

@home®

THE MEGA HOME STORE

  
Nilkamal®

Blooming in all our businesses

- Material Handling Solutions
- Moulded Furniture
- Home Decor Retail

*Nilkamal Limited*

Annual Report 2007-2008



## **Milestones 2007-2008**

Report  junction.com

- Established ourselves as a one-stop solution in Material Handling Business.
- Acquired one of our closest competitors in Material Handling Business.
- Consolidated our position in the Moulded Furniture business and gained highest market share for Moulded furniture, way `above our competitors.
- Growth of 128% over 06-07 for @home.  
A terrific growth from 7 stores in 06-07 to 13 stores in 07-08.



## Nilkamal Limited

### Entrance Pass

(To be presented at the entrance)  
22<sup>nd</sup> Annual General Meeting on 9<sup>th</sup> August, 2008, at 11.00 am at Survey No. 354/2 & 354/3,  
Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona,  
Union Territory of Dadra & Nagar Haveli.

Folio No. .... DPID No. .... Client ID No. ....

Name of the Shareholder : .....

Signature .....

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



## Nilkamal Limited

### Proxy Form

I / We ..... of .....  
in the district of ..... being a member(s) of the above named Company, hereby appoint  
Mr./Mrs. .... of ..... in the district  
of ..... as my / our proxy to attend and vote for me / us and on my / our behalf at the Twenty second Annual General  
Meeting of Nilkamal Limited to be held on Saturday, 9<sup>th</sup> day of August, 2008 at 11.00 am and at any adjournment thereof.

Folio No. .... DPID No. .... Client ID No. ....

No of shares held .....

Signed this ..... day of ....., 2008 Signature .....

affix Re 1  
Revenue  
Stamp

### Bank Account Particulars / ECS Mandate Form

I/We ..... are holding ..... shares against Folio No. ....

(Physical mode) and shares (Demat mode) against Client ID No. .... DPID No. ....

And do hereby authorise Nilkamal Limited.

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

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

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

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

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

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

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

Signature of the Shareholder

www.reportjunction.com



**Board of Directors**

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

**Financial Controller**

Mr. Pares B. Mehta

**Company Secretary**

Ms. Priti P. Dave

**Bankers**

State Bank of India  
Corporation Bank  
IDBI Bank Ltd.  
Citibank N.A.  
HSBC Ltd.  
DBS Bank Ltd.

**Auditors**

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

**Registrar and Transfer Agents**

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

**Barjora Factory**

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

**Jammu Factory**

IGC Sambha, Phase – II, Samba – 184121,  
Jammu & Kashmir.

**Kharadpada Factory**

Survey No. 389, 391, 393, 396 & 401  
Naroli – Kharadpada road,  
Village : Kharadpada Silvassa - 396230

**Noida Factory**

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

**Pondicherry Factory**

19/3, Pit -Olaivaikkal Village,  
Koodapakam Villianoor Road,  
Villianoor Taluk, Pondicherry – 605 110.

**Sinnar Factory**

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

**Registered Office and****Vasona Factory**

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

**Corporate Office**

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

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**NOTICE**

NOTICE is hereby given that the **22<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli on Saturday, **the 9<sup>th</sup> day of August, 2008 at 11.00 am** to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2008 and Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2008.
3. To appoint a Director in place of Mr. Hiten V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place Mr. Manish V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Mahendra V. Doshi, who retires by rotation and being eligible, offers himself for re-election.
6. To appoint M/s. Dalal & Shah and M/s. Vora & Associates, Chartered Accountant, Mumbai as Statutory Auditors and fix their remuneration for the financial year 2008-09.

**SPECIAL BUSINESS:**

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 applicable provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, the Company hereby revise the remuneration payable to Mr. Sharad V. Parekh, Managing Director, Mr. Hiten V. Parekh, Executive Director, Mr. Manish V. Parekh and Mr. Nayan S. Parekh, Whole Time Directors of the Company w.e.f. April 1<sup>st</sup>, 2008 for the remaining tenure of their respective appointments, as per the individual supplemental agreements between the Company and the said respective Directors, which is hereby approved, with authority to the Board of Directors to alter and vary the terms and conditions of the said supplementary agreements as they may deem fit and necessary from time to time.

**RESOLVED FURTHER THAT** besides the aforesaid, the other terms and conditions governing their remaining tenure of appointment shall remain unaltered and binding on the Company and the respective Directors as mentioned in the original agreements".

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

**"RESOLVED THAT** pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages / charges / hypothecation on all or any of the immovable and movable properties of the Company present and future, of the whole, or substantially the whole, of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgages / charges / hypothecation already created or to be created in further by the Company for securing any loans and/or advances and /or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets / business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for debenture holders / bondholders / FCCBs holders that may be appointed hereafter, as security for the debentures / bonds / FCCBs that may be issued by the Company on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amount of Rs.500 Crores (Rupees Five Hundred Crores Only) together with interest thereon and further interest if any, costs, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks,

machinery suppliers, financial institutions and trustees for the Debenture/Bond/FCCBs holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and are expedient for giving effect to the foregoing resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary and/or alter the terms and conditions of the security created / to be created as aforesaid in consultation with the Lenders, Trustees and other Mortgagees as they may deem fit”.

9. 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 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the provisions of the Articles of Association of the Company, and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, for the purpose of business of the Company, such sums as they may deem necessary, notwithstanding the fact that the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such moneys already borrowed together with the moneys to be borrowed shall not exceed Rs. 500 crores (Rupees Five Hundred Crores Only) at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable, to give effect to this resolution”.

10. **Issuance of Securities :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with and subject to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the Foreign Exchange (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and other applicable Rules, Regulations, Notifications, Circulars, Schemes, Guidelines and Directions, if any, of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of the Listing Agreement with them) and other concerned and relevant authorities and other applicable laws if any, and the relevant provisions of the Memorandum and Articles of Association of the Company and also subject to such approvals, consents, permissions or sanctions of the Government of India (GOI), RBI, SEBI and any other Indian/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications or variations as may be prescribed by any of them in granting any such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred by the Board), the consent of the Shareholders be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches (including with provision for reservation on firm and/or competitive basis) of public or private offerings in domestic and/or international markets, through prospectus and/or offer letter, and/or offering memorandum, and/or other permissible/requisite offer document or letter; Foreign Currency Convertible Bonds (FCCBs) and/or Global Depository Receipts (GDRs) and/or any other Depository Receipts (DRs), and/or Securities representing either Equity Shares or convertible Securities through Depository Receipts, and/or Equity Shares and/or Preference Shares, and/or any other Securities convertible into Equity Shares at the option of the Company and/or holders of the Security and/or Securities linked to Equity Shares and/or Securities with or without detachable/non-detachable warrants (hereinafter referred to as the “Securities”), whether secured by way of creating charge on the assets of the Company or unsecured, subscribed to in Indian/Foreign Currency(ies), by Indian or Foreign Banks, Institutions, Institutional Investors, Mutual Funds, Companies, Other Corporate Bodies, Trusts, Funds, Hedge Funds, Resident/Non-Resident Indians, Foreign Nationals, Individuals and other eligible Investors, persons or entities (hereinafter collectively referred to as “Investors”) as may be decided by the Board, whether or not such investors are members of the Company; up to an aggregate amount not exceeding US\$ 50 millions (United States Dollars Fifty Million Only) or equivalent amount in Indian or any other currency as the case may be (inclusive of such premium as may be determined) and such offer, issue and allotment to be made, at such time or times, in Indian Rupees or any convertible foreign exchange or other currencies as may be permissible and/or required, at such

price or prices, in such form and manner and on such other terms and conditions as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment, subject however, to the applicable guidelines, rules, regulations, notifications, circulars and other applicable statutory provisions.

**RESOLVED FURTHER THAT** in case of offer/issue/allotment of shares/securities in Indian and/or international market under the respective guidelines of SEBI, RBI, or other appropriate authorities, as the case may be, the price (inclusive of premium) of the shares and / or securities shall not be less than the price arrived in accordance with the provisions of respective applicable guidelines, rules, regulations or directions.

**RESOLVED FURTHER THAT** the Company through its Board or any of its Committee and/or any agency or body authorised by the Company, may issue receipts/certificates or other requisite documents representing the underlying securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian/International capital markets, for instruments of this nature and provide for the free tradability or transferability thereof as per laws, rules, regulations and guidelines under the forms and practices prevalent in the Indian/International market.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, offer, issue and allot, from time to time, such number of equity shares/securities at such price that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid shares/securities, including additional equity shares or securities, all such shares/securities ranking pari-passu in all respects, with the then existing respective shares/securities, as the case may be, of the Company, but shall be subject to such lock-in requirements as may be prescribed by appropriate authorities under applicable laws, if any.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/conversion of securities/exercise of warrants/redemption of securities, rate of interest, conversion or redemption period, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements/arrangements/Memorandum of Understandings/documents with any authorities/agencies, and listing of the shares/securities (including the resultant equity shares to be issued as per the terms of issue of the said securities) on any Indian and/or Foreign Stock Exchange(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of the aforesaid shares/securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Directors or any Director or Directors or other officer of the Company, or to any intermediary or agent of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

#### 11. **Qualified Institutions Placement :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("DIP Guidelines") and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion, issue, offer and allot equity shares of the Company ("Equity Shares") or instruments convertible into Equity Shares ("Securities") for up to the amount of US\$ 50 million (United States Dollars Fifty Million Only) or in equivalent Indian Rupees inclusive of such premium, as may be



determined, to Qualified Institutional Buyers (as defined by the DIP Guidelines) pursuant to a qualified institutions placement, as provided under Chapter XIII-A of the DIP Guidelines.

**RESOLVED FURTHER THAT** the Board or its Committee be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such shares ranking *pari passu* with the existing Equity Shares of the Company in all respects from the date of allotment and:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and;
- (b) the relevant date for the determination of applicable price for the issue of the Securities means the date which is thirty days prior to the date of this Extra-ordinary General Meeting.

**RESOLVED FURTHER THAT** the issue to the holders of the Securities of the Equity Shares underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders and;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to form a committee or delegate all or any of its power to any committee of Directors to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- a. Approving the offer document and filing the same with the any other authority or persons as may be required;
- b. Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- c. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- d. Opening a separate special account with a scheduled bank to receive monies in respect of the issue of the equity shares of the Company;
- e. Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s).

**RESOLVED FURTHER THAT** the Board's Management Committee of the Company be and is hereby authorised (including to empower any Director or Executive/Officer of the Company thereof) to approach and obtain such of the approvals, permissions, sanctions as may be required from SEBI, Stock Exchanges, Central Government or its Agencies / Authorities like FIPB, RBI etc., and also to do all such acts, deeds and things as may be necessary for giving effect to the above resolutions, whether incidental or ancillary thereto".



## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 2<sup>nd</sup> August, 2008 to 9<sup>th</sup> August, 2008 (both days inclusive) for the purpose of determining eligibility of Members entitled to Dividend. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid after 9<sup>th</sup> August, 2008.
4. The explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of the businesses under Item Nos. 7 to 11 of the Notice is annexed hereto.
5. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
6. Members, who have not yet encashed their dividend warrant(s) for the financial years 2001-2002 onwards, are requested to write to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078 accordingly. **It may be noted that once such unclaimed dividends are transferred on expiry of seven years, to the Investor Education and Protection Fund as stated herein no claim shall lie in respect thereof.**
7. The Company has applied to the Central Government for exemption from attaching the accounts and reports of all its subsidiaries under section 212 of The Companies Act, 1956. Shareholders requiring the same may write to the Company.
8. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.
9. All intimation regarding change of address, merging of folios, request for making nominations from shareholders holding shares in physical form and request for revalidation of dividend warrant may be directed to the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited.
10. Members/ Proxies should bring the attendance slips filled in for attending the meeting.

By order of the Board  
For Nilkamal Limited

Place : Mumbai  
Date : June 14, 2008

Priti P. Dave  
Company Secretary

**Explanatory Statement**

(Pursuant to Section 173(2) of the Companies Act, 1956)

**Item No. 7**

The Managing Director, Executive Director and Whole Time Directors of the Company were appointed/reappointed at the 19<sup>th</sup> Annual General Meeting of the Company held on 10<sup>th</sup> September, 2005 on such terms and conditions, remuneration payable from such date as decided thereat for a period of five years.

The Board of Directors of the Company have, subject to consent of Shareholders' at the forthcoming Annual General Meeting, increased the remuneration payable to the said Directors, by way of increasing their basic monthly salary with corresponding increase in value of allowances and perquisites thereto effective from 1<sup>st</sup> April, 2008 for the remaining tenure of their respective appointments. Other terms and conditions as agreed between them individually and the Company shall remain unchanged.

The draft agreements between the Company and the respective Directors contain the following principle terms and conditions:

**1. SALARY (Basic):**

- |  |   |   |
|--|---|---|
| a. Mr. Sharad V. Parekh<br>(Managing Director)   | : | Rs. 3,40,000 per month<br>(in the scale of Rs. 3,40,000 to Rs. 4,25,000)  |
| b. Mr. Hiten V. Parekh<br>(Executive Director)   | : | Rs. 3,35,000 per month<br>(in the scale of Rs. 3,35,000 to Rs. 4,00,000)  |
| c. Mr. Manish V. Parekh<br>(Whole-time Director) | : | Rs. 3,20,000 per month<br>(in the scale of Rs. 3,20,000 to Rs. 3,75,000)  |
| d. Mr. Nayan S. Parekh<br>(Whole-time Director)  | : | Rs. 3,10,000 per month<br>(in the scale of Rs. 3,10,000 to Rs. 3,65,000). |

(The annual increments will be decided by the Board or a Committee thereof each year within the above mentioned scale which will be merit based and take into account the Company's performance.)

**2. PERQUISITES:**

The aforesaid Directors shall be entitled to perquisites (evaluated as per the Income Tax Rules, wherever applicable and at the actual cost to the Company in other cases) like the benefit of rent free accommodation for self, spouse and family or house rent allowance in lieu thereof, company car with chauffeur, telephone at residence/cellular phones, statutory contribution to retirement funds, gratuity, club membership fees, re-imbursement of medical expenses, medical coverage, overseas medical expenses, leave encashment and long service awards and other benefits/allowances in accordance with the scheme(s) and rule(s) of the Company from time to time, for the aforesaid benefits.

Explanation: For the purpose of these Agreements 'Family' includes spouse, dependent children and dependent parents of the concerned Appointee.

**3. MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained in the event of absence or inadequacy of profits of the Company in any financial year, the aforesaid Directors shall be entitled to receive such minimum remuneration as is permissible under Section II of part II of Schedule XIII of the Companies Act, 1956.

**4. REIMBURSEMENT OF ENTERTAINMENT EXPENSES**

The respective Directors shall be individually entitled to reimbursement of entertainment expenses actually and properly incurred by them for business of the Company, which will not be treated as an item of their remuneration in terms of Section 198 of the Companies Act, 1956.

The draft of the Supplemental Agreements to be executed between the Company and the respective Directors as approved by the Board of Directors are available for inspection by the members at the registered office of the Company on any working day between 2.00 to 4.00 p.m. and will also be made available at the venue of the 22<sup>nd</sup> Annual General Meeting of the Company.

This may also be treated as an abstract of the terms of contract/agreement between the Company and the respective Directors pursuant to section 302 of the Companies Act, 1956.

Mr. Sharad V. Parekh, Mr. Hiten V. Parekh, Mr. Manish V. Parekh and Mr. Nayan S. Parekh, the Directors of the Company are interested in the said resolution being related inter se. Mr. Vamanrai V. Parekh is to be considered as interested in the said resolution, being related to Mr. Sharad V. Parekh, Mr. Hiten V. Parekh and Mr. Manish V. Parekh. Except the aforesaid, none of the other Directors of the Company is in any way concern or interested in the resolution set above.

**Item No. 8**

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