulated impairment losses if any.

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a) **Subsequent Expenditure**

Expenditure incurred on intangible assets are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

b) **Amortization**

Intangible assets are amortized on a straight line basis over a period of 5 years except goodwill in the Statement of Profit or Loss and Other Comprehensive Income from the date when the asset is available for use, over the best estimate of its useful economic life.

3.7. Leased assets

Leased in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to property, plant and equipment.

Other leases are operating leases and are not recognized in the Group's Statement of Financial Position.

3.8. Inventories

Inventories are valued at lower of cost or net realizable value, after making due allowance for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

Raw Materials	-	At actual cost on first-in first-out (FIFO) basis
Finished Goods	-	At the cost of direct materials, direct labor and an appropriate proportion of fixed production overheads based on normal operating capacity
Work in Progress	-	based on the standard costing which included all direct expenditure and production overheads
Consumables and Spares	-	At purchase cost on first-in first-out (FIFO) basis
Goods in Transit	-	At purchase cost

3.9. Financial Assets

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1. Initial recognition of financial assets and liabilities

An entity shall recognise a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument.

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3.9.2. Initial measurement

When a financial asset or financial liability is recognised initially, an entity shall measure it at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the entity shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

3.9.3. Subsequent measurement

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

- Debt instruments shall be measured at amortised cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

- Investments in shares shall be measured at fair value with changes in fair value recognised in profit or loss. For shares traded in an active market the best evidence of fair value is the quoted price for those shares in that active market.

Trade and other receivables

Trade and other receivables and due from related parties are initially recognized at cost. Trade receivable and other receivables are stated at the amounts they are estimated to realize net of impairment for bad and doubtful receivables.

If receivables extend beyond the normal credit terms, those receivables are measured at amortized cost using the effective interest rate at the end of each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

3.9.4. Impairment of financial assets measured at cost or amortised cost

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately. Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the entity about the loss events.

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3.9.4.1. Measurement

The Group measure an impairment loss on financial assets measured at cost or amortised cost as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3.9.5. Derecognition of a financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all risks and rewards of ownership and it does not retain control of the financial asset.

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities on the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provision and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10. Employee benefits

(a) Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into an approved Employees' Provident Fund and to the Employees' Trust Fund, and will have no legal or constructive obligation to pay further amounts. The Group contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

(b) Defined Benefit Plans– Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with SLFRS for SMEs (Section 28- Employee Benefits). The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The computation of the provision is based only on Gratuity Act requirement. The Group measures the present value of retirement benefits of gratuity using an internally generated model based on formula annually. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded nor actuarially valued.

3.11. Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.12. Provisions and liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for Warrantee Liability

The Company offers warranties on Sofa products on its own account and warranty is provided by giving a warranty period of 1 year from the date of sale for the fabric and 15 years from the date of sale for the frame. A provision for warranty is recognised when the underlying products are sold. The quantum of the provision is based on the historical experience. The said extended warranty provision will be reversed upon expiration of warranty period if unutilised as at that date.

The provision is included under other liabilities.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan rupees using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income.

3.13. Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.14. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer normally at the point of good dispatch; with the Group retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(b) Others

Other income is recognized on an accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets including investments are accounted for in the Statement of Profit or Loss and Other Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

3.15. Expenditure Recognition

(a) Operating Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on the basis of a direct association between the cost incurred and the earning specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

(b) Finance income and expense

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(c) Borrowing cost

All borrowing costs are recognised as an expense in the period in which they are incurred.

3.16. Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a price being charged.

4. Statement of Cash Flows

The Statement of Cash Flows has been prepared using the Indirect Method.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

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NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	Group 2017 Rs	Group 2016 Rs	Company 2017 Rs	Company 2016 Rs
5 Revenue				
Local sales	1,259,135,428	1,134,372,825	1,186,787,147	1,073,674,672
Export sales	-	-	-	-
	1,259,135,428	1,134,372,825	1,186,787,147	1,073,674,672
Trade discounts	(17,056,167)	(347,595)	(17,056,167)	(341,993)
	1,242,079,261	**1,134,025,230**	**1,169,730,980**	**1,073,332,679**
6 Other Income				
Gain on disposal of property, plant and equipment	7,957,579	1,171,737	7,957,579	1,171,737
Dividend income	-	-	540,000	445,500
Interest on staff loan	151,670	153,575	151,670	153,575
Scrap sales	2,103,905	2,274,764	2,103,905	2,274,764
Income from investments (Note 6.1)	12,393,861	3,612,908	12,393,861	3,612,908
Other Income	-	15,000	-	15,000
	22,607,015	**7,227,984**	**23,147,015**	**7,673,484**

6.1 Income from investments comprised of an increase in market value of NAMAL High Yield Fund and the interest income on fixed deposits at Union Bank.

	Group 2017 Rs	Group 2016 Rs	Company 2017 Rs	Company 2016 Rs
7 Net Finance Income / (Expense)				
Finance Income				
Interest income	1,796,010	5,811,481	3,263,902	6,149,462
Gain on translation of foreign currency	107,234	3,001,127	29,705	2,966,834
Total Finance Income	**1,903,244**	**8,812,608**	**3,293,607**	**9,116,296**
Finance Expense				
Interest on long term borrowings	350,562	2,812	350,562	2,812
Interest on short term borrowings	23,542	4,848	21,821	4,805
Bank Charges	1,589,036	1,221,189	1,403,399	1,179,894
Interest on distributor cash deposit	-	151,283	-	151,283
Loss on translation of foreign currency	582,012	546,523	582,012	546,523
Total Finance Expense	**2,545,152**	**1,926,655**	**2,357,794**	**1,885,317**
Net Finance Income / (Expense)	**(641,908)**	**6,885,953**	**935,813**	**7,230,979**

8 Profit from Operations

Profit form operating activities is started after charging all expenses including the following,

For the year ended 31st March	Group 2017 Rs	Group 2016 Rs	Company 2017 Rs	Company 2016 Rs
Directors' emoluments	-	-	-	-
Audit fees and expenses - Audit services	1,226,643	1,135,905	900,000	856,260
- Non audit services	129,254	362,889	129,254	281,244
Depreciation on property, plant and equipments	46,064,384	41,517,386	46,064,384	41,517,386
Amortisation of intangible assets	1,673,846	369,697	1,673,846	369,697
Provision / (reversal) for trade receivables	3,024,482	211,423	1,601,501	(12,903)
Provision for inventories	1,216,523	3,617,576	837,747	1,460,158
Staff and related costs				
- Salaries, wages & other related cost	126,626,976	104,776,951	124,337,503	102,876,666
- Defined contribution plans - EPF & ETF	13,620,830	8,775,552	13,122,281	8,427,503
- Defined benefit plan cost	152,798	6,169,570	144,738	5,966,148
	140,400,604	**51,718,121**	**137,604,522**	**49,266,366**
Income Tax Expense				
Current Tax Expense				
Current tax for the year	60,269,549	49,132,651	58,028,976	46,212,043
Under/(over) provision of current taxes in prior years (Note 9.	76,162	(11,982,934)	50,718	(11,982,934)
Tax on dividend	-	49,500	-	-
	60,345,711	37,199,217	58,079,694	34,229,109
Deferred Tax Expense				
Origination of temporary differences (Note 22)	8,519,802	1,412,432	8,519,802	1,412,432
Total Income Tax expense	68,865,513	38,611,649	66,599,496	35,641,541

Income Tax Reversal (cont.)

.1 During the year 2014/15, the Company received tax refund from the Department of Inland Revenue (IRD) amounting to Rs. 10,467,062 in respect of Tax receivable balances and the irrecoverable balance of Rs. 785,876 was charged against profit or loss.

During the prior year, the Company received a reassessment from the IRD for a tax refund in respect of the tax claims made by the Company in respect of prior years. The reassessment amounted to Rs. 22,450,000/-. Accordingly, the said amount has been adjusted against under/(over) provision adjustment in the prior years.

During the prior year the Company recognised the balance amounting to Rs. 11,982,934 of tax refund as an over provision against prior year under current tax expense.

	Group		Company	
For the year ended 31st March	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
.2 Reconciliation of the Accounting Profit and Tax on Current Year				
Profit before taxation	251,442,589	206,661,359	246,032,074	199,562,303
Adjustments	-	-	-	-
Inter-company dividend eliminations	600,000	445,500	-	-
Profit before taxation	252,042,589	207,106,859	246,032,074	199,562,303
Income not liable for taxation	(540,000)	-	(540,000)	-
	251,502,589	207,106,859	245,492,074	199,562,303
Other sources of income	(3,319,263)	-	(3,319,263)	-
Aggregate disallowable expenses	68,548,923	70,891,847	66,557,391	68,005,659
Aggregate allowable expenses	(92,670,330)	(82,769,645)	(92,670,330)	(82,769,645)
Tax exempt income	(12,338,500)	(10,207,870)	(12,338,500)	(10,207,870)
Profit from business	211,723,419	185,021,191	203,721,372	174,590,447
Non-business income - interest income	3,524,971	7,792,531	3,524,971	7,792,531
Tax loss utilised	-	(17,339,968)	-	(17,339,968)
Taxable income/(loss)	215,248,390	175,473,754	207,246,343	165,043,010
Income Tax @ - 28%	**60,269,549**	**49,132,651**	**58,028,976**	**46,212,043**

	Company	
For the year ended 31st March	2017 Rs.	2016 Rs.
.3 Tax Loss Analysis (Company)		
Tax loss brought forward	-	17,237,561
Adjustment to brought forward loss	-	102,407
	-	17,339,968
Tax loss for the year		
Tax loss utilised	-	(17,339,968)
Tax loss carried forward	-	-

0 Basic Earnings per Share

The basic profit per ordinary share is calculated by dividing the loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares, in issue.

	Group		Company	
For the year ended 31st March	2017	2016	2017	2016
Profit after taxation attributable to ordinary shareholders (Rs.)	182,577,076	168,049,710	179,432,578	163,920,762
Weighted average number of shares	2,000,000	2,000,000	2,000,000	2,000,000
Earnings per Share (Rs.)	91.29	84.02	89.72	81.96

.1 There was no potential dilution as at the year end. Therefore, diluted earnings per share is the same as basic earnings per share shown above.

For the year ended 31st March 2017

11. Property, Plant and Equipment

Group / Company	Freehold Land	Buildings	Plant and Machinery	Moulds	Office Equipment	Computer Equipment	Furniture and Fittings	Motor Vehicles	Road Development	Y/E 31st March 2017	Y/E 31st March 2016
Cost / Valuation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01st April	26,370,476	227,628,746	171,782,794	253,869,859	4,570,552	6,909,555	3,129,133	22,318,425	680,763	717,260,303	712,970,983
Additions	-	-	38,541,431	53,921,283	1,720,258	818,080	11,775	25,165,759	-	120,178,586	17,296,996
Disposals	-	-	(2,939,738)	-	(202,600)	(76,500)	-	(12,096,719)	-	(15,315,557)	(12,769,909)
Write-offs	-	-	-	-	-	-	-	-	-	-	(237,767)
As at 31st March	26,370,476	227,628,746	207,384,487	307,791,142	6,088,210	7,651,135	3,140,908	35,387,465	680,763	822,123,332	717,260,303
Depreciation											
As at 01st April	-	110,917,741	139,978,487	220,045,206	3,930,715	5,248,620	2,262,911	19,689,398	680,763	502,753,841	466,381,781
Charge for the year	-	11,381,437	7,952,574	21,855,033	269,865	537,586	131,197	3,936,692	-	46,064,384	41,517,386
Disposals	-	-	(2,939,738)	-	(173,247)	(27,825)	-	(12,094,417)	-	(15,235,227)	(4,939,098)
Write-offs	-	-	-	-	-	-	-	-	-	-	(206,228)
As at 31st March	-	122,299,178	144,991,323	241,900,239	4,027,333	5,758,381	2,394,108	11,531,673	680,763	533,582,998	502,753,841
Carrying Value as at 31st March 2017	26,370,476	105,329,568	62,393,164	65,890,903	2,060,877	1,892,754	746,800	23,855,792	-	288,540,334	
31st March 2016	26,370,476	116,711,005	31,804,307	33,824,653	639,837	1,660,935	866,222	2,629,027	-		214,506,462

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As at year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
1 Property, Plant and Equipment (Cont.)				
1.1 Fully Depreciated Assets				
Plant and machinery	115,855,619	108,283,296	115,855,619	108,283,296
Moulds	172,304,373	138,754,579	172,304,373	138,754,579
Office Equipment	3,806,287	3,459,799	3,806,287	3,459,799
Computer Equipment	4,887,299	6,634,389	4,887,299	6,634,389
Furniture and Fittings	1,822,073	1,762,064	1,822,073	1,762,064
Motor vehicles	19,708,886	14,761,672	19,708,886	14,761,672
Road Development	680,762	680,762	680,762	680,762
	319,065,299	274,336,560	319,065,299	274,336,560

1.2 The carrying value of property, plant and equipment ("PPE") under finance lease are as follow:

Group/Company	As at 31st March 2017 Cost Rs.	As at 31st March 2017 Carrying value Rs.	As at 31st March 2016 Cost Rs.	As at 31st March 2016 Carrying value Rs.
Motor vehicles	6,357,000	5,615,350	-	-
	6,357,000	5,615,350	-	-

1.3 **PPE Pledged as Security**

PPE have been pledged as securities as at the reporting date were mentioned below.

Property	Name of the Bank	Security
Land and building including plant and machinery	Commercial Bank of Ceylon PLC	Overdraft facility for Rs. 40 Mn
	State Bank of India	Overdraft facility for Rs. 71 Mn
Motor Vehicle (Rs. 4.4Mn)	Hatton National Bank	Lease creditor amounting to Rs. 3.6 Mn

1.4 **Title Restriction on PPE**

There are no restrictions that existed on the title of the PPE of the Company as at the reporting date.

For the year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
2 Intangible Assets				
Cost				
As at beginning of the year	8,119,639	3,101,118	8,119,639	3,101,118
Acquisitions during the year	4,602,780	5,117,953	4,602,780	5,117,953
Write offs during the year	-	(99,432)	-	(99,432)
	12,722,419	8,119,639	12,722,419	8,119,639
Amortisation				
As at beginning of the year	1,988,412	1,698,635	1,988,412	1,698,635
Amortisation during the year	1,673,846	369,697	1,673,846	369,697
Write offs during the year	-	(79,920)	-	(79,920)
	3,662,258	1,988,412	3,662,258	1,988,412
Carrying Value as at 31st March	9,060,161	6,131,227	9,060,161	6,131,227

2.1 The Company's intangible assets are softwares.

3 Investment in Subsidiary *As at year ended 31st March*	% of holding	Company No of shares 2017	Company No of shares 2016	Company Value 2017 Rs.	Company Value 2016 Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd					
Investment in ordinary shares	100%	100	99	1,000	1,000
		100	99	1,000	1,000

As at year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
14 Short term investments				
Investment in unit trust	50,995,612	148,657,176	50,995,612	148,657,176
	50,995,612	148,657,176	50,995,612	148,657,176

As at reporting date Company had investments in 3,072,528 units in NAMAL high yield fund which categorized in to other financial instruments as per Sri Lanka Accounting Standard for SMEs. As at the reporting date fair value of a unit was Rs.16.5973/-

	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
15 Inventories				
Raw materials	117,791,106	82,017,480	117,791,106	82,017,480
Goods in transit	-	38,272,788	-	38,272,788
Packing materials	3,228,880	4,500,061	3,228,880	4,500,061
Work in Progress	1,465,772	840,743	1,465,772	840,743
Finished goods	87,042,889	72,770,807	61,533,042	51,162,178
	209,528,647	198,401,879	184,018,800	176,793,250
Provision for slow moving Inventories (15.2)	(5,920,177)	(4,703,654)	(2,724,538)	(1,886,791)
	203,608,470	193,698,225	181,294,262	174,906,459

Note 15.1
Raw materials inventory consists of assorted items amounting to Rs.15,948,731 (2016 - Rs. 17,599,552)

15.2 Provision for slow moving Inventories

	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
15.2.1 Movement in Provision for Slow Moving Inventories				
Balance as at the beginning of the year	4,703,654	1,086,078	1,886,791	426,633
Provision for the year	1,216,523	3,617,576	837,747	1,460,158
Balance as at the end of the year	5,920,177	4,703,654	2,724,538	1,886,791
15.2.2 Inventory Item Category				
Raw materials	1,168,188	1,753,545	1,168,188	1,753,545
Packing materials	-	107,884	-	107,884
Finished goods	4,751,989	2,842,225	1,556,350	25,362
	5,920,177	4,703,654	2,724,538	1,886,791

	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
16 Trade and Other Receivables				
Trade receivables - related parties	5,408,654	7,056,998	5,338,905	6,896,445
Trade receivables - other	228,858,286	194,226,035	212,165,439	185,297,071
Provision for impairment of trade receivables (Note 16.1)	(6,621,840)	(3,597,358)	(4,974,533)	(3,373,032)
	227,645,100	197,685,675	212,529,811	188,820,484
Value Added Tax recoverable	4,854,181	4,169,971	-	18,242
Nation Building Tax recoverable	-	398	-	398
Staff loans	807,297	1,682,199	807,297	1,682,199
Deposits and prepayments	6,187,968	5,681,565	6,157,474	5,600,709
Advances paid to suppliers	-	10,617,874	-	10,617,874
Economic Service Charge recoverable	4,306,863	6,270,383	4,306,863	6,270,383
Subsidies receivable from Treasury	4,164,607	4,170,277	4,164,607	4,170,277
Other receivables	191,257	174,389	191,257	174,389
	248,157,273	230,452,731	228,157,309	217,354,955

	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
16.1 Provision for Impairment of Trade Receivables				
Balance as at the beginning of the year	3,597,358	3,385,935	3,373,032	3,385,935
Provision for impairment of trade receivables	3,024,482	211,423	1,601,501	(12,903)
Balance as at the end of the year	6,621,840	3,597,358	4,974,533	3,373,032

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As at year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
17 Related Party Receivables				
Nilkamal Eswaran Marketing (Pvt) Ltd	-	-	21,253,120	10,115,480
	-	-	21,253,120	10,115,480
18 Cash and Cash Equivalents				
Cash in hand	380,351	306,367	290,542	240,029
Cash at bank	18,676,462	6,255,941	12,998,864	4,798,329
REPO investment in Sri Lankan Government treasury bills	25,000,000	56,000,000	25,000,000	56,000,000
	44,056,813	62,562,308	38,289,406	61,038,358
Cash & Cash Equivalents in the Statement of Cash Flows	44,056,813	62,562,308	38,289,406	61,038,358

As at 31st March	Company No. of shares 2017 Rs.	No. of shares 2016 Rs.	Value 2017 Rs.	Value 2016 Rs.
19 Stated Capital				
Issued and fully paid - ordinary shares	2,000,000	2,000,000	20,000,000	20,000,000
At the beginning of the year	2,000,000	2,000,000	20,000,000	20,000,000
At the End of the Year	2,000,000	2,000,000	20,000,000	20,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

As at 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
20 Interest Bearing Borrowings				
Lease creditors (Note 20.1)	3,569,322		3,569,322	
Interest payable on term loan	-	15,858	-	15,858
	3,569,322	15,858	3,569,322	15,858
20.1 Lease Creditors				
At the beginning of the year	-	-	-	-
Lease obligations entered during the year	5,315,580		5,315,580	
Lease rentals paid during the year	(1,181,240)	-	(1,181,240)	-
Balance at the end of the year	4,134,340	-	4,134,340	-
Less: interest in suspense	(565,018)	-	(565,018)	-
At the end of the year	3,569,322	-	3,569,322	-
Due within one year	1,393,807	-	1,393,807	-
Due after one year	2,175,515	-	2,175,515	-
	3,569,322	-	3,569,322	-

For the year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
21 Employee Benefits				
21.1 Defined Contribution Plans				
Following contributions				
Employees' Provident Fund				
Employers' contribution	10,739,876	8,696,189	10,739,876	8,696,189
Employees' contribution	4,794,918	3,987,903	4,794,918	3,987,903
Employees' Trust Fund	2,382,405	1,917,958	2,382,405	1,917,958

21.2 The computation of provision is based only on Gratuity Act requirement as recommended by SLFRS for SMEs Section 28.18 "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cas flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturit approximating to the terms of the related liability.

For the year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
21.3 Movement in the Present Value of Defined Benefit Obligations				
Defined benefit obligations as at beginning of the year	26,482,101	20,312,531	26,482,101	20,312,531
Charge for the year	(2,809,363)	4,138,317	(2,809,363)	4,138,317
Interest cost	2,962,161	2,031,253	2,962,161	2,031,253
Benefits paid	(407,708)	-	(407,708)	-
Total Obligation at the End of the Year	**26,227,191**	**26,482,101**	**26,227,191**	**26,482,101**
21.4 Provision Recognised in the Statement of Profit or Loss and Other Comprehensive Income				
Charge for the year	(2,809,363)	4,138,317	(2,809,363)	4,138,317
Interest cost	2,962,161	2,031,253	2,962,161	2,031,253
Cost been charged to Nilkamal Eswaran Marketing (Pvt) Ltd	-	-	(8,060)	(203,422)
	152,798	**6,169,570**	**144,738**	**5,966,148**
21.5 Actuarial Assumptions				
Principle actuarial assumptions at the reporting date,				
Discount rate as at 31st March	11.50%	10.00%	11.50%	10.00%
Staff turnover rate as at 31st March	10.00%	10.00%	10.00%	10.00%
Future salary increases	10.00%	12.00%	10.00%	12.00%

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As at year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
22 Deferred Taxation				
Deferred tax asset (Note 22.1)	(7,343,613)	(8,102,034)	(7,343,613)	(8,102,034
Deferred tax liability (Note 22.2)	27,666,567	19,905,186	27,666,567	19,905,186
	20,322,954	**11,803,152**	**20,322,954**	**11,803,152**
22.1 Deferred Tax Asset				
Balance at the beginning of the year	8,102,034	11,081,144	8,102,034	11,081,144
Amount reversing during the year to profit or loss	(758,421)	(2,979,110)	(758,421)	(2,979,110
Balance at the End of Year	**7,343,613**	**8,102,034**	**7,343,613**	**8,102,034**
22.2 Deferred Tax Liability				
Balance at the beginning of the year	19,905,186	21,471,865	19,905,186	21,471,865
Amount originating / (reversing) during the year to profit or loss	7,761,381	(1,566,679)	7,761,381	(1,566,679
Balance at the End of Year	**27,666,567**	**19,905,186**	**27,666,567**	**19,905,186**

As at year ended 31st March	Group 2017 Temporary Difference Rs.	Group 2017 Tax Effect Rs.	Group 2016 Temporary Difference Rs.	Group 2016 Tax Effect Rs.
Deferred Tax Liabilities				
Property, plant & equipment	98,809,167	27,666,567	71,089,951	19,905,186
Deferred Tax Assets				
Employee benefits	(26,227,191)	(7,343,613)	(26,482,101)	(7,414,988
Royalty payable	-	-	(2,453,735)	(687,046
	(26,227,191)	(7,343,613)	(28,935,836)	(8,102,034
	72,581,976	**20,322,954**	**42,154,115**	**11,803,152**

As at year ended 31st March	Company 2017 Temporary Difference Rs.	Company 2017 Tax Effect Rs.	Company 2016 Temporary Difference Rs.	Company 2016 Tax Effect Rs.
Deferred Tax Liabilities				
Property, plant & equipment	98,809,167	27,666,567	71,089,951	19,905,186
Deferred Tax Assets				
Employee benefits	(26,227,191)	(7,343,613)	(26,482,101)	(7,414,988
Royalty payable	-	-	(2,453,735)	(687,046
	(26,227,191)	(7,343,613)	(28,935,836)	(8,102,034
	72,581,976	**20,322,954**	**42,154,115**	**11,803,152**

As at year ended 31st March	Group 2017 Rs.	Group 2016 Rs.	Company 2017 Rs.	Company 2016 Rs.
23 Trade and Other Payables				
Trade payables - related parties	6,733,160	4,173,883	-	-
- other	32,447,797	92,069,110	31,880,975	90,582,522
Security deposits from trade debtors	1,854,878	2,854,878	1,854,878	2,854,878
Accrued expenses	17,101,338	19,714,064	16,816,992	19,464,964
Value Added Tax payable	7,324,373	3,872,601	7,324,373	3,872,601
Other payables	5,897,982	3,432,148	5,193,978	3,361,969
	71,359,528	**126,116,684**	**63,071,196**	**120,136,934**
24 Related Party Payables				
Eswaran Brothers (Pvt) Ltd	734,567	774,864	734,567	774,864
Nilkamal India PLC	2,326,133	2,453,735	2,326,133	2,453,735
	3,060,700	**3,228,599**	**3,060,700**	**3,228,599**

25 Contingent Liabilities

The following cases have been filed against the Company or claims have been made in reconvention. No provision is made in the Financial Statements as the lawyers are of the opinion that the outcome of the potential liability on any of these cases can not be assessed with reasonable certainty at this stage.

(a) Commercial High Court of the Western Province Case No. H.C. (Civil) 302/2012/MR

The Court had granted Enjoining Orders as prayed for by the a Company's Distributor (Plaintiff). The Company has filed its Statement of Objections to the plaintiff's Application for Interim Injunctions and took up several Preliminary Objections. Both parties tendered their respective Written Submissions to Court and the Court by its Order dated the 23rd July 2012 dismissed and the above action with costs.

The plaintiff has preferred an appeal to the Supreme Court against the said Order. The Registrar of the Supreme Court has directed the Plaintiff-Appellant to deposit the brief fees. The brief fees of the Defendant Respondent has been deposited in court.

The Appeal is pending.

The Company did not have any further contingent liabilities other than those disclosed above.

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26 Related Party Transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', the details of which are reported below:

26.1 Key Management Personnel (KMP)

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The Company has identified the Board of Directors (including Executive, Non-Executive and Alternative Directors) and other members of the management team who hold significant authority and responsibility for planning, directing and controlling the entity's activities as KMP of the Company.

As the Company is the immediate parent of the Subsidiary, Nilkamal Eswaran Marketing (Pvt) Ltd, the Board of Directors of the Company has the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Accordingly the Board of Directors of the Company (Including Executive and Non-Executive) are KMPs of the Group.

	Group		Company	
For the year ended 31st March	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Compensation of Key Management Personnel				
Short term benefits	4,190,532	3,947,340	4,190,532	3,947,340
Post employment benefits	-	294,537	-	294,537

No other payments such as post employments benefits, termination benefits and share based payments have been paid to key management personnel during the year.

No loans have been given to the Directors of the Company.

26.2 Transactions with Related Companies

Company Name	Nature of Transaction	Relationship	Transaction Amount 2016/17 Rs.	Transaction Amount 2015/16 Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd	Dues of Marketing settled by Plastics	Subsidiary	21,048,978	6,946,098
	Net fund transfers to/(from) Plastics		19,790,000	(5,600,000)
	Overdraft interest expense charged by Plastics		1,467,892	337,981
	Reimbursement charges charged by Plastics		8,723,732	7,437,965
	Gratuity cost transferred to Marketing		321,022	330,193
Nilkamal Limited	Purchases from Nilkamal Limited	Parent	9,322,105	12,667,944
	Sale of injection molding machine to Nilkamal Limited		-	9,260,105
	Mould lease rentals paid to Nilkamal Limited		1,956,447	1,205,776
	Purchases of Capital Goods from Nilkamal Limited		11,432,264	4,548,863
	Royalty charged by Nilkamal Limited		8,772,982	8,049,997

27. Contracts for Capital Expenditure

The following commitments for capital expenditure approved by the Directors have not been provided in the Financial Statements.

	Group		Company	
For the year ended 31st March	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Approximate amount approved but not contracted for	52,662,800	5,296,703	52,662,800	5,296,703

28. Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, related parties, short term investments and cash and cash equivalents.

The Company trades with own distributors with bank guarantee and trades maximum up to the guarantee value. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts in not significant. Cash and cash equivalents are held with banks which have good ratings based on Fitch ratings.

28.1.1 Credit Risk Exposure and Managing the Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

	Group		Company	
As at 31 March	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade and other receivables	248,157,273	230,452,731	228,157,309	217,354,955
Cash & cash equivalents	44,056,813	62,562,308	38,289,406	10,115,480
	292,214,086	293,015,039	266,446,715	262,930,700

28.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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28.2 Liquidity Risk (Cont..)

Maturity Analysis

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Group

As at 31 March 2017 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & other payable	71,359,528	-	-	71,359,528
Related party payables	3,060,700	-	-	3,060,700
Interest bearing borrowings	3,569,322	1,393,807	2,175,515	7,138,644
	77,989,550	**1,393,807**	**2,175,515**	**81,558,872**

As at 31 March 2016 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & other payable	126,116,684	-	-	126,116,684
Related party payables	3,228,599	-	-	3,228,599
	129,345,283	-	-	**129,345,283**

Company

As at 31 March 2017 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & other Payable	63,071,196	-	-	63,071,196
Related party payables	3,060,700	-	-	3,060,700
Interest bearing borrowings	3,569,322	1,393,807	2,175,515	7,138,644
	69,701,218	**1,393,807**	**2,175,515**	**73,270,540**

As at 31 March 2016 *In Rs.*	Within 1 Year	Between 1-2 Years	More than 2 Years	Total
Trade & other Payable	120,136,934	-	-	120,136,934
Related party payables	3,228,599	-	-	3,228,599
	123,365,533	-	-	**123,365,533**

28.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

28.4 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk arising mainly from foreign currency denominated in a currency other than the respective functional currencies of Company. The currencies in which these transactions primarily are denominated in USD.

The Company's exposure to foreign currency risk is as follows;

As at 31 March 2017	USD	Converted to Rs.
Cash & cash equivalents	-	-
Trade payable	-	-
	-	-

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

28.5 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

Management of Interest Rate Risk

The Company's investment decisions in interest bearing assets are controlled by the higher level authorities appointed by the Board of Directors and they are advised and guided only to invest in secured and regulated investment sources.

For the year ended 31st March 2017,

29. Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

30. Events Occurring After the Reporting Date

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclose in the Financial Statements.

31. Board of Director's Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards for small and medium-sized entities laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.

KPMG
CHARTERED ACCOUNTANTS