



Soaring to new heights.

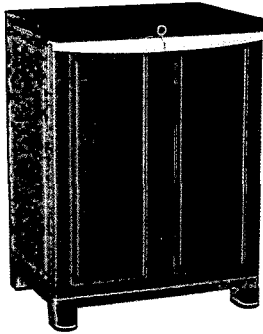
Nilkamal. Now a 1000 Crore Company.

Nilkamal Limited

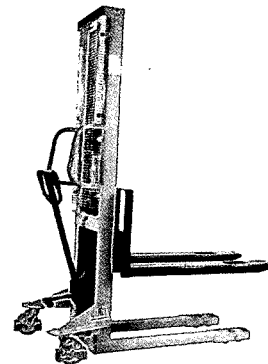
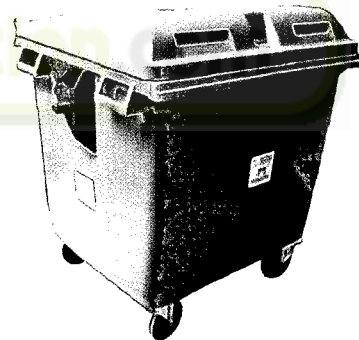
Annual Report 2008 - 2009

Key Businesses

Moulded Furniture



Material Handling Solutions



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. Paresh B. Mehta

Company Secretary

Ms. Priti P. Dave

Bankers

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

Auditors

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

Barjora Factory

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

Jammu Factory

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

Kharadpada Factory

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

Noida Factory

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

Puducherry Factory

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

Sinnar Factory

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

CONTENTS Page Nos.

Notice	2
Directors' Report and Annexure	5
Corporate Governance Report	10
Management Discussion and Analysis	17
Auditors' Report and Annexure	21
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Schedules Forming Part of the Account	27
Accounting Policies and Notes	32
Forming Part of the Accounts	
Financial Highlights	44
Auditors Report on Consolidated	45
Financial Statements	
Consolidated Balance Sheet	46
Consolidated Profit and Loss Account	47
Consolidated Cashflow Statement	48
Schedules Forming part of	49
Consolidated Accounts	
Accounting Policies and Notes forming	53
part of Consolidated Accounts	

NOTICE

NOTICE is hereby given that the **23rd 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 **Thursday the 13th day of August, 2009 at 11.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2009 and Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. Rajendra P. Goyal, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. K. R. Ramamoorthy, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Nayan S. Parekh, 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 2009-10.

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 6th August, 2009 to 13th August, 2009 (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 13th August, 2009.
4. 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.
5. Members, who have not yet encashed their dividend warrant(s) for the financial years 2002-2003 onwards, are requested to write to the Company's Registrars and Transfer Agents, Link Intime India Private Limited (Formerly known as 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.**

6. 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.
7. 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, Link Intime India Private Limited.
8. 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 13, 2009

Priti P. Dave
Company Secretary

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Rajendra P. Goyal	Mr. K. R. Ramamoorthy	Mr. Nayan S. Parekh
Date of birth	01-12-1923	08-07-1940	08-03-1972
Date of appointment	07-01-1991	21-10-2003	01-04-2000
Expertise in specific area	Banking and Finance	Banking and Finance	Industrialist with enriched and diverse experience in Corporate Management
Qualifications	M.Com, C.A.I.I.B.	B.A.,B.L., F.C.S	B.S. Plastics Engineering, U.S.A
Directorship in other Public Limited Companies	1. Kajaria Ceramics Ltd. 2. Mark Exhaust Ltd.	1. ING Vysya Bank Ltd. 2. Clearing Corporation of India Ltd. 3. Subros Ltd. 4. Amrit Corp. Ltd. 5. GMR Infrastructure Ltd. 6. ABC Paper Ltd. 7. IFCI Factors Ltd.	-
Membership of Committees in other Public Limited Companies	Audit Committee 1. Kajaria Ceramics Ltd. 2. Mark Exhaust Ltd. Remuneration Committee 1. Mark Exhaust Ltd.	Audit Committee 1. ING Vysya Bank Ltd. 2. Clearing Corporation of India Ltd 3. Subros Ltd. 4. GMR Infrastructure Ltd. 5. IFCI Factors Ltd. 6. ABC Paper Ltd. Remuneration Committee 1. ING Vysya Bank Ltd. 2. GMR Infrastructure Ltd.	-
Number of Shares Held	100	Nil	10,17,440

DIRECTORS REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2009.

Dear Members,

Your Directors have pleasure to present this 23rd ANNUAL REPORT of the Company together with the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS:

(Rs.in Lacs)

	2008-2009	2007-2008
Gross Turnover and Other Income	103203.30	89150.71
Net Turnover and Other Income	89086.33	75847.93
Profit before Depreciation and Tax	4299.67	10114.73
Less: Depreciation on Fixed Assets	3117.10	2329.81
Profit before Tax	1182.57	7784.92
Less: Provision for Taxes	572.44	2049.10
Profit after Tax	610.13	5735.82
Profit after Tax (excluding effect of exceptional item)	1130.77	2145.60
Amount Available for Appropriations	5290.97	7910.78
Less: Appropriations:		
i) Proposed Final Dividend	255.65	383.47
ii) Interim Dividend	-	447.38
iii) Total Tax on Dividend	43.45	141.20
iv) Transfer to General Reserves	100.00	2257.90
Leaving a Balance to be carried forward	5290.97	4680.84
Earnings Per Share (including effect of exceptional item)	Rs. 4.77	44.87
Earnings Per Share (excluding effect of exceptional item)	Rs. 8.85	16.79
Cash Earnings Per Share (including effect of exceptional item)	Rs. 29.16	63.10
Cash Earnings Per Share (excluding effect of exceptional item)	Rs. 33.23	35.01
Book Value per Share	Rs. 165.38	162.72

DIVIDEND

The Board of Directors are pleased to recommend a Dividend of Rs. 2/- per equity share (20%), which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company. The requisite amount of Rs. 299 Lacs (including distribution tax, surcharge and education cess) has been provided in the accounts for the purpose of Dividend.

RESERVES

Your Directors have proposed to carry a sum of Rs. 100 Lacs to the General Reserve Account out of the profits available.

YEAR IN RETROSPECT

The year under review has witnessed a major downturn in most of the economies of the world due to the global economic slowdown. The overall industrial growth was moderate. Continuous volatility in the prices of raw materials like crude oil, depreciation of Indian rupee and credit crunch were the major challenges before the Indian economy during the financial year.

Even after various ups and downs in the Indian economy during the last financial year the Company was in a position to maintain its leadership position in injection moulded plastic business and maintained the path of sustainable growth. The gross turnover of the Company has increased to Rs. 103,025 Lacs as compared to Rs. 89,033 Lacs in the previous year. During the financial year 2008-2009, the operating profit of the Company has increased to Rs. 8,783 Lacs as compared to Rs. 8,163 Lacs in the previous year.

The retail business of the Company i.e. @home division has achieved a gross turnover of Rs. 12,530 Lacs resulting into a growth of 96% as compared to the previous year. During the year under review the Company had fifteen @home stores in eleven cities.

AWARDS AND RECOGNITIONS

The @home division of the Company had received an award for the best 'Retail Design & Visual Merchandising' VM&RD 'In Store Asia' in the previous year and this year also it has added another feather in its cap by bagging 'Retailer of the Year - 2009' award given by Asia Retail Congress.

PATENT AND DESIGN REGISTRATION

During the year under review the Company had received a Patent for an invention entitled 'An Injection Moulding Machine and A Method of Manufacturing and Using the same.' This invention provides a method of manufacturing the moulded articles having surface finishing of natural materials like wood, marble, granite or stone, by using multi/two colours blends feeding for injection moulding machine.

The Company has more than 207 registered designs of the Company's products out of which 24 designs are registered during the year.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

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

SUBSIDIARIES & JOINT VENTURE

The wholly owned subsidiary of the Company at Ajman, Dubai viz. Nilkamal Crates and Bins-FZE, has performed well during the year under review. The Company has a good growth potential in future.

During the financial year 2008-2009, the Sri Lankan Subsidiary of the Company had a turnover of SLR 7,496 Lacs and net profit of SLR 640 Lacs as compared to turnover of SLR 11,488 Lacs and net profit of SLR 719 Lacs of previous year.

Company's subsidiary situated at Bangladesh has achieved turnover of BDT 1,722 Lacs and has incurred net loss of BDT 264 Lacs as compared to previous year's turnover of BDT 1,734 Lacs and net loss of BDT 230 Lacs.

The Indo German Joint Venture Company viz. Nilkamal Bito Storage Systems Private Limited in its second year of operation has achieved turnover of Rs. 3,230 Lacs as compared to Rs. 2,168 Lacs for the previous year and has incurred net loss of Rs. 290 Lacs against Rs. 718 Lacs of the previous year.

During the year under review the Company has acquired 50.01% of the paid up capital of Starshine Land Developers Private Limited, a real estate Joint Venture Company between Nilkamal Limited and Bhoomi Realty India Private Limited.

EXPORTS

Company's Exports during the year were Rs. 1,503 Lacs as compared to Rs. 1,300 Lacs in the previous year.

FIXED DEPOSITS

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

AUDITORS AND AUDITORS' REPORT

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

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

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

DIRECTORS

Mr. Rajendra P. Goyal, Mr. K. R. Ramamoorthy and Mr. Nayan S. Parekh, Directors of the Company retire by rotation at the ensuing Annual General Meeting. The retiring Directors being eligible have offered themselves

for re-election. Brief resume of the Directors proposed to be reappointed, nature of the expertise in specific functional areas, name of the Companies in which they hold directorships and memberships/ chairmanships of the Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreements with stock exchanges in India forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS OF EMPLOYEES

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and as amended and forming part of the Directors' Report for the year ended 31st March, 2009 is given in the Annexure to this Report.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Mumbai

Date : June 13, 2009

Vamanrai V. Parekh
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

Energy cost is one of the major part of the total operational cost. Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. The Company has taken adequate measures to optimize utilization of energy at all its plants and energy saving devices are used to reduce the consumption. Necessary investments are planned to cut down consumption of energy.

B. TECHNOLOGY ABSORPTION.

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

RESEARCH AND DEVELOPMENT (R & D).

1. Specific areas in which R & D has been carried out by the Company.
 - a) Reduction in cost of production by developing and applying alternate raw material mix, pigments usage of fillers etc.
 - b) Development on innovative design and products through its in-house design department.
2. Benefits derived as a result of the above R & D.
 - a) Improved productivity.
 - b) Reduction in cost.
 - c) Improvement in quality of the product.
 - d) Conservation of raw material.
3. Future Plan of Action.
 - a) To modify process parameters to improve the quality.
 - b) To launch new and novel products in the market as a result of on-going development carried out by the company.
4. Expenditure on R & D. - Not Significant

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

1. Efforts, in brief, made towards technology absorption, adaptation, and innovation.
The Company adopts latest technology at all its plants for continuous manufacturing operations. The machines and various moulds are regularly innovated for manufacturing of novel products in line with the market trend and demand.
2. Benefits derived as a result of the above efforts.
The Company is able to launch new and innovative designed products in the market enabling the Company to cater to different customer needs.
3. The Company has not imported any technology or process know-how.

FOREIGN EXCHANGE EARNINGS AND OUTGO.

Total foreign Exchange used and earned

	(Rs. in Lacs)	
	2008-2009	2007-2008
Foreign Exchange Earned	1,626.88	1,447.64
Foreign Exchange Used	8,719.10	7,957.55

For and on behalf of the Board

Place : Mumbai
Date : June 13, 2009

Vamanrai V. Parekh
Chairman