**Head Office :** Nilkamal House, 77/88, Road No.13/14, M.I.D.C., Andheri (East), Mumbai - 400 093, INDIA. Tel. : (91-22) 4235 8888
**Material Handling Division : Fax :** (91-22) 2836 1923 • **E-mail :** marketing@nilkamal.com
**Furniture Division : Fax :** (91-22) 2835 3556 • **E-mail :** furniture@nilkamal.com
**@home Division : Fax :** (91-22) 2837 2787 • **E-mail :** connect@at-home.co.in • **Visit us at :** www.nilkamal.com • **Visit us at :** www.at-home.co.in

**Date: 21-07-2020**

**Ref: 34th AGM/BSE/NSE**

To,
The Secretary
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001.

**SCRIPT CODE : 523385**

The Secretary
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra East, Mumbai-400 051.

**SYMBOL : NILKAMAL**

Dear Sir,

**Ref: Regulations 30 and 34 of SEBI (LODR) Regulations, 2015**

**Sub: Annual Report for the Financial Year 2019-2020 and Notice of the 34th Annual General Meeting.**

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report for the Financial Year 2019-20 of Nilkamal Limited ("the Company") along with Notice of the 34th Annual General Meeting of the Company scheduled to be held on Friday, August 14, 2020 at 11.00 A.M. Indian Standard Time, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The said notice forms part of the Annual Report of the Company for the Financial Year ended March 31, 2020 and which are being sent to the shareholders through electronic mode on their registered e-mail ids and are also available on the website of the Company at www.nilkamal.com.

Thanking you,
Yours faithfully,
For **Nilkamal Limited**

**Priti Dave**
**(Company Secretary)**

**Encl: a.a.**

Nilkamal®

# ANNUAL REPORT 2019-2020

**Success today requires the agility and drive to constantly rethink, reinvigorate, react, and reinvent.**

***– Bill Gates***

Nilkamal Limited

# NILKAMAL HELPS FIGHT COVID-19

The pandemic augmented the necessity of innovative and applicable solutions to meet and support the emerging need gap in the healthcare infrastructure.

As an organisation, Nilkamal stepped up and addressed the requirement in a record time. These innovative products are the outcome of our Research and Development team that has been working round-the-clock to devise unique solutions in the fight against COVID – 19.

We have successfully supplied these products to major Municipal Corporations (MMRDA, NMMC) and hospitals across India.

COVID Quarantine Bed

7 Position Isolation Bed

Quick COVID Bed

VirusGUARD

TravelGUARD

Hand Wash Station

| @home® | **Nilkamal Limited** CIN: L25209DN1985PLC000162 | Thirty Fourth Annual Report 2019 - 2020 | Nilkamal® |
|---|---|---|---|

**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 |
| Mr. Mihir H. Parekh (Appointed w.e.f from February 1, 2020) | - | Executive Director |
| Ms. Hiroo Mirchandani | - | Director |
| Mr. K. R. Ramamoorthy | - | Director |
| Mr. K. Venkataramanan | - | 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 and Compliance Officer**

Ms. Priti P. Dave

**Bankers**

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

**Auditors**

M/s. B S R & Co. LLP

**Plant Locations: -**

1) Barjora, West Bengal
2) Bhiwandi, Maharashtra
3) Dharuhera, Haryana
4) Hosur, Tamilnadu
5) Jammu, Jammu & Kashmir
6) Kharadpada, Union Territory of Dadra & Nagar Haveli
7) Noida, Uttar Pradesh
8) Puducherry
9) Sinnar, Maharashtra
10) Vasona, Union Territory of Dadra & Nagar Haveli

**Registered 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.

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

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## NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Nilkamal Limited will be held on Friday, on August 14, 2020 at 11.00 a.m. through two way Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

2. 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.

**SPECIAL BUSINESS:**

3. 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 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereto, the Company hereby ratifies the remuneration of ₹ 3.50 Lakh (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and re-imbursement of out-of-pocket expenses payable to M/s. B. F. Modi and Associates, Cost Accountants (Firm Registration No. 6955), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2021.

   **RESOLVED FURTHER THAT** the Board of Directors or any other person authorized by the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

4. 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 14 read with Companies (Incorporation) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013, and the rules thereunder or any other law for the time being in force (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such terms, conditions, amendments, or modifications, if any, as may be required or suggested by the Registrar of Companies and any other appropriate authorities, and as approved and recommended by the Board of Directors, the new set of Articles of Association of the Company, be and is hereby approved and adopted in total exclusion, substitution and supersession of the existing Articles of Association of the Company.

   **RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution."

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 Section 188 of the Companies Act, 2013 (the Act), and the rules thereunder or any other law for the time being in force (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions of the Act or any other law or laws, if any, and such other consents and permissions, as may be required, and subject to approval of Resolution No. 4 as set out in this Notice dated June 28, 2020, and pursuant to recommendation and approval of the Nomination and Remuneration Committee and the Audit Committee vide its resolutions dated June 28, 2020, the consent of the members of the Company, be and is hereby accorded to appoint Mr. Vamanrai V. Parekh, the Promoter of the Company, as Chairman Emeritus, effective from August 15, 2020, till the time he resigns from such position and the Board of Directors, are entitled to pay emoluments as detailed in the explanatory statement, annexed hereto and forming part of this notice for providing services as an mentor to the Company, the Board and the Management.

   **RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution."

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 Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Mihir H. Parekh (DIN: 07308466), who was appointed as an Additional Director with effect from February 1, 2020, pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting, who qualifies for being appointed as a Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with the provisions of Schedule V (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and subject to any approvals from any statutory authority as may be necessary, approval of the members be and is hereby accorded to appoint Mr. Mihir H. Parekh (DIN: 07308466) as a Whole Time Director, designated as an Executive Director of the Company for a period of Five years with effect from February 1, 2020 to January 31, 2025.

   **RESOLVED FURTHER THAT** the approval of the members be and is hereby accorded for the payment of remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the agreement to be entered into by Mr. Mihir H. Parekh with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:-

   **Remuneration:**

   Basic Salary:

   Monthly Salary of ₹ 180,000/- (Rupees One Lakh Eighty Thousand Only) in the scale of ₹ 175,000/- to ₹ 400,000/- per month, during his tenure of office (first increment falling due on April 1, 2020).

   **Perquisites/allowances:**

   1. Mr. Mihir H. Parekh shall be entitled to House Rent Allowance not exceeding 50% of the basic salary per month.

   2. Leave travel allowance at one month's basic salary, Company cars for official and personal use including fuel, maintenance and other expenses, reimbursement of expenses towards telephones, telefax and other communication facilities at the residence.

   3. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Mihir H. Parekh's spouse and attendant(s) during business trips, actual medical expenses incurred in India and/or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

   4. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.

   5. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

      The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

   **Benefits and Amenities:**

   1. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time.

   2. Earned/privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

3. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to applicable laws.

4. Reimbursement of entertainment and other business promotion expenses actually incurred by Mr. Mihir H. Parekh in the course of business of the Company.

5. Reimburse or payment of all costs, charges and expenses that may have been or may be incurred by Mr. Mihir H. Parekh for the purpose of or on behalf of the Company.

6. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period of his appointment, the Company will pay Mr. Mihir H. Parekh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors (including its committee thereof), subject to necessary approvals.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby also accorded to pay the remuneration to Mr. Mihir H. Parekh within the scale as stated above, notwithstanding that the remuneration payable to him in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of his tenure i.e. upto January 31, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Mihir H. Parekh in the light of further progress of the Company which shall be within the above mentioned approved scales and in accordance with the provisions 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) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

8. 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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K. Venkataramanan (DIN: 00001647), Independent Director of the Company, who holds office of Independent Director upto the conclusion of the Annual General Meeting to be held in the calendar year 2020, and who is eligible for re-appointment for a Second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of Five years from the date of this Annual General Meeting i.e. from August 14, 2020 till August 13, 2025.

**RESOLVED FURTHER THAT** pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby given for continuation of Mr. K. Venkataramanan, as an Independent Director of the Company even after attaining the age of 75 years.

**RESOLVED FURTHER THAT** the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

9. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with the provisions of Schedule V (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and subject to any approvals from any statutory authority as may be necessary, approval of the members be and is hereby accorded to re - appoint Mr. Sharad V. Parekh (DIN: 00035747) as the Managing Director of the Company for a period effective from April 1, 2020 till the close of the business hours on August 14, 2020.

**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded for the payment of remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the agreement to be entered into by Mr. Sharad V. Parekh with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:

**Remuneration:**

1. Basic Salary:

   Monthly Salary of ₹ 11,92,320/- (Rupees Eleven Lakhs Ninety Two Thousand Three Hundred and Twenty only) in the scale of ₹ 11,50,000 /- to ₹ 24,00,000/- per month, during his tenure of office (first increment falling due on, April 1, 2020).

**Perquisites/allowances:**

1. Mr. Sharad V. Parekh shall be entitled to House Rent Allowance not exceeding 50% of the basic salary per month.

2. Leave travel allowance at one month's basic salary, Company cars for official and personal use including fuel, maintenance and other expenses, reimbursement of expenses towards telephones, telefax and other communication facilities at the residence.

3. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Sharad V. Parekh's spouse and attendant(s) during business trips, actual medical expenses incurred in India and/or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

4. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

   The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

**Benefits and Amenities**:

1. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time.

2. Earned/ privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

3. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to the applicable laws.

4. Reimbursement of entertainment and other business promotion expenses actually incurred by Mr. Sharad V. Parekh in the course of business of the Company.

5. Reimburse or payment of all costs, charges and expenses that may have been or may be incurred by Mr. Sharad V. Parekh for the purpose of or on behalf of the Company.

6. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period of his appointment, the Company will pay Mr. Sharad V. Parekh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors (including its committee thereof), subject to necessary approvals.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby also accorded to pay the remuneration to Mr. Sharad V. Parekh within the scale as stated above, notwithstanding that the remuneration payable to him in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of his tenure i.e. upto the close of the business hours on August 14, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Sharad V. Parekh in the light of further progress of the Company which shall be within the abovementioned approved scales and in accordance with the prescribed provisions 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) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded for appointment and continuation of Mr. Sharad V. Parekh (DIN: 00035747), as a Non - Executive and Non - Independent Director of the Company, not liable to retire by rotation with designation as a Chairman of the Company w.e.f. August 15, 2020 upon the terms and conditions set out in the statement annexed to the Notice, notwithstanding his having already attained the age of 75 years, in accordance with provisions of section 152 and any other applicable provisions of the Companies Act, 2013, including the rules made thereunder.

**RESOLVED FURTHER THAT** the Board (including its committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this resolution."

11. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with the provisions of Schedule V (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approvals from any statutory authority as may be necessary, approval of the members be and is hereby accorded to re-appoint Mr. Hiten V. Parekh (DIN:00037550) as an Executive Director of the Company, liable to retire by rotation for a period of Five years with effect from April 1, 2020 to March 31, 2025, who shall be designated as mentioned in the terms and conditions below.

**RESOLVED FURTHER THAT** approval of the Members be and is hereby accorded for the payment of remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the agreement to be entered into by Mr. Hiten V. Parekh with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:

**Terms and Conditions of Appointment:**

Designation:

| | |
|---|---|
| Upto the close of the business hours on August 14, 2020 | Joint Managing Director |
| With effect from August 15, 2020 | Managing Director |

**Remuneration:**

1. Basic Salary:

   Monthly Salary of ₹ 10,43,280/- (Rupees Ten Lakhs Forty Three Thousand Two Hundred and Eighty only) in the scale of ₹ 10,00,000/- to ₹ 22,00,000/- per month, during his tenure of office (first increment falling due on April 1, 2020).

2. Commission:

   Mr. Hiten V. Parekh shall be paid commission to the extent of 1% of the net profit of the Company over and above the net profits of ₹ 50.00 Crores for each financial year as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors (including its committee thereof) from time to time.

**Perquisites/allowances:**

1. Mr. Hiten V. Parekh shall be entitled to House Rent Allowance not exceeding 50% of the basic salary per month.

2. Leave travel allowance at one month's basic salary, Company cars for official and personal use including fuel, maintenance and other expenses, reimbursement of expenses towards telephones, telefax and other communication facilities at the residence.

3. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Hiten V. Parekh's spouse and attendant(s) during business trips, actual medical expenses incurred in India and / or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

4. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.

5. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

   The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

**Benefits and Amenities**:

1. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time.

2. Earned/privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

3. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to applicable laws.

4. Reimbursement of entertainment and other business promotion expenses actually incurred by Mr. Hiten V. Parekh in the course of business of the Company.

5. Reimburse or payment of all costs, charges and expenses that may have been or may be incurred by Mr. Hiten V. Parekh for the purpose of or on behalf of the Company.

6. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period of his appointment, the Company will pay Mr. Hiten V. Parekh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors (including its committee thereof), subject to necessary approvals.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby also accorded to pay the remuneration to Mr. Hiten V. Parekh within the scale as stated above, notwithstanding that the remuneration payable to him in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of his tenure i.e. upto March 31, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which shall be deemed to include its Committee constituted thereof to exercise its powers including the powers conferred by this resolution) be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Hiten V. Parekh in the light of further progress of the Company which shall be within the above mentioned approved scales and in accordance with the prescribed provisions 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) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

12. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with the provisions of Schedule V (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approvals from any statutory authority as may be necessary, approval of the members be and is hereby accorded to re-appoint Mr. Manish V. Parekh (DIN:00037724) as a Whole Time Director, designated as an Executive Director of the Company, liable to retire by rotation for a period of Five years with effect from April 1, 2020 to March 31, 2025.

**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded for the payment remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the agreement to be entered into by Mr. Manish V. Parekh with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:

**Remuneration:**

1. Basic Salary:

   Monthly Salary of ₹ 9,86,700/- (Rupees Nine Lakhs Eighty Six Thousand Seven Hundred only) in the scale of ₹ 9,00,000/- to ₹ 20,00,000/- per month, during his tenure of office (first increment falling due on April 1, 2020).

2. Commission:

   Mr. Manish V. Parekh shall be paid commission to the extent of 1% of the net profit of the Company over and above the net profits of ₹ 50.00 Crores for each financial year as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors (including its committee thereof) from time to time.

**Perquisites/allowances:**

1. Mr. Manish V. Parekh shall be entitled to House Rent Allowance not exceeding 50% of the basic salary per month.

2. Leave travel allowance at one month's basic salary, Company cars for official and personal use including fuel, maintenance and other expenses, reimbursement of expenses towards telephones, telefax and other communication facilities at the residence.

3. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/ subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Manish V. Parekh's spouse and attendant(s) during business trips, actual medical expenses incurred in India and/or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

4. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.

5. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

   The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

**Benefits and Amenities**:

1. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time.

2. Earned/ privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

3. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to applicable laws.

4. Reimbursement of entertainment and other business promotion expenses actually incurred by Mr. Manish V. Parekh in the course of business of the Company.

5. Reimburse or payment of all costs, charges and expenses that may have been or may be incurred by Mr. Manish V. Parekh for the purpose of or on behalf of the Company.

6. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period of his appointment, the Company will pay Mr. Manish V. Parekh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors (including its committee thereof), subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby also accorded to pay the remuneration to Mr. Manish V. Parekh within the scale as stated above, notwithstanding that the remuneration payable to him in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of his tenure i.e. up to March 31, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Manish V. Parekh in the light of further progress of the Company which shall be within the above mentioned approved scales and in accordance with the prescribed provisions 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) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

13. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with the provisions of Schedule V (including any statutory modification(s) thereto or re-enactments thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approvals from any statutory authority as may be necessary, approval of the members be and is hereby accorded to re-appoint Mr. Nayan S. Parekh (DIN:00037597) as a Whole Time Director, designated as an Executive Director of the Company, liable to retire by rotation for a period of Five years with effect from April 1, 2020 to March 31, 2025.

**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded for payment of the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the agreement to be entered into by Mr. Nayan S. Parekh with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:

**Remuneration:**

1. Basic Salary:

   Monthly Salary of ₹ 9,24,000/- (Rupees Nine Lakhs Twenty Four Thousand only) in the scale of ₹ 9,00,000/- to ₹ 20,00,000/- per month, during his tenure of office (first increment falling due on April 1, 2020).

2. Commission:

   Mr. Nayan S. Parekh shall be paid commission to the extent of 1% of the net profit of the Company over and above the net profits of ₹ 50.00 Crores for each financial year as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors (including its committee thereof) from time to time.

**Perquisites/allowances:**

1. Mr. Nayan S. Parekh shall be entitled to House Rent Allowance not exceeding 50% of the basic salary per month.

2. Leave travel allowance at one month's basic salary, Company cars for official and personal use including fuel, maintenance and other expenses, reimbursement of expenses towards telephones, telefax and other communication facilities at the residence.

3. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Nayan S. Parekh's spouse and attendant(s) during business trips, actual medical expenses incurred in India and / or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

4. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.

5. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

**Benefits and Amenities**:

1. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time.

2. Earned/ privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

3. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to applicable laws.

4. Reimbursement of entertainment and other business promotion expenses actually incurred by Mr. Nayan S. Parekh in the course of business of the Company.

5. Reimburse or payment of all costs, charges and expenses that may have been or may be incurred by Mr. Nayan S. Parekh for the purpose of or on behalf of the Company.

6. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period of his appointment, the Company will pay Mr. Nayan S. Parekh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors (including its committee thereof), subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby also accorded to pay the remuneration to Mr. Nayan S. Parekh within the scale as stated above, notwithstanding that the remuneration payable to him in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of his tenure i.e. upto March 31, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Nayan S. Parekh in the light of further progress of the Company which shall be within the above mentioned approved scales and in accordance with the prescribed provisions 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) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

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

Place: Mumbai
Date: June 28, 2020

**Priti P. Dave**
**Company Secretary**
**Membership No: A19469**

**Notes:**

1. In view of the outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and dispensed personal presence of the Members at the Meeting. Accordingly, the same with MCA issued Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI Circular") prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 34$^{th}$ AGM of the Members will be held through VC/OAVM mode. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given herein below.

2. The Explanatory Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2013 in respect of the businesses at Item Nos. 3 to 13 above is annexed hereto and forms a part of the Notice.

3. The relevant details of persons seeking appointment/re-appointment under Item Nos. 6 to 13 of the Notice, as required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings is also annexed.

4. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

5. Institutional / Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to evoting.pms@gmail.com with a copy marked to evoting@nsdl.co.in.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Company's Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.101248W/ W-100022), were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the

AGM of the Members held on June 30, 2018 on the remuneration to be determined by the Board of Directors. Pursuant to the amendment made by the Companies (Amendment) Act, 2017, effective from May 7, 2018, it is no longer necessary to seek the ratification of the shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the shareholders for the appointment of the Statutory Auditors.

8. 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 IFSC 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.

9. 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.

10. 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.

11. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

12. Members, wishing to claim dividends, which remain unclaimed for the financial years 2012-2013 onwards, are requested to write to the Company's 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, 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 Suspense Account in accordance with the Section 124 of the Act, and the applicable Rules. The shares transferred to the IEPF Suspense Account can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

13. 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.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nilkamal.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of e-voting agency NSDL at the website address www.evoting.nsdl.com.

15. The Company has appointed National Securities Depository Limited ("NSDL"), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.

16. **Instructions for the Members for attending the AGM through Video Conference:**

    1) Members will be provided with a facility to attend the AGM through video conferencing platform provided by NSDL. Members may access the same at www.evoting.nsdl.com under "shareholders/members" login by using the remote e-voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further, Shareholders can also use the OTP based login for logging into the e-voting system of NSDL.

    2) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

    3) Further, Members will be required to allow camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.

4) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

6) Shareholders who would like to express their views/have questions, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investor@nilkamal.com on or before August 6, 2020. The same will be replied by the Company suitably.

7) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@nilkamal.com from August 4, 2020 (9:00 a.m. IST) to August 6, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company will select the speakers on first come first serve basis. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager - NSDL at pallavid@nsdl.co.in/022-2499 4545.

17. **The instructions for shareholders voting electronically are as under:**

In compliance with provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 34$^{th}$ AGM by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the Members using an electronic voting system will also be provided at the AGM by NSDL.

Members who have voted through remote e-Voting will be eligible to attend the AGM but will not be eligible to vote thereat.

1. The remote e-voting period commences on Tuesday, August 11, 2020 at 9.00 a.m. and ends on Thursday, August 13, 2020, at 5.00 p.m. During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut - off date of Friday, August 7, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.

2. Once the vote on a resolution is cast by the Member, such Member will not be allowed to change it subsequently.

3. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.

4. 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, viz., Friday, August 7, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.

5. Mr. Pratik M. Shah (FCS 7431, CP 7401) Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

   The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

   The Results declared along with the report of the Scrutiniser will be placed on the website of the Company www.nilkamal.com and on the website of NSDL i.e. www.evoting.nsdl.com immediately after the declaration of result by the Chairman or Managing Director or any one Director of the Company. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

6. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. August 14, 2020.

7. How to vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-voting system at https://www. evoting.nsdl.com/**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Members' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at www.evoting.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 113169 then user ID is 113169001*** |

5. Your password details are given below:

   a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?

      i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the 'initial password' or you have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

**Step 2: Cast your vote electronically on NSDL e-voting system**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on "e-voting". Then, click on "Active Voting Cycles".
2. After clicking on "Active Voting Cycles", you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "Nilkamal Limited."
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. "Assent" or "Dissent", verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

18. **The instructions for Members for e-voting at the AGM:**

 1. The procedure for e-voting at the AGM is same as the instructions mentioned above for remote e-voting.

 2. As mentioned hereinabove, only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

 3. Shareholders who have voted through remote e-voting will be eligible to attend the AGM and their presence shall be counted for the purpose of quorum, however such Shareholders shall not be entitled to cast their vote again at the AGM.

19. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@nilkamal.com

    In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@nilkamal.com.

 2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

20. **General Guidelines for Shareholders**

 1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

 2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager - NSDL at evoting@nsdl.co.in

 3. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai 400 013. Email Id: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode on NSDL portal.

22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

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

Place: Mumbai
Date: June 28, 2020

**Priti P. Dave**
**Company Secretary**
**Membership No: A19469**

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

**Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, had 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 2020-2021. 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 alongwith 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. 3 for the approval of the members.

**Item No. 4**

The existing Articles of Association ('Articles') of the Company are based on the provisions of the erstwhile Companies Act, 1956 and the same do not contain many provisions as provided under the Companies Act, 2013 and also does not contain provisions regarding appointment of any Person as Chairman Emeritus.

In light of the provisions of the Act, while amending the Articles, the Articles of the Company are required to be as per the form specified in Table F in Schedule I to the Act. The provisions contained in the new Articles, apart from the provisions regarding Chairman Emeritus, are proposed to be kept in line with requirement of the Companies Act, 2013 and accordingly, the Board at its meeting held on June 28, 2020 has accorded its consent to adopt new set of Articles.

Pursuant to the provisions of section 14 of the Act, approval of shareholders of the Company by special resolution is required for adoption of the new Articles to replace the existing Articles and accordingly, the approval of the shareholders is being sought for the adoption of the new Articles.

A copy of the proposed new Articles to be adopted is available for inspection by the members at the registered office and Corporate Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days (except Saturdays and Sundays) upto the date of the Annual General Meeting and is also available on the website of the Company at www.nilkamal.com.

None of the Directors or key managerial personnel or their relatives are concerned or interested, financially or otherwise in this resolution.

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

**Item No. 5**

Mr. Vamanrai V. Parekh a multifaceted individual who is the Co-founder and one of the promoter of Nilkamal Limited has completed inter science from Mumbai University and has over six decades of experience in the plastics industry. He has been instrumental in upholding core organisational values and adoption of best governance practices. He played an instrumental role in shaping the Company. Under his guidance and leadership the Company has achieved new heights. He is actively involved in various philanthropic and charitable activities and initiatives and have always made modest contributions to the society by building strong communities.

Further, as a process of Board restructuring, Mr. Vamanrai V. Parekh expressed his desire to relinquish his position as a member of the Board and also as a Non-Executive Chairman effective from the close of the business hours on August 14, 2020 i.e. the date of the Annual General Meeting.

Pursuant to the recommendation of the members of the Nomination and Remuneration Committee vide its meeting dated June 28, 2020, your Board of Directors are of the opinion that continued association of Mr. Vamanrai V. Parekh, in a mentor role, would add goodwill to the Company, and the Board, its Sub-committees and the Management would immensely benefit out of his tremendous experience, knowledge and wisdom in the business of the Company and the industry to which the Company belongs. Pursuant to the approval of the members of the Audit Committee in their meeting held on June 28, 2020, the Board of Directors, at their meeting held on June 28, 2020, considered the appointment of Mr. Vamanrai V. Parekh, as Chairman Emeritus of the Company, effective from August 15, 2020, till the time he resigns from the position and payment of emoluments to him as mentioned below, subject to the enabling provisions of the new Articles of Association of the Company, the Act, and approval of the shareholders. As Chairman Emeritus, Mr. Vamanrai V. Parekh, will not be a member of the Board, but will be invited to attend the meetings of Board and its Sub - Committees and shall not have any voting rights.

The emoluments to Mr. Vamanrai V. Parekh shall be as follows:-

- Car with driver.
- Reimbursement of medical expenses to him & his wife in India or abroad, including hospitalization, nursing home, surgical charges and, incase of medical treatment abroad, airfare and boarding / lodging expenses for him and his wife alongwith their attendant.
- He is entitled to maintain his office at Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.

The appointment of Mr. Vamanrai V. Parekh, as Chairman Emeritus and payment of emoluments to him is pursuant to the provisions of Section 188 of the Act and the Rules made thereunder.

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

(a) Name of the related party: Mr. Vamanrai V. Parekh;

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

(c) Nature of relationship: Mr. Vamanrai V. Parekh is brother of Mr. Sharad V. Parekh, Managing Director and father of Mr. Hiten V. Parekh – Joint Managing Director & Mr. Manish V. Parekh, Executive Director and one of the Promoters of the Company. Mr. Vamarai V. Parekh is himself holding 132,900 equity shares in the Company, constituting 0.89% of the paid - up equity share capital of the Company.

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

He will hold office as Chairman Emeritus effective from August 15, 2020, till the time he resigns from such position. He will be an advisor/ mentor to the Board, the Company and the Management. He will be paid emoluments as stated above and shall not have any voting rights at the Board or Committee Meetings.

Mr. Vamanrai V. Parekh is interested in the resolution set out at Item No. 5 of the Notice. Mr. Sharad V. Parekh, Hiten V. Parekh & Mr. Manish V. Parekh – Executive Directors being related to Mr. Vamanrai V. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Vamanrai V. Parekh may be deemed to be interested in the resolution set out at Item No. 5 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 resolution.

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

**Item No. 6 & 7**

Mr. Mihir H. Parekh (DIN: 07308466), who was appointed as an Additional Director of the Company w.e.f. February 1, 2020 pursuant to the provisions of Section 161 and other applicable provisions of the Act, holds office up to the date of this Annual General Meeting (AGM) of the Company or the last date on which the AGM should have been held, whichever is earlier and is eligible for appointment as Director of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Mihir H. Parekh for the office of Director, liable to determination for retirement by rotation.

Mr. Mihir H. Parekh has furnished consent/declaration for his appointment as required under the Act and the Rules made thereunder.

The Board of Directors of the Company ('Board'), at its Meeting held on January 29, 2020 based on the recommendation of the Nomination & Remuneration Committee ('NRC') of the Company and subject to the approval of Members, approved the appointment of Mr. Mihir H. Parekh (DIN: 07308466) as a Whole Time Director, designated as an Executive Director of the Company for a period of Five years with effect from February 1, 2020 to January 31, 2025, on the terms & conditions including remuneration as may be decided by the Board/NRC of the Board from time to time subject to such necessary sanctions and approvals as may be applicable. It is proposed to seek Members' approval for appointment and payment of remuneration to Mr. Mihir H. Parekh as a Whole Time Director, designated as an Executive Director of the Company, in terms of the applicable provisions of the Act.

Mr. Mihir H. Parekh, Vice President (head Bubble Guard) is associated with the Company w.e.f. June 1, 2015 and since then he has been groomed in the Company. He holds a degree of 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, he had hands on working experience with organizations of national and international repute, wherein he had gained business and management expertise. Hence, considering his capabilities the Management proposes to appoint him as a Whole time Director on the Board of the Company.

Broad particulars of the remuneration payable to Mr. Mihir H. Parekh as an Executive Director of the Company are mentioned in the resolution forming part of this Notice and the other terms and conditions of the appointment of Mr. Mihir H. Parekh are briefly mentioned as under:

1. Mr. Mihir H. Parekh shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time. Subject to the supervision and control of the Board, the Executive Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a Company.
2. The Executive Director shall not except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers.
3. The office of the said Executive Director shall be liable to determination by retirement of Directors by rotation pursuant to the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company.
4. This Agreement may be terminated earlier by either Party by giving to the other Party Three months' notice of such termination or the Company paying Three months' remuneration in lieu of such notice.

Mr. Mihir H. Parekh satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as an Executive Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Mihir H. Parekh is not debarred from holding the office of Director pursuant to any SEBI order. The draft of the Agreement to be executed between the Company and Mr. Mihir H. Parekh, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and a digital copy of the same will also be available at the Meeting.

Regulation 17(6)(e) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, prescribe that the fee or compensation payable to all the Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by special resolution in General Meeting, if the the remuneration payable to any such Executive Director in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of the tenure of the Executive Director. Hence, the approval of the members is sought by way of a special resolution for item 7 wherein the remuneration of Mr. Mihir H. Parekh, Executive Director of the Company is being approved.

Mr. Mihir H. Parekh is interested in the resolution set out at Item No. 6 & 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. 6 & 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 resolution.

The Board recommends the resolutions set forth in Item no. 6 & 7 for the approval of the members.

**Item No. 8**

The Members of the Company on August 8, 2017 approved the appointment of Mr. K. Venkataramanan as an Independent Director of the Company upto the conclusion of the Thirty Fourth Annual General Meeting of the Company.

The Board on recommendation of Nomination and Remuneration Committee, in their meeting held on June 28, 2020 and on the basis of the report of performance evaluation of Independent Directors, have recommended the re-appointment of Mr. K. Venkatramanan as an Independent Director of the Company, not liable to retire by rotation, for a further period of 5 (five) years from the date of this Annual General Meeting i.e. from August 14, 2020 till August 13, 2025.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution by the Company. Further, the sub - regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect. Mr. K. Venkataramanan has attained the age of 75 years on December 11, 2019 and hence his re –appointment would require the approval of members by way of a special resolution.

Mr. K. Venkataramanan is a distinguished Alumni of IIT, Delhi. He was associated with L&T for over four decades, and was appointed as a 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. His expertise and contribution to the Company on business strategy and finance is of immense value to the Company.

Mr. K. Venkataramanan is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the necessary consents, disclosures alongwith declaration has been received from Mr. K. Venkataramanan that he meets the criteria of Independence prescribed under Section 149(6) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board confirms that Mr. K. Venkataramanan fulfils the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is independent of the management of the Company.

Further, the Company has also received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment as an Independent Director.

Copy of draft appointment letters setting out the terms and conditions of his re-appointment are available for inspection by the members at the Registered Office of the Company.

Save and except Mr. K. Venkataramanan and his relatives, none of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, financially or otherwise, in the resolution set forth in Item No. 8 of this Notice.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

**Item No. 9 &10**

Mr. Sharad V Parekh, aged 75 years, the co-founder of Nilkamal Group has completed inter commerce from Mumbai University and has over Five decades of experience in the plastics industry. An expert in providing solutions to any industry's mode of handling, assembling, storing and transporting its products, he has to be credited for pioneering the material handling business namely Crate & Bins in India. With his vast experience and expertise, he has introduced and provided customized material handling solutions catering to the varied requirements of the industries of almost all sectors for over more than three decades, which thus has enabled Nilkamal to emerge as a market leader in Material handling space in India. He is also member of several organizations related to plastics business and is actively involved in other social activities.

The Members of the Company at the Annual General Meeting held on August 4, 2015, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company ('Board'), had accorded their approval by way of an Special Resolution to the appointment Mr. Sharad V. Parekh (DIN: 00035747) as the Managing Director of the Company for a period of Five years commencing from April 1, 2015 to March 31, 2020.

Further, the Board, at its meeting held on January 29, 2020, based on the recommendation of the NRC of the Company and subject to the approval of Members, approved the Re - appointment of Mr. Sharad V. Parekh (DIN: 00035747) as the Managing Director of the Company, not liable to determination for retirement by rotation, for a period of Five years with effect from April 1, 2020 to March 31, 2025, on the terms & conditions including remuneration as may be decided by the Board/NRC of the Board from time to time subject to such necessary sanctions and approvals as may be applicable.

Subsequently, on June 28, 2020 as a part of Board restructuring, the Board of Directors of the Company accepted the resignation of Mr. Vamanrai V. Parekh from the position of Directorship & Chairmanship of the Company w.e.f. the conclusion of this Annual General Meeting and Mr. Sharad V. Parekh, decided to step down from the position of Managing Director w.e.f. the close of the business hours on August 14, 2020 and accept the position of Non - Executive Chairman of the Company and continue his role as mentor to the Company at Business level as well as providing strategic direction for the future growth of the company.

Accordingly, the Board of Directors at its meeting held on June 28, 2020, on the recommendation of the Nomination and Remuneration Committee, approved the change in status of Mr. Sharad V. Parekh from Managing Director to Non-Executive Director of the Company effective from August 15, 2020, with the designation as the Chairman of the Company. Hence, it is proposed to seek Members' approval for appointment of Mr. Sharad V. Parekh as Managing Director of the Company, in terms of the applicable provisions of the Act for a shorter period commencing from 1st April, 2020 till the close of the business hours on August 14, 2020 alongwith the appointment of Mr. Sharad V. Parekh as the Non - Executive Director of the Company, to be designated as the Chairman of the Company w.e.f. August 15, 2020. Further, the Board of Directors also approved that as the tenure of Mr. Sharad V. Parekh ends w.e.f. the close of the business hours on August 14, 2020 and due to the current market conditions of Covid 19, pandemic, Mr. Sharad V. Parekh shall not be paid any commission for the FY 2020-2021 i.e. for the period starting from April 1, 2020 to the close of the business hours on August 14, 2020. As per the Articles of Association of the Company Mr. Sharad V. Parekh is a permanent director on the Board of the Company.

Further, pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect. Since Mr. Sharad V. Parekh, (DIN: 00035747), has already attained the age of 75 years, consent of the members by way of special resolution is sought by the Company.

Broad particulars of the remuneration payable to Mr. Sharad V. Parekh as a Managing Director of the Company are mentioned in the resolution forming part of this Notice and the other terms and conditions of the appointment of Mr. Sharad V. Parekh for a period from April 1, 2020 till the close of the business hours on August 14, 2020 are briefly mentioned as under:

1. Mr. Sharad V. Parekh shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time. Subject to the supervision and control of the Board, the Joint Managing Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries and / or joint venture companies.
2. The Managing Director shall not, except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law, divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated or joint venture companies or any of its or their suppliers, agents, distributors or customers.
3. The office of the said Managing Director shall not be liable to determination for retirement by rotation pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company.
4. This Agreement may be terminated earlier by either Party by giving to the other Party Three months' notice of such termination or the Company paying Three months' remuneration in lieu of such notice.

Mr. Sharad V. Parekh has already attained the age of 70 years and hence his re- appointment as Managing Director from April 1, 2020 till the close of the business hours on August 14, 2020 would requires the approval of the members by way of Special Resolution pursuant to the provisions of Section 196 read with Schedule V of the Companies Act, 2013. The contents of text of the Special Resolution are self-explanatory in so far as terms and conditions of appointment are concerned.

Except the above, Mr. Sharad V. Parekh satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as the Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Sharad V. Parekh is not debarred from holding the office of Director pursuant to any SEBI order. The draft of the Agreement to be executed between the Company and Mr. Sharad V. Parekh, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and a digital copy of the same will also be available at the Meeting.

Further Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe that the fee or compensation payable to all the Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by special resolution in General Meeting, if the remuneration payable to any such Executive Director in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of the tenure of the Executive Director. Hence, the approval of the members is sought by way of a special resolution for item 9 wherein the remuneration of Mr. Sharad V. Parekh, Joint Managing Director of the Company is being approved.

Further, after stepping down from the post of Managing Director w.e.f the close of the business hours on August 14, 2020, Mr. Sharad V. Parekh shall continue as a Non - Executive Director who shall be designated as Chairman of the Company. Hence taking into account Mr. Sharad V. Parekh's invaluable contribution to the Company for over Three decades, the Board, at its meeting held on June 28, 2020 decided that in addition to the sitting fee as may be payable to him as Non-Executive Director, to facilitate him functioning as Non-Executive Chairman, Mr. Sharad V. Parekh may be extended certain facilities as Chairman of the Company from August 15, 2020. These facilities are:

- Car & driver, telephone & communication facilities and club membership.
- Reimbursement of medical expenses in India or abroad, including hospitalization, nursing home, surgical charges and, in case of medical treatment abroad, airfare and boarding / lodging expenses for him and his attendant.
- Maintain an office with staff at the Company's expense.
- reimburse expenses incurred for official purposes, such as travelling expenses, entertainment expenses etc.

Such reimbursements would not amount to 'remuneration'.

Mr. Sharad V. Parekh is interested in the resolution set out at Item No. 9 & 10 of the Notice. Mr. Nayan S. Parekh – Executive Director and Mr. Vamanrai V. Parekh - Chairman, being related to Mr. Sharad V. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Sharad V. Parekh may be deemed to be interested in the resolution set out at Item No. 9 &10 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 resolution.

The Board recommends the resolution set forth in Item No. 9 &10 for the approval of the members.

**Item No. 11**

The Members of the Company at the Annual General Meeting held on August 4, 2015, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company ('Board'), had accorded their approval by way of an Ordinary Resolution to the appointment Mr. Hiten V. Parekh (DIN: 00037550) as an Executive Director of the Company for a period of Five years commencing from April 1, 2015 to March 31, 2020. Subsequently at the Annual General Meeting held on August 11, 2016, the members re-designated Mr. Hiten V. Parekh (DIN: 00037550) as the 'Joint Managing Director' of the Company with effect from November 2, 2015 for the remaining tenure of his appointment i.e. till March 31, 2020, on the same terms and conditions including remuneration as approved earlier by the Members.

The Board, at its meeting held on January 29, 2020, based on the recommendation of the NRC of the Company and subject to the approval of Members, approved the re - appointment of Mr. Hiten V. Parekh (DIN: 00037550) as the Joint Managing Director of the Company for a period of Five years with effect from April 1, 2020 to March 31, 2025, liable to determination for retirement by rotation, on the terms & conditions including remuneration as may be decided by the Board/NRC of the Board from time to time subject to such necessary sanctions and approvals as may be applicable. Further, the Board of Directors at its meeting held on June 28, 2020, on the recommendation of Nomination and Remuneration Committee, approved the elevation of Mr. Hiten V. Parekh as the Managing Director of the Company w.e.f. August 15, 2020 for the remaining period of his appointment i.e. upto March 31, 2025 on the same terms & conditions including remuneration thereof. Hence, it is proposed to seek Members' approval for appointment and payment of remuneration to Mr. Hiten V. Parekh as stated above in terms of the applicable provisions of the Act.

Mr. Hiten V. Parekh, aged 57 years, holds a bachelor's degree in Commerce from Mumbai University and a Diploma in Quality Systems and Management. He is associated with the Company since incorporation and has over 35 years of rich experience in the manufacturing sector. He overlooks the functions of several of its factories located across the country and acts as checkpoint for quality control and assurance of the Company's products, which has enabled the Company to uphold its status as a quality market leader in the industry and has also helped to gain several awards to the Company. He is one amongst the first few persons in the plastics processing industry to extend the Company's business out of India and took a step forward by setting up business at Sri Lanka. He is also 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'. Keeping in view the efforts and rich experience possessed by him, approval of the members is sought for passing the special resolution as set out in Item No. 11 of the Notice.

Broad particulars of the remuneration payable to Mr. Hiten V. Parekh as the Joint Managing Director of the Company are mentioned in the resolution forming part of this Notice and the other terms and conditions of his appointment are briefly mentioned as under:

1. Mr. Hiten V. Parekh shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time. Subject to the supervision and control of the Board, the Joint Managing Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries and/or joint venture companies including performing duties as

assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries and / or joint venture companies or any other executive body or any Committee of such a Company.

2. The Joint Managing Director shall not, except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law, divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated or joint venture companies or any of its or their suppliers, agents, distributors or customers.
3. The office of the said Joint Managing Director shall be liable to determination for retirement by rotation pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company.
4. This Agreement may be terminated earlier by either party by giving to the other party Three months' notice of such termination or the Company paying three months' remuneration in lieu of such notice.

Mr. Hiten V. Parekh satisfies all the conditions as set out in Part I of Schedule V as also under sub - section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as the Joint Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Hiten V. Parekh is not debarred from holding the office of Director pursuant to any SEBI order. The draft of the Agreement to be executed between the Company and Mr. Hiten V. Parekh, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and a digital copy of the same will also be available at the Meeting.

Further, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe that the fee or compensation payable to all the Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by special resolution in general meeting, if the remuneration payable to any such Executive Director in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of the tenure of the Executive Director. Hence the approval of the members is sought by way of a special resolution for item 11 wherein the remuneration of Mr. Hiten V. Parekh, Joint Managing Director of the Company is being approved.

Mr. Hiten V. Parekh is interested in the resolution set out at Item No. 11 of the Notice. Mr. Manish V. Parekh & Mihir H. Parekh – Executive Directors and Mr. Vamanrai V. Parekh - Chairman, being related to Mr. Hiten V. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Hiten V. Parekh may be deemed to be interested in the resolution set out at Item No. 11 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 resolution.

The Board recommends the resolution set forth in Item No. 11 for the approval of the members.

**Item No. 12**

The Members of the Company at the Annual General Meeting held on August 4, 2015, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company ('Board'), had accorded their approval by way of an Ordinary Resolution to the appointment Mr. Manish V. Parekh (DIN: 00037724) as an Executive Director of the Company for a period of Five years commencing from April 1, 2015 to March 31, 2020.

Further, the Board, at its meeting held on January 29, 2020, based on the recommendation of the NRC of the Company and subject to the approval of Members, approved the Re - appointment of Mr. Manish V. Parekh (DIN: 00037724) as an Executive Director of the Company for a period of Five years with effect from April 1, 2020 to March 31, 2025, liable to determination for retirement by rotation, on the terms & conditions including remuneration as may be decided by the Board/NRC of the Board from time to time subject to such necessary sanctions and approvals as may be applicable. It is proposed to seek Members' approval for appointment and payment of remuneration to Mr. Manish V. Parekh as an Executive Director of the Company, in terms of the applicable provisions of the Act.

Mr. Manish V. Parekh, aged 51 years, holds a bachelor's degree in commerce from Mumbai University. He has also undertaken a program of Owner/ President Management (OPM) from the Harvard Business School. He has around 3 decades of rich experience in the field of marketing and overlooks the furniture and '@home' business of the Company. He is the pillar behind the enormous dealer network which is responsible for catering to requirements from the remotest region of the country. His seamless zeal has helped the Company to become a market leader in the country and one of the largest producer 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'. In order to have his continued able guidance, approval of the members is sought for passing the special resolution as set out in Item No. 12 of the Notice.

Broad particulars of the remuneration payable to Mr. Manish V. Parekh as an Executive Director of the Company are mentioned in the resolution forming part of this Notice and the other terms and conditions of his appointment are briefly mentioned as under:

1. Mr. Manish V. Parekh shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time. Subject to the supervision and control of the Board, the Executive Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries and/or joint venture companies including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries and / or joint venture companies or any other executive body or any Committee of such a Company.
2. The Executive Director shall not, except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law, divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated or joint venture companies or any of its or their suppliers, agents, distributors or customers.
3. The office of the said Executive Director shall be liable to determination for retirement by rotation pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company.
4. This Agreement may be terminated earlier by either Party by giving to the other Party Three months' notice of such termination or the Company paying Three months' remuneration in lieu of such notice.

Mr. Manish V. Parekh satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as the Executive Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Manish V. Parekh is not debarred from holding the office of Director pursuant to any SEBI order. The draft of the Agreement to be executed between the Company and Mr. Manish V. Parekh, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and a digital copy of the same will also be available at the Meeting.

Further, Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Retirements) Regulations, 2015 prescribe that the fee or compensation payable to all the Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by special resolution in General Meeting, if the remuneration payable to any such Executive Director in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of the tenure of the Executive Director. Hence, the approval of the members is sought by way of a special resolution for item 12 wherein the remuneration of Mr. Manish V. Parekh, Executive Director of the Company is being approved.

Mr. Manish V. Parekh is interested in the resolution set out at Item No. 12 of the Notice. Mr. Hiten V. Parekh – Joint Managing Director and Mr. Vamanrai V. Parekh - Chairman, being related to Mr. Manish V. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Manish V. Parekh may be deemed to be interested in the resolution set out at Item No. 12 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 resolution.

The Board recommends the resolution set forth in Item No. 12 for the approval of the members.

**Item No. 13**

The Members of the Company at the Annual General Meeting held on August 4, 2015, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company ('Board'), had accorded their approval by way of an Ordinary Resolution to the appointment Mr. Nayan S. Parekh (DIN: 00037597) as an Executive Director of the Company for a period of Five years commencing from April 1, 2015 to March 31, 2020.

Further, the Board, at its meeting held on January 29, 2020, based on the recommendation of the NRC of the Company and subject to the approval of Members, approved the re - appointment of Mr. Nayan S. Parekh (DIN: 00037597) as an Executive Director of the Company for a period of Five years with effect from April 1, 2020 to March 31, 2025, liable to determination for retirement by rotation, on the terms & conditions including remuneration as may be decided by the Board/NRC of the Board from time to time subject to such necessary sanctions and approvals as may be applicable. It is proposed to seek Members' approval for appointment and payment of remuneration to Mr. Nayan S. Parekh as an Executive Director of the Company, in terms of the applicable provisions of the Act.

Mr. Nayan S. Parekh, aged 48 years, has a bachelor's degree in plastic engineering from the University of Massachusetts, United States of America. He has also undertaken a program of Owner/ President Management (OPM) from the Harvard Business School. He has on his hands rich experience of 24 years in various fields. He is responsible for looking into the operations of various factories and overlooks the Company's Material Handling business and is steering Nilkamal to a strong position in the Material Handling industry which in its own is a revolution in the industry. Mr. Nayan S. Parekh is the brain behind setting up the Company's Joint Venture Viz. Nilkamal Bito Storage Systems Private Limited – the Joint Venture with Bito Lagertechnik Bittmann GmbH, Germany and Cambro Nilkamal Private Limited – the Indo US Joint Venture with Cambro Manufacturing Co..He is also foremost in establishing the Company's profitable subsidiary viz NCB - FZE at Ajman, which is a free trade zone. Hence, keeping in view his vast experience and leadership quality, approval of the members is sought for passing the special resolution as set out in Item No. 13 of the Notice.

Broad particulars of the remuneration payable to Mr. Nayan S. Parekh as an Executive Director of the Company are mentioned in the resolution forming part of this Notice and the other terms and conditions of his appointment are briefly mentioned as under:

1. Mr. Nayan S. Parekh shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time. Subject to the supervision and control of the Board, the Executive Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries and/or joint venture companies including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries and / or joint venture companies or any other executive body or any Committee of such a Company.
2. The Executive Director shall not, except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law, divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated or joint venture companies or any of its or their suppliers, agents, distributors or customers.
3. The office of the said Executive Director shall be liable to determination for retirement by rotation pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company.
4. This Agreement may be terminated earlier by either Party by giving to the other Party Three months' notice of such termination or the Company paying Three months' remuneration in lieu of such notice.

Mr. Nayan S. Parekh satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as an Executive Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The draft of the Agreement to be executed between the Company and Mr. Nayan S. Parekh, as approved by the Board of Directors is available for inspection by the members at the registered office of the Company on any working day, during the usual business hours and a digital copy of the same will also be available at the Meeting.

Further, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe that the fee or compensation payable to all the Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by special resolution in general meeting, if the remuneration payable to any such Executive Director in any year exceeds ₹ 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, during the currency of the tenure of the Executive Director. Hence, the approval of the members is sought by way of a special resolution for item 13 wherein the remuneration of Mr. Nayan S. Parekh, Executive Director of the Company is being approved.

Mr. Nayan S. Parekh is interested in the resolution set out at Item No. 13 of the Notice. Mr. Sharad V. Parekh – Managing Director, being related to Mr. Nayan S. Parekh may be deemed to be interested in the said Item.

Other relatives of Mr. Nayan S. Parekh may be deemed to be interested in the resolution set out at Item No. 13 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 resolution.

The Board recommends the resolution set forth in Item No. 13 for the approval of the members.

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

Place: Mumbai
Date: June 28, 2020

**Priti P. Dave**
**Company Secretary**
**Membership No.: A19469**

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT OR VARIATION IN TERMS OF REMUNERATION AT THE ENSUING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

| Name of the Director | Mr. Mihir H. Parekh | Mr. K. Venkatramanan | Mr. Sharad V. Parekh |
|---|---|---|---|
| DIN | 07308466 | 00001647 | 00035747 |
| Item No. | 6 & 7 | 8 | 9 & 10 |
| Date of Birth | December 25, 1991 | December 11, 1944 | May 6, 1945 |
| Date of first appointment on Board | February 1, 2020 | November 5, 2016 | June 14, 1990 |
| Qualifications | Details provided in Explanatory statement | | |
| Expertise | | | |
| Terms and conditions of appointment or reappointment | The details are provided in the resolution at Item nos. 6 & 7 of this notice. | The details are provided in the resolution at Item no. 8 of this notice. | The details are provided in the resolution at Item nos. 9 &10 of this notice. |
| Details of remuneration last drawn (FY 2019-2020) | Details of remuneration is provided in Report on Corporate Governance forming a part of Annual Report for the FY 2019-2020. | | |
| *Directorships held in other public companies | None | 1. Kirloskar Pneumatic Company Limited<br>2. Vedanta Limited<br>3. Landt Welfare Company Limited | None |
| **Memberships/Chairmanships of Committees* in other public Companies. | None | Membership in Audit Committee:<br>1. Kirloskar Pneumatic Company Limited<br>Membership in Stakeholders' Relationship Committee:<br>1. Vedanta Limited | None |
| Number of Board Meetings attended during financial year. | *** N.A. | 5 | 5 |
| Relation with other Directors & Key Managerial Personnel (KMP) of the Company. | Mr. Mihir H. Parekh is the son of Mr. Hiten V. Parekh. | Mr. K. Venkataramanan is not related to any of the other Directors & KMP. | Mr. Sharad V. Parekh is father of Mr. Nayan S. Parekh and Brother of Mr. Vamanrai V. Parekh. |
| No of shares held in the Company | 131,900 | Nil | 120,800 |

* 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.

*** Appointed as a Director w.e.f. February 1, 2020 and hence was not a Director as on the date of the last Board Meeting held on January 29, 2020 for the FY 2019 - 2020.

| Name of the Director | Mr. Hiten V. Parekh | Mr. Manish V. Parekh | Mr. Nayan S. Parekh |
|---|---|---|---|
| DIN | 00037550 | 00037724 | 00037597 |
| Item No. | 11 | 12 | 13 |
| Date of Birth | May 27, 1963 | February 2, 1969 | March 8, 1972 |
| Date of first appointment on Board | December 9, 1985 | April 1, 2000 | April 1, 2000 |
| Qualifications | Details provided in Explanatory statement | | |
| Expertise | | | |
| Terms and conditions of appointment or reappointment | The details are provided in the resolution at Item no.11 of this notice. | The details are provided in the resolution at Item no. 12 of this notice. | The details are provided in the resolution at Item no. 13 of this notice. |
| Details of remuneration last drawn (FY 2019-2020) | Details of remuneration is provided in Report on Corporate Governance forming a part of Annual Report for the FY 2019-2020. | | |
| *Directorships held in other public companies | *** Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Private Limited) | *** Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Private Limited) | *** Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Private Limited) |
| **Memberships/Chairmanships of Committees* in other public Companies. | None | None | None |
| Number of Board Meetings attended during financial year. | 5 | 5 | 5 |
| Relation with other Directors & Key Managerial Personnel (KMP) of the Company. | Mr. Hiten V. Parekh is the son of Mr. Vamanrai V. Parekh, brother of Mr. Manish V. Parekh and father of Mr. Mihir H. Parekh. | Mr. Manish V. Parekh is the son of Mr. Vamanrai V. Parekh and brother of Mr. Hiten V. Parekh | Mr. Nayan S. Parekh is the son of Mr. Sharad V. Parekh |
| No of shares held in the Company | 1,892,258 | 1,551,563 | 2,189,704 |

* 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.

*** Includes Directorship in Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited), being deemed to be public limited Company since it is subsidiary of Nilkamal Limited.

**Important note of the shareholders**

Some important notes pertaining to dividend and shares of the shareholders are given below. The shareholders can access the same on the Company's website at the below links:

1. The details of dividend which has remained unpaid/ unclaimed for the past Seven consecutive years can be viewed on the Company's website at https://nilkamal.com/unclaimed-unpaid-dividend/
2. The details of the members whose shares have been transferred to the IEPF authority is available on the Company's website at https://nilkamal.com/shares-transferred-to-iepf-suspense-account/
3. The details of the members whose shares are liable to be transferred to the IEPF authority is available on the Company's website at https://nilkamal.com/shares-transferred-to-iepf-suspense-account/.

# DIRECTORS' REPORT

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED MARCH 31, 2020.

Dear Members,

Your Directors are pleased to present the **34th Annual Report** and the Audited Statement of Accounts for the financial year ended March 31, 2020.

### FINANCIAL PERFORMANCE:

The financial performance of the Company for the financial year ended March 31, 2020 is summarised below:-

(₹ in Lakhs)

| Particulars | 2019 - 2020 | 2018 - 2019 |
|---|---|---|
| Revenue and Other Income | 209,236.12 | 232,127.53 |
| **Profit before Depreciation, Amortisation and Tax** | 24,871.38 | 20,832.49 |
| Less: Depreciation and Amortisation charges | 9,051.14 | 4,964.07 |
| **Profit before Tax** | 15,820.24 | 15,868.42 |
| Less: Taxes | 3,619.09 | 4,745.50 |
| **Profit after Tax** | 12,201.15 | 11,122.92 |
| Add : Other Comprehensive Income | (162.78) | (122.94) |
| Total Comprehensive Income | 12,038.37 | 10,999.98 |
| Opening balance in Retained Earnings | 45,589.42 | 36,783.59 |
| Amount available for appropriation | 57,627.79 | 47,783.57 |
| Interim Dividend | 2,238.38 | 596.90 |
| ii) Final Dividend | 1,343.03 | 1,343.03 |
| iii) Total Tax on Dividend | 663.87 | 339.13 |
| Transfer to General Reserve | - | - |
| Closing balance in Retained Earnings | 52,570.25 | 45,589.42 |
| Earnings Per Share (₹) | 81.76 | 74.54 |
| Cash Earnings Per Share (₹) | 142.42 | 107.80 |
| Book Value per Share (₹) | 639.03 | 592.65 |

### YEAR IN RETROSPECT

2019 was a challenging year with unfavourable macros, slowdown in infrastructure activities and then Covid - 19. The general consumer sentiments has also been weak though we have managed to remain stable.

Revenue from operations of your Company has decreased by 10 % over the previous year to ₹ 208,147.38 lacs. Whereas the profit after tax increased by 10% over the previous year to ₹ 12,201.15 lacs which is due to opting of lower rate of tax. The plastic business has a volume and value de-growth of 11% and 11% respectively.

'@home' - the Company's retail business of lifestyle furniture, furnishing and accessories, recorded a turnover of ₹ 21,511.31 lacs for the current financial year and also achieved EBITDA of ₹ 1,554.87 lacs. Your Company's performance has been discussed in detail in the "Management Discussion and Analysis Report".

### RESERVES

There is no amount proposed to be transferred to Reserves out of profits of the financial year 2019 -2020.

### DIVIDEND

During the year under review, your Company had declared interim dividend twice, the First interim dividend of ₹ 5 per equity share (50%) on November 13, 2019 and the Second interim dividend of ₹ 10 per equity share (100%) on March 14, 2020, thus aggregating to ₹ 15 per equity share (150%) for the financial year 2019 - 2020. Considering the aforesaid interim dividends, the Company has not recommended any final dividend for the financial year 2019 - 2020 on the equity shares of the Company.

The aforesaid dividend pay-out for year under review is in accordance with the Company's policy on Dividend Distribution which is linked to long term growth objectives of your Company to be met by internal cash accruals. The Dividend Distribution Policy of the Company can be viewed on the Company's website at the following weblink : https://nilkamal.com/wp-content/uploads/2019/11/Dividend-Distribution-Policy.pdf

The total outflow during the year on account of the two interim dividends & final dividend of financial year 2018 - 2019 which was paid during the financial year 2019 - 2020 (including distribution tax, surcharge and education cess) amounts to ₹ 4,245.28 lacs.

**SHARE CAPITAL**

The Company's paid-up Equity Share Capital continues to stand at ₹ 1,492.25 lacs as on March 31, 2020.

During the year, the Company has not issued any shares or convertible securities. The Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

**MEETINGS**

During the year, five Board meetings were convened and held in accordance with the provisions of the Companies Act, 2013 and as per Secretarial Standards -1, the details of which are given in the Corporate Governance Report.

**AWARDS AND CERTIFICATIONS**

Your Company has received the following awards/ certifications during the year under review:

- The Company was awarded the "Asia's most trusted brand Awards 2019" by IBC Info Media Pvt. Ltd, a division of International Brand Consulting Corporation, USA for its furniture business.
- The Company Puducherry unit was awarded with the "GreenCo Silver,2019" by Confederation of Indian Industry (CII ) – Shorabji Godrej Green Business Centre in recognition of Company's efforts towards adoption of "Green Practices" and being environment friendly which leads to proper management and control of our product, process and Systems w.r.t to Conservation of Natural Resources.
- The Company has also received "India Manufacturing Excellence Award 2019" issued by Frost and Sullivans for its Hosur Unit, which certifies the enhanced Manufacturing and supply chain Excellence.
- Company has obtained ISO-50001:2011 TUV - SUD, Mumbai certification for all its units for Design & Manufacturing of Injection and Roto Moulded Crates, Furniture, Pallets, Custom Moulding and Customised Plastics Fabrication and welding of Crates.
- The Company's unit at Hosur has obtained ISO 45001: 2018 from TUV SUD South Asia Private Limited for its implementation of health and safety management system.
- The Company's Metal Plant at Hosur was also honoured 2nd position in the POKE-YOKE (Mistake Proofing) competition organised by Confederation of Indian Industry (CII), Institute of Quality at Pune.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is committed to Corporate Social Responsibility and strongly believes that the business objectives of the Company must be in congruence with the legitimate development needs of the society in which it operates.

Pursuant to the provisions of the Section 135 of the Companies Act, 2013 (the Act), your Company has constituted a CSR Committee to monitor the CSR activities of the Company. The Company's CSR policy is placed on the Company's website at https://nilkamal.com/wp-content/uploads/2019/01/CSR-Policy.pdf

The Company has contributed an amount of ₹ 338 lacs towards various CSR activities mainly focused in the areas of promotion of education & healthcare, animal welfare, rural development and providing affordable homes and sanitation facilities, alongwith undertaking other activities in terms of Schedule VII of the Companies Act, 2013. The said activities were carried out by its Implementing Agency viz. Nilkamal Foundation - a Section 8 Company directly or through contribution to NGO's for various projects.

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

**MATERIAL CHANGES AND COMMITMENTS**

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below.

**GLOBAL PANDEMIC – COVID-19**

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 23, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. The Company's proactive implementation of Business Continuity Plan and Emergency Preparedness Plan at the enterprise level ensured not only the safety of its work force but also smooth, uninterrupted and secure business and service continuity. There was an impact on the Company's business during the month of March, 2020. Further, considering the wide spread and varying degree of intensity of pandemic across the country where the Company operates, the economic impact during FY 2021 seems evident across the industry. The management is closely analyzing and monitoring the situation and getting adequately prepared to emerge stronger in the longer term.

**BUSINESS RESPONSIBILITY REPORT**

As required pursuant to the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has prepared a Business Responsibility Report (BRR) for the financial year 2019-2020, which forms part of this Annual Report. The said report is hosted on the Company's website, which can be accessed at https://nilkamal.com/wp-content/uploads/2019/07/BUSINESS-RESPONSIBILITY-REPORT-2019-20.pdf

**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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, as per Regulation 34(2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis report also forms a part of this report.

**CREDIT RATING**

The Credit Ratings of the Company for all the debt instruments as on March 31, 2020 is as below: -

| Bank Facilities | Rating |
|---|---|
| Long Term Bank Facilities | CARE AA; Stable<br>(Double A) |
| Short Term Bank Facilities | CARE A1+<br>(A One Plus) |

**SUBSIDIARIES AND JOINT VENTURES**

During the year under review, the Company has acquired the balance 50% stake in its erstwhile Joint Venture, Nilkamal Bito Storage Systems Private Limited, which has now become a Wholly owned subsidiary of the Company. This was by way of purchase of equity shares from Bito Lagertechnik Bittmann GmbH, Germany, the Joint venture Partner of the Company.

Further the Company's subsidiary at Sri Lanka viz. Nilkamal Eswaran Plastics Private Limited, Sri Lanka (NEPPL), had placed a buy back offer to its existing shareholders. The Company did not opt to give its shares and hence subsequent to the said buy back of shares by NEPPL from its other existing shareholders, it resulted in increase in the percentage of shareholding of the Company in its Subsidiary from 76.00% to 96.28 %.

As on March, 2020, your Company has now four direct subsidiaries: Nilkamal Foundation – a Section 8 Company and Nilkamal Storage Systems Private Limited (Formerly known as Nilkamal Bito Storage Systems Private Limited) in India, 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 One Joint Venture Company viz; 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.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is 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.

**NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

The Board has, on the recommendation of the Nomination & 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 Non - Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them. The Board has also formulated and adopted the policy on the " Succession Planning Policy for the

Board & Senior Management". The Nomination and Remuneration Policy of the Company is available on the website of the Company at https://nilkamal.com/wp-content/uploads/2019/01/Nomination-and-Remuneration-Policy_11052018.pdf

**STATUTORY AUDITORS AND AUDITORS' REPORT**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, having ICAI Registration No. 101248W/ W-100022 were appointed as the Statutory Auditors for a second term of five years to hold office from the conclusion of 32nd Annual General Meeting up to the conclusion of the 37th Annual General Meeting of the Company.

The requirement of seeking ratification of the members for continuance of Statutory Auditors appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Statutory Auditor has confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors' Report to the Members on the Accounts of the Company for the year ended March 31, 2020 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation or adverse remark. During the year 2020, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

**COST AUDITOR**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014, M/s. B. F. Modi and Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to carry out audit of the cost records of the Company for the financial year 2019 - 2020. They, being eligible and willing to be re-appointed as Cost Auditors, were appointed as the Cost Auditors of the Company for the financial year 2020 - 2021 by the Board of Directors, upon the recommendation of the Audit Committee.

The resolution seeking ratification of the remuneration to the said cost auditors for the financial year 2020 - 2021 is set out in the Notice calling the 34th Annual General Meeting of the Company.

The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Pratik M. Shah, Practising Company Secretary was appointed as the Secretarial Auditor of the Company to undertake the Secretarial Audit in the prescribed form MR- 3 for the financial year 2019 - 2020. The Secretarial Auditor's report to the members is annexed to this report as "Annexure B".

Explanations for the observations made by Secretarial Auditor, Mr. Pratik M. Shah, Practising Company Secretary in Secretarial Audit Report:

During the year under review, there was a delay in submission of voting results to the Stock Exchanges by one day for the Postal Ballot convened on March 24, 2019. The Company has paid the fine towards the same. The intimation was unintentionally delayed for which the Board has taken into knowledge and consideration

A Secretarial Compliance Report for the financial year ended March 31, 2020 on compliance of all applicable SEBI regulations and circulars/guidelines issued thereunder, was obtained from Mr. Pratik M. Shah, Practising Company Secretary, and submitted to both the stock exchanges.

During the year 2019, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**EXTRACT OF ANNUAL RETURN**

The Extracts of the annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 has been annexed herewith as "Annexure C" and also placed on the website of the Company at weblink – https://nilkamal.com/wp-content/uploads/2020/07/MGT-9-31-03-2020.pdf

**DIRECTORS' AND KEY MANAGERIAL PERSONNEL**

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee, Mr. K. Venkataramanan (DIN: 00001647) is re - appointed as an Independent Non - Executive Director for a second term of Five years from the date of Annual General meeting i.e. from August 14, 2020 till August 13, 2025 and the said resolution is placed for the approval of the Members through a special resolution in the Notice of the 34th Annual General Meeting.

Further, pursuant to the provisions of Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee, Mr. Mihir H. Parekh was appointed as an Additional Director w.e.f. February, 1 2020 and pursuant to the provisions of Section 161 of the Act, Mr. Mihir H. Parekh holds office till the date of the ensuing Annual General Meeting and is eligible for appointment as Director of the Company. He was also appointed as a Whole - time Director, to be designated as an Executive Director for a period of Five years with effect from February 1, 2020 to January 31, 2025 of the Company subject to approval of the members at the Annual General Meeting.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on January 29, 2020, re - appointed Mr. Sharad V. Parekh (DIN: 00035747), as the Managing Director, Mr. Hiten V. Parekh (DIN: 00037550), as the Joint Managing Director, Mr. Manish V. Parekh (DIN: 00037724) and Mr. Nayan S. Parekh (DIN: 00037597) as Executive Directors for a period of Five years, effective from April 1, 2020, subject to approvals of the members at the Annual General Meeting.

Subsequently, on June 28, 2020 as a part of Board restructuring, the Board of Directors of the Company accepted the resignation of Mr. Vamanrai V. Parekh from the position of Directorship & Chairmanship of the Company effective from the close of the business hours on August 14, 2020. The Board placed on record its sincere appreciation for the phenomenal contribution made by him during his association over Thirty years with the Company as a Director and Chairman. Further, after considering the contribution made by Mr. Vamanrai V. Parekh towards the growth of the Company, the Board appointed him as the Chairman Emeritus of the Company, effective from August 15, 2020.

As a part of the said restructuring, Mr. Sharad V. Parekh, decided to step down from the position of Managing Director of the Company from the close of business hours on August 14, 2020 and accept the position of Non - Executive Chairman of the Company w.e.f. August 15, 2020. Further, Mr. Hiten V. Parekh shall be elevated to the position of Managing Director of the Company w.e.f. August 15, 2020, subject to approval of the members at this Annual General Meeting.

Further, the Company has received declarations from all the Independent Directors stating that they meet the criteria of independence as given under Section 149 of the Companies Act, 2013 and the relevant provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfill the condition for appointment/re - appointment as Independent Directors on the Board.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, as required to be disclosed under Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014, the Board is satisfied with the integrity, expertise and experience, (including the proficiency) of Mr. K. Venkataramanan, Independent Director who is being re-appointed at this Annual General Meeting.

Further, 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.

The required information of the Directors being appointed/re - appointed, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

There was no change in the composition of the Board of Directors and the Key Managerial Personnel, except as stated above.

**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.

**CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS**

As required under the regulation 34 (2)© of the SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015, a cash flow statement is part of the Annual Report 2019 - 2020. Further, the Consolidated Financial Statements of the Company for the financial year 2019 - 2020 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Boards 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 in place a Whistle Blower Policy with a view to provide a mechanism for its Directors/ employees to approach the Chairman of the Audit Committee, in case of any grievances or concerns related to fraud and mismanagement, if any. The details of the said Policy is explained in the Corporate Governance Report and also posted on the website of the Company at https://nilkamal.com/wp-content/uploads/2019/01/Whistle-Blower-Policy.pdf

**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.

Further, the Company is committed to protect women against sexual harassment at work place. More than 40 workshops covering approximately 600 employees were conducted at different locations, to create awareness on Prevention of Sexual Harassment at workplace. The workshops will contribute towards realisation of women's right to gender equality, life and liberty and equality in working conditions everywhere. The Company believes that the sense of security at the workplace will improve women's participation in work, resulting in their economic empowerment and inclusive growth.

This year on the occasion of Women's Day, the Company had organised Self Defence Camp for women employees at the Corporate Office in Mumbai.

**RELATED PARTY TRANSACTIONS**

Your Company has formulated a Policy on materiality of dealing with related party transactions which is available at https://nilkamal.com/wp-content/uploads/2019/03/Policyonmaterialityofanddealingwithrelatedparty_290120191.pdf

All the related party transactions are placed before the Audit Committee for their review and approval. Further, prior omnibus approval of the Audit Committee is obtained for related party transactions of repetitive nature and entered into in the ordinary course of business at an arms' length basis.

Further, the Company has not entered into any material related party transaction during the year under review. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable to your Company.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of Section 134 (2) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has undertaken an annual evaluation of its own performance, performance of its various Committees and individual Directors. The details of the said evaluations have been mentioned in the Report on Corporate Governance.

**TRANSFER TO IEPF**

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for past seven consecutive years i.e for final dividend of the financial year ended 2011 - 2012, and thereafter, had transferred such unpaid or unclaimed dividends and corresponding 1,395 equity shares held by 13 shareholders to the IEPF Authority on October 11, 2019.

Shareholders /claimants whose shares, unclaimed dividend, have been transferred to the aforestated IEPF Suspense Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on http://www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time.

Further, the Company shall be transferring the unclaimed Dividend for the financial year 2012 - 2013 to the IEPF Account on or before September 10, 2020. The Company shall also be transferring the shares, on which the dividend has remained unclaimed for a period of seven consecutive years, to the IEPF Account simultaneously on the same date. The Company has sent individual letters to the shareholders for claiming the said dividend and has also advertised the same in the newspapers in accordance to the Rules. Members are therefore requested to ensure that they claim the dividends referred above, before they are transferred to the said Fund.

Details of shares /shareholders in respect of which dividend has not been claimed, are provided on our website at https://nilkamal.com/unclaimed-unpaid-dividend/ . The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

**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(3) 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 forms a part of the Annual Report.

Further, the 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 also forms a part of the Annual Report.

However, 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: June 28, 2020

**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, 2020.

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 and healthcare facilities and maintaining environmental sustainability.

   The CSR policy of the Company is available on the website of the Company at www.nilkamal.com and the weblink of the same is https://nilkamal.com/wp-content/uploads/2019/01/CSR-Policy.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:** ₹ 16,896.65 lacs

4. **Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above):** ₹ 337.93 lacs

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

   (a) Total amount to be spent for the financial year: ₹ 337.93 lacs

   (b) Total amount spend during the financial year: ₹ 338.00 lacs

   (c) Amount unspent, if any: Nil

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

(₹ in Lakhs)

| 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 programswise | 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) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Donation | Donation | - | 338.00 | 338.00 | 338.00 | IA |
| | **Total** | | | **338.00** | **338.00** | **338.00** | **IA - 338.00** |

**# An amount of ₹ 338.00 lacs was transferred to Nilkamal Foundation - a Section 8 Company, the Implementing Agency for undertaking CSR activities of the Company during the FY 2019 - 2020.**

**The following are the CSR activities carried out by Nilkamal Foundation during the FY 2019 - 2020.**

(₹ in Lakhs)

| 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 programswise | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct (D) or through Implementing Agency (IA) |
|---|---|---|---|---|---|---|---|
| 1 | Uplifment of Village | Rural Development | Devghar in Maharashtra | 10.00 | 10.00 | 10.00 | IA |
| 2 | Providing welfare for animals | Animal Welfare | Rajula in Gujarat | 2.00 | 2.00 | 2.00 | IA |

**The following are the CSR activities carried out by Nilkamal Foundation during the FY 2019 - 2020.**

(₹ in Lakhs)

| 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 programswise | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct (D) or through Implementing Agency (IA) |
|---|---|---|---|---|---|---|---|
| 3 | Providing contribution towards education to youths in tribal region, region, repair and maintenance of elevator for special and disable children in school, helping homeless children, supply of furniture for school, Library of school, donation to school for special Children. | Education | Silvassa in Gujarat, Mumbai in Maharashtra, Bhavnagar in Gujarat, | 22.45 | 22.45 | 22.45 | IA |
| 4 | Providing affordable homes and sanitation to low-income families. | Healthcare and Sanitation | Mumbai in Maharashtra | 7.10 | 7.10 | 7.10 | IA |
| 5 | Providing contribution towards helping socially disadvantaged people to enhance their livelihood capabilities, welfare for blind child | Healthcare and Education | Chandrapur in Maharashtra, Bhavnagarin Gujarat | 2.51 | 2.51 | 2.51 | IA |
| 6 | Providing protective shoes to individuals suffering from Leprosy, Contribution towards eye surgeries, providing medical help to needy people. | Healthcare | New Delhi, Mumbai | 6.21 | 6.21 | 6.21 | IA |
| 7 | Project for reconstruction and modernisation of Government School. | Education | Mahuva, Gujarat | 625.00 | 333.56 | 485.05 | IA |
| | **Total** | | | **675.27** | **383.83** | **535.32** | **IA - 383.83** |

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 | **Sharad V. Parekh** | **K. R. Ramamoorthy** |
| Date: June 28, 2020 | (Managing Director) | (Chairman of CSR Committee) |

**"ANNEXURE B"**

**Secretarial Audit Report**
For the Financial year ended March 31, 2020
***[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

The Members,
**Nilkamal Limited**

Considering the situation due to pandemic "COVID 2019" and lockdown being declared nationwide, the process of audit has been modified. Some of the books, documents, records, e-forms (forms) and returns, registers, minutes were not verified physically and the same were made available in electronic mode and were verified on the bases of the representations received and made by the management of the Company, its officers, agents and authorised representatives for its accuracy and authenticity. Accordingly, wherever, in the report, words such as "examined", "review", "verification" are being stated it should be construed as examination, review, verification of electronic records.

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 the most reasonable bases for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

On the bases of our review and verification of the Company's books, papers, minute 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, 2020, 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, 2020, 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 applicable;

    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 Requirement) 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 (Share Based Employee Benefits) Regulations, 2014;

    ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    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, 2018;

    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:**

1. There was delay of one day in submission of Postal Ballot results with the Stock Exchanges beyond the statutory time limit of forty eight hours as required pursuant to provisions of Regulation 44(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company has however paid the fine of ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred Only) to each of BSE Limited and National Stock Exchange of India Limited as levied by respective exchanges and complied with the said orders.

2. 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 duringthe year under review were carried out in compliance with the provisions of the Act.

3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

4. Company has duly complied with the Secretarial Standards as issued by The Institute of Company Secretaries of India.

5. Company is generally regular in compliance with the filing of e-forms with the office of Ministry of Corporate Affairs as required pursuant to the provisions of The Companies Act, 2013 and Rules framed thereunder

6. Majority decisions are carried through which are captured and recorded as part of the minutes.

7. 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
FCS No.: 7431
CP No.:7401
UDIN:F007431B000279549

Place: Mumbai
Date: May 26, 2020

**"ANNEXURE C"**

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on March 31, 2020**

**[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<br>Address of the Registered Office and Contact Details | Public Company limited by Shares<br>Survey No.354/2 and 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa 396 230, Union Territory of Dadra and Nagar Haveli.<br>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<br>C - 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai : 400 083<br>Tel: 022 - 49186000, Fax: 022 - 49186060<br>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 | 72.46% |
| 2 | Retail sales | 471 | 13.14% |

## 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 Storage Systems Private Limited (formerly Known as Nilkamal Bito Storage Systems Private Limited)<br>77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India | U63020MH2006PTC161327 | Subsidiary | 100% | 2(87) |
| 2 | Nilkamal Crates and Bins, FZE<br>P. O. Box 21008, Ajman Free Zone, Ajman, United Arab Emirates. | Foreign Company | Subsidiary | 100% | 2(87) |
| 3 | Nilkamal Foundation<br>77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India | U74999MH2016NPL284394 | Subsidiary | 98% | 2(87) |
| 4 | Nilkamal Eswaran Plastics (Private) Limited<br>328, Madapatha Road, Batakettera, Piliyanadala, SriLanka. | Foreign Company | Subsidiary | 96.28% | 2(87) |
| 5 | Nilkamal Eswaran Marketing (Pvt.) Limited<br>328, Madapatha Road, Batakettera, Piliyanadala, SriLanka. | Foreign Company | Step - down Subsidiary | 96.28% | 2(87) |
| 6 | Cambro Nilkamal Private Limited<br>77/78, Nilkamal House, Road No. 13/14, MIDC, Andheri East, Mumbai : 400093, Maharashtra, India | U51109MH2010PTC211686 | Associate | 50% | 2(6) |

* Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited) the Joint Venture Company between Nilkamal Limted and Bito Lagertechnik Bittmann GmbH, became a wholly owned subsidiary of the Company w.e.f. August 22, 2019.

## IV. SHARE HOLDING 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 | 7,169,246 | - | 7,169,246 | 48.04 | 7,220,646 | - | 7,220,646 | 48.39 | 0.34 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 2,376,500 | - | 2,376,500 | 15.93 | 2,376,500 | - | 2,376,500 | 15.93 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A) (1)** | **9,545,746** | **-** | **9,545,746** | **63.97** | **9,597,146** | **-** | **9,597,146** | **64.31** | **0.34** |
| **(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)** | **9,545,746** | **-** | **9,545,746** | **63.97** | **9,597,146** | **-** | **9,597,146** | **64.31** | **0.34** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 2,028,102 | 300 | 2,028,402 | 13.59 | 2,517,547 | 300 | 2,517,847 | 16.87 | 3.28 |
| b) Banks / FI | 12,427 | - | 12,427 | 0.08 | 5,730 | - | 5,730 | 0.04 | -0.04 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | 362,185 | - | 362,185 | 2.43 | 316,359 | - | 316,359 | 2.12 | -0.31 |
| h) Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| i) Alternate Investment Funds | 6,300 | - | 6,300 | 0.04 | 2,194 | - | 2,194 | 0.01 | -0.03 |
| j) Others (specify) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| **Sub-total (B)(1):-** | **2,409,014** | **300** | **2,409,314** | **16.15** | **2,841,830** | **300** | **2,842,130** | **19.05** | **2.90** |

| 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 | |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corporate | 308,070 | 885 | 308,955 | 2.07 | 260,356 | 785 | 261,141 | 1.75 | -0.32 |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| **b) Individuals** | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lac | 1,637,197 | 126,952 | 1,764,149 | 11.82 | 1,376,960 | 116,163 | 1,493,123 | 10.01 | -1.82 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac | 612,703 | - | 612,703 | 4.11 | 484,256 | - | 484,256 | 3.25 | -0.86 |
| **c) NBFCs registered with RBI** | 19,117 | - | 19,117 | 0.13 | 12,800 | - | 12,800 | 0.09 | -0.04 |
| **d) Others (specify)** | | | | | | | | | |
| i) Non-resident Indians | 107,425 | 100 | 107,525 | 0.72 | 100,414 | 200 | 100,614 | 0.67 | -0.05 |
| (ii) Non-resident (non-repartriable) | 30,645 | - | 30,645 | 0.21 | 27,086 | - | 27,086 | 0.18 | -0.02 |
| (iii) Trust | 2,762 | - | 2,762 | 0.02 | 20 | - | 20 | 0.00 | -0.02 |
| (iv)Hindu Undivided Family | 67,159 | - | 67,159 | 0.45 | 60,641 | - | 60,641 | 0.41 | -0.04 |
| (v) Clearing Members | 19,494 | - | 19,494 | 0.13 | 8,194 | - | 8,194 | 0.05 | -0.08 |
| (vi) Market Maker | 635 | - | 635 | 0.00 | - | - | - | 0.00 | 0.00 |
| (vii) Foreign Porfolio Investor (Individual) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (viii) IEPF | 34,321 | - | 34,321 | 0.23 | 35,374 | - | 35,374 | 0.24 | 0.01 |
| **Sub-total (B)(2):-** | **2,839,528** | **127,937** | **2,967,465** | **19.89** | **2,366,101** | **117,148** | **2,483,249** | **16.64** | **-3.24** |
| **Total Public Shareholding (B) = (B)(1)+(B)(2)** | **5,248,542** | **128,237** | **5,376,779** | **36.03** | **5,207,931** | **117,448** | **5,325,379** | **35.69** | **-0.34** |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **14,794,288** | **128,237** | **14,922,525** | **100.00** | **14,805,077** | **117,448** | **14,922,525** | **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 / encum-bered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encum-bered to total shares | |
| 1 | Hiten V. Parekh jt with Smriti H. Parekh | 1,937,258 | 12.98 | - | 1,892,258 | 12.68 | - | -0.30 |
| 2 | Nayan S. Parekh jt with Sharad V. Parekh | 1,750,277 | 11.73 | - | 1,705,277 | 11.43 | - | -0.30 |
| 3 | Manish V. Parekh jt with Manju M. Parekh | 1,551,563 | 10.40 | - | 1,551,563 | 10.40 | - | 0.00 |
| 4 | Nilkamal Builders Private Limited | 1,464,000 | 9.81 | - | 1,464,000 | 9.81 | - | 0.00 |
| 5 | Heirloom Finance Private Limited | 912,000 | 6.11 | - | 912,000 | 6.11 | - | 0.00 |
| 6 | Nayan S. Parekh jt with Purvi N. Parekh | 484,427 | 3.25 | | 484,427 | 3.25 | | 0.00 |
| 7 | Purvi N. Parekh jt with Nayan S. Parekh | 435,124 | 2.92 | - | 435,124 | 2.92 | - | 0.00 |
| 8 | Manju M. Parekh jt with Manish V. Parekh | 392,796 | 2.63 | - | 392,796 | 2.63 | - | 0.00 |
| 9 | Mihir H. Parekh jt with Hiten V. Parekh | 131,900 | 0.88 | - | 131,900 | 0.88 | - | 0.00 |
| 10 | Eashan M. Parekh | 131,900 | 0.88 | - | 131,900 | 0.88 | - | 0.00 |
| 11 | Dhanay Nayan Parekh jt with Nayan S. Parekh | 131,900 | 0.88 | - | 131,900 | 0.88 | - | 0.00 |
| 12 | * Vamanrai V. Parekh jt with Nalini V. Parekh | 100,000 | 0.67 | - | 131,000 | 0.88 | - | 0.21 |
| 13 | ** Sharad V. Parekh jt with Maya S. Parekh | 100,000 | 0.67 | - | 120,400 | 0.81 | - | 0.14 |
| 14 | Sharad V. Parekh (HUF) | - | 0.00 | - | - | 0.00 | - | 0.00 |
| 15 | Smriti H. Parekh jt with Hiten V. Parekh | 7,101 | 0.05 | - | 7,101 | 0.05 | - | 0.00 |
| 16 | Priyanka H. Parekh jt with Hiten V. Parekh | 5,000 | 0.03 | - | 50,000 | 0.34 | - | 0.30 |
| 17 | Hiten V. Parekh (HUF) | - | 0.00 | - | - | 0.00 | - | 0.00 |
| 18 | Natasha Manish Parekh | 5,000 | 0.03 | - | 5,000 | 0.03 | - | 0.00 |
| 19 | Dhaniti Nayan Parekh | 5,000 | 0.03 | - | 50,000 | 0.34 | - | 0.30 |
| 20 | Manish V. Parekh (HUF) | - | 0.00 | - | - | 0.00 | - | 0.00 |
| 21 | Shrimant Holdings Private Limited | 500 | 0.00 | - | 500 | 0.00 | - | 0.00 |
| | **TOTAL** | **9,545,246** | **63.97** | - | **9,596,646** | **64.31** | - | **0.34** |

* 1,900 Equity Shares i.e. shares purchased on March 30, 2020 and March 31, 2020 by Mr. Vamanrai V. Parekh were credited in his demat account on April 1, 2020 and April 2, 2020 respectievely, hence the said shares does not form part of his Shareholding as on March 31, 2020 shown in Part IV (i) & (ii) of MGT - 9.

** 400 Equity Shares i.e. shares purchased on March 30, 2020 by Mr. Sharad V. Parekh were credited in his demat account on April 1, 2020, hence the said shares does not form part of his Shareholding as on March 31, 2020 shown in Part IV (i) & (ii) of MGT - 9.

## (iii) Changes in Promoter's Shareholding

| Name of the Promoter | Shareholding at the beginning of the year | | Date wise increase / decrease in Promoters 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 jt with Nalini V. Parekh | 100,000 | 0.67 | Increase | Market Buy | 674 | 19 Mar 2020 | 100,674 | 0.67 |
| | | | Increase | Market Buy | 2,467 | 20 Mar 2020 | 103,141 | 0.69 |
| | | | Increase | Market Buy | 5,564 | 23 Mar 2020 | 108,705 | 0.73 |
| | | | Increase | Market Buy | 3,295 | 24 Mar 2020 | 112,000 | 0.75 |
| | | | Increase | Market Buy | 509 | 24 Mar 2020 | 112,509 | 0.75 |
| | | | Increase | Market Buy | 599 | 25 Mar 2020 | 113,108 | 0.76 |
| | | | Increase | Market Buy | 609 | 26 Mar 2020 | 113,717 | 0.76 |
| | | | Increase | Market Buy | 16,000 | 27 Mar 2020 | 129,717 | 0.87 |
| | | | Increase | Market Buy | 1,283 | 27 Mar 2020 | 131,000 | 0.88 |
| | | | Increase | Market Buy | 200 | 30 Mar 2020 | 131,200 | 0.88 |
| | | | Increase | Market Buy | 1,700 | 31 Mar 2020 | 132,900 | 0.89 |
| **2) Sharad V. Parekh jt with Maya S. Parekh | 100,000 | 0.67 | Increase | Market Buy | 818 | 19 Mar 2020 | 100,818 | 0.68 |
| | | | Increase | Market Buy | 2,500 | 20 Mar 2020 | 103,318 | 0.69 |
| | | | Increase | Market Buy | 2,522 | 23 Mar 2020 | 105,840 | 0.71 |
| | | | Increase | Market Buy | 2,160 | 24 Mar 2020 | 108,000 | 0.72 |
| | | | Increase | Market Buy | 1,353 | 25 Mar 2020 | 109,353 | 0.73 |
| | | | Increase | Market Buy | 2,647 | 26 Mar 2020 | 112,000 | 0.75 |
| | | | Increase | Market Buy | 8,400 | 27 Mar 2020 | 120,400 | 0.81 |
| | | | Increase | Market Buy | 400 | 30 Mar 2020 | 120,800 | 0.81 |

## (iii) Changes in Promoter's Shareholding

| Name of the Promoter | Shareholding at the beginning of the year | | Date wise increase / decrease in Promoters 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) Hiten V. Parekh jt with Smriti H. Parekh | 1,937,258 | 12.98 | Decrease | Off Market Transfer | 45,000 | 31 Mar 2020 | 1,892,258 | 12.68 |
| 4) Nayan S. Parekh jt with Sharad V. Parekh | 1,750,277 | 11.73 | Decrease | Off Market Transfer | 45,000 | 31 Mar 2020 | 1,705,277 | 11.43 |
| 5) Nayan S. Parekh jt with Purvi N. Parekh | 484,427 | 3.25 | No Change | | | | 484,427 | 3.25 |
| 6) Dhaniti N. Parekh | 5,000 | 0.03 | Increase | Off Market Transfer | 45,000 | 31 Mar 2020 | 50,000 | 0.34 |
| 7) Priyanka H. Parekh jt with Hiten V. Parekh | 5,000 | 0.03 | Increase | Off Market Transfer | 45,000 | 31 Mar 2020 | 50,000 | 0.34 |
| 8) Manish V. Parekh jt with Manju M. Parekh | 1,551,563 | 10.40 | No Change | | | | 1,551,563 | 10.40 |
| 9) Sharad V. Parekh - HUF | - | 0.00 | | | | | - | 0.00 |
| 10) Hiten V. Parekh - HUF | - | 0.00 | | | | | - | 0.00 |
| 11) Manish V. Parekh - HUF | - | 0.00 | | | | | - | 0.00 |
| 12) Purvi N. Parekh jt with Nayan S. Parekh | 435,124 | 2.92 | | | | | 435,124 | 2.92 |
| 13) Manju M. Parekh jt with Manish V. Parekh | 392,796 | 2.63 | | | | | 392,796 | 2.63 |
| 14) Eashan M. Parekh | 131,900 | 0.88 | | | | | 131,900 | 0.88 |
| 15) Natasha M. Parekh | 5,000 | 0.03 | | | | | 5,000 | 0.03 |
| 16) Dhanay N. Parekh jt with Nayan S. Parekh | 131,900 | 0.88 | | | | | 131,900 | 0.88 |
| 17) Mihir H. Parekh jt with Hiten V. Parekh | 131,900 | 0.88 | | | | | 131,900 | 0.88 |
| 18) Smriti H. Parekh jt with Hiten V. Parekh | 7,101 | 0.05 | | | | | 7,101 | 0.05 |
| 19) Nilkamal Builders Private Limited | 1,464,000 | 9.81 | | | | | 1,464,000 | 9.81 |
| 20) Heirloom Finance Private Limited | 912,000 | 6.11 | | | | | 912,000 | 6.11 |
| 21) Shrimant Holdings Private Limited | 500 | 0.00 | | | | | 500 | 0.00 |

* 1,900 Equity Shares i.e. shares purchased on March 30, 2020 and March 31, 2020 by Mr. Vamanrai V. Parekh were credited in his demat account on April 1, 2020 and April 2, 2020 respectively, hence the said shares does not form part of his Shareholdings on March 31, 2020 shown in Part IV (I)& (ii) of MGT - 9.

** 400 Equity Shares i.e. shares purchased on March 30, 2020 by Mr. Sharad V. Parekh were credited in his demat account on April 1, 2020, hence the said shares does nor form part of his Shareholding as on March 31, 2020 shown in Part IV (I) & (ii) of MGT - 9.

## (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 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | 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 | DSP Small Cap Fund | 787,253 | 5.2756 | | | 787,253 | 5.2756 |
| | Market Buy | | | 24 May 2019 | 12,965 | 800,218 | 5.3625 |
| | Market Buy | | | 31 May 2019 | 106,011 | 906,229 | 6.0729 |
| | Market Buy | | | 14 Jun 2019 | 5,802 | 912,031 | 6.1118 |
| | Market Buy | | | 21 Jun 2019 | 17,699 | 929,730 | 6.2304 |
| | Market Buy | | | 29 Jun 2019 | 1,386 | 931,116 | 6.2397 |
| | Market Buy | | | 06 Sep 2019 | 21,894 | 953,010 | 6.3864 |
| | Market Buy | | | 13 Sep 2019 | 395 | 953,405 | 6.3890 |
| | Market Buy | | | 20 Sep 2019 | 2,321 | 955,726 | 6.4046 |
| | Market Buy | | | 27 Sep 2019 | 720 | 956,446 | 6.4094 |
| | Market Buy | | | 04 Oct 2019 | 9,069 | 965,515 | 6.4702 |
| | Market Buy | | | 11 Oct 2019 | 27,188 | 992,703 | 6.6524 |
| | Market Buy | | | 18 Oct 2019 | 5,225 | 997,928 | 6.6874 |
| | Market Buy | | | 25 Oct 2019 | 351 | 998,279 | 6.6897 |
| | Market Buy | | | 13 Mar 2020 | 25,333 | 1,023,612 | 6.8595 |
| | Market Buy | | | 20 Mar 2020 | 34,707 | 1,058,319 | 7.0921 |
| | AT THE END OF THE YEAR | | | | | 1,058,319 | 7.0921 |

## (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 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | 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 |
| 2 | HDFC Mutual Fund (under 5 different Schemes Viz. Hdfc Small Cap Fund, Hdfc Trustee Company Ltd a/c - Hdfc Children's Gift Fund - Investment Plan, Hdfc Trustee Co Ltd a/c Hdfc Retirement Savings Fund - Hybrid - Equity Plan, HDFC Trustee Co Ltd a/c Hdfc Retirement Savings Fund-Hybrid-Debt Plan, HDFC Trustee Co Ltd a/c HDFC Retirement Savings Fund-Equity Plan) | 744,100 | 4.9864 | | | 744,100 | 4.9864 |
| | Market Buy | | | 12 Apr 2019 | 50,000 | 794,100 | 5.3215 |
| | Market Buy | | | 26 Apr 2019 | 4,700 | 798,800 | 5.3530 |
| | Market Buy | | | 05 Jul 2019 | 5,900 | 804,700 | 5.3925 |
| | Market Buy | | | 12 Jul 2019 | 1,400 | 806,100 | 5.4019 |
| | Market Buy | | | 16 Aug 2019 | 25,000 | 831,100 | 5.5694 |
| | Market Buy | | | 23 Aug 2019 | 20,000 | 851,100 | 5.7035 |
| | Market Buy | | | 30 Aug 2019 | 3,000 | 854,100 | 5.7236 |
| | Market Buy | | | 06 Sep 2019 | 25,500 | 879,600 | 5.8944 |
| | Market Buy | | | 27 Sep 2019 | 7,500 | 887,100 | 5.9447 |
| | Market Buy | | | 30 Sep 2019 | 8,500 | 895,600 | 6.0017 |
| | Market Buy | | | 04 Oct 2019 | 3,300 | 898,900 | 6.0238 |
| | Market Buy | | | 11 Oct 2019 | 1,600 | 900,500 | 6.0345 |
| | Market Buy | | | 22 Nov 2019 | 6,918 | 907,418 | 6.0809 |
| | Market Buy | | | 29 Nov 2019 | 2,700 | 910,118 | 6.0990 |
| | Market Buy | | | 06 Dec 2019 | 1,700 | 911,818 | 6.1103 |
| | Market Buy | | | 13 Dec 2019 | 19,600 | 931,418 | 6.2417 |
| | Market Buy | | | 20 Dec 2019 | 43,091 | 974,509 | 6.5305 |
| | Market Buy | | | 27 Dec 2019 | 11,809 | 986,318 | 6.6096 |
| | Market Buy | | | 10 Jan 2020 | 7,290 | 993,608 | 6.6584 |
| | Market Buy | | | 24 Jan 2020 | 5,900 | 999,508 | 6.6980 |
| | Market Buy | | | 31 Jan 2020 | 3,500 | 1,003,008 | 6.7214 |
| | Market Buy | | | 07 Feb 2020 | 35,930 | 1,038,938 | 6.9622 |
| | Market Buy | | | 28 Feb 2020 | 500 | 1,039,438 | 6.9656 |
| | Market Buy | | | 13 Mar 2020 | 2,700 | 1,042,138 | 6.9837 |
| | Market Buy | | | 20 Mar 2020 | 9,141 | 1,051,279 | 7.0449 |
| | AT THE END OF THE YEAR | | | | | 1,051,279 | 7.0449 |
| 3 | KOTAK Small Cap Fund | 157,136 | 1.053 | | | 157,136 | 1.0530 |
| | Market Buy | | | 05 Apr 2019 | | 161,218 | 1.0804 |
| | Market Buy | | | 12 Apr 2019 | 8,897 | 170,115 | 1.1400 |
| | Market Buy | | | 19 Apr 2019 | 8,000 | 178,115 | 1.1936 |
| | Market Buy | | | 24 May 2019 | 6,217 | 184,332 | 1.2353 |
| | Market Buy | | | 29 Jun 2019 | 1,898 | 186,230 | 1.2480 |
| | Market Buy | | | 12 Jul 2019 | 7,359 | 193,589 | 1.2973 |
| | Market Buy | | | 19 Jul 2019 | 9,958 | 203,547 | 1.3640 |
| | Market Buy | | | 26 Jul 2019 | 13,849 | 217,396 | 1.4568 |
| | Market Buy | | | 02 Aug 2019 | 7,000 | 224,396 | 1.5037 |
| | Market Buy | | | 09 Aug 2019 | 1,049 | 225,445 | 1.5108 |
| | Market Buy | | | 16 Aug 2019 | 6,000 | 231,445 | 1.5510 |
| | Market Buy | | | 23 Aug 2019 | 2,313 | 233,758 | 1.5665 |
| | Market Buy | | | 30 Aug 2019 | 3,290 | 237,048 | 1.5885 |
| | Market Buy | | | 06 Sep 2019 | 6,443 | 243,491 | 1.6317 |
| | Market Buy | | | 20 Sep 2019 | 2,746 | 246,237 | 1.6501 |
| | Market Buy | | | 27 Sep 2019 | 1,928 | 248,165 | 1.6630 |
| | Market Buy | | | 25 Oct 2019 | 2,728 | 250,893 | 1.6813 |
| | Market Buy | | | 01 Nov 2019 | 8,000 | 258,893 | 1.7349 |
| | Market Buy | | | 08 Nov 2019 | 3,887 | 262,780 | 1.7610 |
| | Market Buy | | | 22 Nov 2019 | 3,281 | 266,061 | 1.7829 |
| | Market Buy | | | 20 Dec 2019 | 1,397 | 267,458 | 1.7923 |
| | Market Buy | | | 03 Jan 2020 | 83 | 267,541 | 1.7929 |
| | Market Buy | | | 10 Jan 2020 | 3,406 | 270,947 | 1.8157 |
| | Market Buy | | | 17 Jan 2020 | 7,183 | 278,130 | 1.8638 |
| | Market Buy | | | 31 Jan 2020 | 1,397 | 279,527 | 1.8732 |
| | Market Buy | | | 07 Feb 2020 | 10,279 | 289,806 | 1.9421 |
| | Market Buy | | | 14 Feb 2020 | 12,043 | 301,849 | 2.0228 |
| | Market Buy | | | 21 Feb 2020 | 419 | 302,268 | 2.0256 |
| | Market Buy | | | 28 Feb 2020 | 12,381 | 314,649 | 2.1086 |
| | Market Buy | | | 06 Mar 2020 | 16,024 | 330,673 | 2.2159 |
| | Market Buy | | | 20 Mar 2020 | 5,487 | 336,160 | 2.2527 |
| | Market sell | | | 27 Mar 2020 | (4,861) | 331,299 | 2.2201 |
| | Market sell | | | 31 Mar 2020 | (2,018) | 329,281 | 2.2066 |
| | AT THE END OF THE YEAR | | | | | 329,281 | 2.2066 |

## (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 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | 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 |
| 4 | Dolly Khanna | 272,985 | 1.8293 | | | 272,985 | 1.8293 |
| | Market sell | | | 05 Apr 2019 | (1,995) | 270,990 | 1.8160 |
| | Market sell | | | 12 Apr 2019 | (1,720) | 269,270 | 1.8045 |
| | Market sell | | | 19 Apr 2019 | (850) | 268,420 | 1.7988 |
| | Market sell | | | 26 Apr 2019 | (2,775) | 265,645 | 1.7802 |
| | Market sell | | | 03 May 2019 | (550) | 265,095 | 1.7765 |
| | Market sell | | | 10 May 2019 | (3,605) | 261,490 | 1.7523 |
| | Market sell | | | 17 May 2019 | (11,300) | 250,190 | 1.6766 |
| | Market sell | | | 24 May 2019 | (8,750) | 241,440 | 1.6180 |
| | Market sell | | | 31 May 2019 | (6,136) | 235,304 | 1.5768 |
| | Market sell | | | 07 Jun 2019 | (5,150) | 230,154 | 1.5423 |
| | Market sell | | | 14 Jun 2019 | (2,650) | 227,504 | 1.5246 |
| | Market sell | | | 21 Jun 2019 | (800) | 226,704 | 1.5192 |
| | Market sell | | | 29 Jun 2019 | (3,900) | 222,804 | 1.4931 |
| | Market sell | | | 05 Jul 2019 | (800) | 222,004 | 1.4877 |
| | Market sell | | | 12 Jul 2019 | (2,300) | 219,704 | 1.4723 |
| | Market sell | | | 19 Jul 2019 | (4,050) | 215,654 | 1.4452 |
| | Market sell | | | 26 Jul 2019 | (8,625) | 207,029 | 1.3874 |
| | Market sell | | | 02 Aug 2019 | (3,800) | 203,229 | 1.3619 |
| | Market sell | | | 09 Aug 2019 | (3,000) | 200,229 | 1.3418 |
| | Market sell | | | 16 Aug 2019 | (1,000) | 199,229 | 1.3351 |
| | Market sell | | | 23 Aug 2019 | (4,250) | 194,979 | 1.3066 |
| | Market sell | | | 30 Aug 2019 | (8,000) | 186,979 | 1.2530 |
| | Market sell | | | 06 Sep 2019 | (3,000) | 183,979 | 1.2329 |
| | Market sell | | | 13 Sep 2019 | (1,000) | 182,979 | 1.2262 |
| | Market sell | | | 20 Sep 2019 | (3,500) | 179,479 | 1.2027 |
| | Market sell | | | 27 Sep 2019 | (2,000) | 177,479 | 1.1893 |
| | Market sell | | | 30 Sep 2019 | (1,000) | 176,479 | 1.1826 |
| | Market sell | | | 04 Oct 2019 | (2,000) | 174,479 | 1.1692 |
| | Market sell | | | 11 Oct 2019 | (2,000) | 172,479 | 1.1558 |
| | Market sell | | | 18 Oct 2019 | (250) | 172,229 | 1.1542 |
| | Market sell | | | 25 Oct 2019 | (1,000) | 171,229 | 1.1475 |
| | Market sell | | | 01 Nov 2019 | (1,000) | 170,229 | 1.1408 |
| | Market sell | | | 08 Nov 2019 | (3,000) | 167,229 | 1.1206 |
| | Market sell | | | 15 Nov 2019 | (1,000) | 166,229 | 1.1139 |
| | Market sell | | | 29 Nov 2019 | (1,000) | 165,229 | 1.1072 |
| | Market sell | | | 06 Dec 2019 | (1,400) | 163,829 | 1.0979 |
| | Market sell | | | 13 Dec 2019 | (1,500) | 162,329 | 1.0878 |
| | Market sell | | | 20 Dec 2019 | (2,400) | 159,929 | 1.0717 |
| | Market sell | | | 27 Dec 2019 | (2,800) | 157,129 | 1.0530 |
| | Market sell | | | 31 Dec 2019 | (1,100) | 156,029 | 1.0456 |
| | Market sell | | | 03 Jan 2020 | (500) | 155,529 | 1.0422 |
| | Market sell | | | 10 Jan 2020 | (2,500) | 153,029 | 1.0255 |
| | Market sell | | | 17 Jan 2020 | (2,300) | 150,729 | 1.0101 |
| | Market sell | | | 24 Jan 2020 | (3,090) | 147,639 | 0.9894 |
| | Market sell | | | 31 Jan 2020 | (1,825) | 145,814 | 0.9771 |
| | Market sell | | | 07 Feb 2020 | (3,750) | 142,064 | 0.9520 |
| | Market sell | | | 14 Feb 2020 | (5,385) | 136,679 | 0.9159 |
| | Market sell | | | 21 Feb 2020 | (1,700) | 134,979 | 0.9045 |
| | Market sell | | | 28 Feb 2020 | (1,840) | 133,139 | 0.8922 |
| | Market sell | | | 06 Mar 2020 | (2,245) | 130,894 | 0.8772 |
| | Market sell | | | 13 Mar 2020 | (1,300) | 129,594 | 0.8684 |
| | Market sell | | | 20 Mar 2020 | (2,500) | 127,094 | 0.8517 |
| | Market sell | | | 27 Mar 2020 | (2,000) | 125,094 | 0.8383 |
| | AT THE END OF THE YEAR | | | | | 125,094 | 0.8383 |
| 5 | Cello Pens & Stationery Pvt. Ltd. | 102,468 | 0.6867 | | | 102,468 | 0.6867 |
| | Market Buy | | | 09 Aug 2019 | 5,000 | 107,468 | 0.7202 |
| | Market Buy | | | 31 Mar 2020 | 3,013 | 110,481 | 0.7404 |
| | AT THE END OF THE YEAR | | | | | 110,481 | 0.7404 |
| 6 | HSBC Mutual Fund - (under 3 different Schemes Viz. HSBC Regular Savings Fund, Hsbc Small Cap Equity Fund, HSBC Tax Saver Equity Fund) | 97,966 | 0.6565 | | | 97,966 | 0.6565 |
| | Market Buy | | | 12 Apr 2019 | 11,598 | 109,564 | 0.7342 |
| | Market Buy | | | 19 Apr 2019 | 13,402 | 122,966 | 0.8240 |
| | Market sell | | | 08 Nov 2019 | (6,606) | 116,360 | 0.7798 |
| | Market sell | | | 22 Nov 2019 | (800) | 115,560 | 0.7744 |
| | Market sell | | | 13 Dec 2019 | (18,394) | 97,166 | 0.6511 |
| | Market sell | | | 20 Dec 2019 | (10,000) | 87,166 | 0.5841 |
| | Market sell | | | 17 Jan 2020 | (1,600) | 85,566 | 0.5734 |
| | Market sell | | | 24 Jan 2020 | (1,700) | 83,866 | 0.5620 |
| | Market sell | | | 31 Jan 2020 | (5,700) | 78,166 | 0.5238 |
| | AT THE END OF THE YEAR | | | | | 78,166 | 0.5238 |

### (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 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | 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 | Emerging Markets Core Equity Portfolio (the portfolio) of DFA Investment Dimensions Group INC. (DFAIDG) | 85,528 | 0.5731 | | | 85,528 | 0.5731 |
| | Market sell | | | 01 Nov 2019 | (549) | 84,979 | 0.5695 |
| | Market sell | | | 08 Nov 2019 | (1,838) | 83,141 | 0.5572 |
| | Market sell | | | 28 Feb 2020 | (1,383) | 81,758 | 0.5479 |
| | Market sell | | | 06 Mar 2020 | (2,441) | 79,317 | 0.5315 |
| | Market sell | | | 13 Mar 2020 | (1,296) | 78,021 | 0.5228 |
| | Market sell | | | 20 Mar 2020 | (2,025) | 75,996 | 0.5093 |
| | Market sell | | | 27 Mar 2020 | (2,627) | 73,369 | 0.4917 |
| | Market sell | | | 31 Mar 2020 | (527) | 72,842 | 0.4881 |
| | AT THE END OF THE YEAR | | | | | 72,842 | 0.4881 |
| 8 | Government of Singapore - E | - | 0 | | | - | 0 |
| | Market Buy | | | 14 Feb 2020 | 1,388 | 1,388 | 0.0093 |
| | Market Buy | | | 21 Feb 2020 | 1,348 | 2,736 | 0.0183 |
| | Market Buy | | | 06 Mar 2020 | 12,243 | 14,979 | 0.1004 |
| | Market Buy | | | 13 Mar 2020 | 12,461 | 27,440 | 0.1839 |
| | Market Buy | | | 20 Mar 2020 | 25,000 | 52,440 | 0.3514 |
| | Market Buy | | | 27 Mar 2020 | 6,155 | 58,595 | 0.3927 |
| | AT THE END OF THE YEAR | | | | | 58,595 | 0.3927 |
| 9 | Dimensional Emerging Markets Value Fund | 58,652 | 0.393 | | | 58,652 | 0.3930 |
| | Market sell | | | 10 May 2019 | (2,376) | 56,276 | 0.3771 |
| | Market sell | | | 17 May 2019 | (713) | 55,563 | 0.3723 |
| | Market sell | | | 17 Jan 2020 | (56) | 55,507 | 0.3720 |
| | Market Buy | | | 24 Jan 2020 | 1,385 | 56,892 | 0.3812 |
| | Market sell | | | 31 Jan 2020 | (682) | 56,210 | 0.3767 |
| | AT THE END OF THE YEAR | | | | | 56,210 | 0.3767 |
| 10 | Sweta Vikash Shah | 51,327 | 0.344 | | | 51,327 | 0.3440 |
| | AT THE END OF THE YEAR | | | | | 51,327 | 0.3440 |

Note: The details of holding has been clubbed based on PAN.

### (v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | 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 | 100,000 | 0.67 | 19 Mar 2020 | 674 | 100,674 | 0.67 |
| | | | | 20 Mar 2020 | 2,467 | 103,141 | 0.69 |
| | | | | 23 Mar 2020 | 5,564 | 108,705 | 0.73 |
| | | | | 24 Mar 2020 | 3,295 | 112,000 | 0.75 |
| | | | | 24 Mar 2020 | 509 | 112,509 | 0.75 |
| | | | | 25 Mar 2020 | 599 | 113,108 | 0.76 |
| | | | | 26 Mar 2020 | 609 | 113,717 | 0.76 |
| | | | | 27 Mar 2020 | 16,000 | 129,717 | 0.87 |
| | | | | 27 Mar 2020 | 1,283 | 131,000 | 0.88 |
| | | | | 30 Mar 2020 | 200 | 131,200 | 0.88 |
| | | | | 31 Mar 2020 | 1,700 | 132,900 | 0.89 |
| 2 | Sharad V. Parekh - Managing Director | 100,000 | 0.67 | 19 Mar 2020 | 818 | 100,818 | 0.68 |
| | | | | 20 Mar 2020 | 2,500 | 103,318 | 0.69 |
| | | | | 23 Mar 2020 | 2,522 | 105,840 | 0.71 |
| | | | | 24 Mar 2020 | 2,160 | 108,000 | 0.72 |
| | | | | 25 Mar 2020 | 1,353 | 109,353 | 0.73 |
| | | | | 26 Mar 2020 | 2,647 | 112,000 | 0.75 |
| | | | | 27 Mar 2020 | 8,400 | 120,400 | 0.81 |
| | | | | 30 Mar 2020 | 400 | 120,800 | 0.81 |
| | | | | | | | |
| 3 | Hiten V. Parekh - Jt. Managing Director | 1,937,258 | 12.98 | 31 Mar 2020 | (45,000) | 1,892,258 | 12.68 |
| | | | | | | | |
| 4 | Manish V. Parekh - President and Executive Director (Furniture) | 1,551,563 | 10.40 | - | - | 1,551,563 | 10.40 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE | DATE OF TRANSACTION | NO. OF SHARES | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 5 | Nayan S. Parekh - President and Executive Director (Material Handling) | 2,234,704 | 14.98 | 31 Mar 2020 | (45,000) | 2,189,704 | 14.67 |
| | | | | | | | |
| 6 | Mihir H. Parekh - Executive Director | 131,900 | 0.88 | - | - | 131,900 | 0.88 |
| | | | | | | | |
| 7 | Mahendra V. Doshi - Independent Director | 7,200 | 0.05 | - | - | 7,200 | 0.05 |
| | | | | | | | |
| 8 | K. R. Ramamoorthy - Independent Director | None of these Directors and KMP hold shares in the Company. | | | | | |
| 9 | Mufazzal Federal - Independent Director | | | | | | |
| 10 | S. K. Palekar - Independent Director | | | | | | |
| 11 | K. Venkataramanan - Independent Director | | | | | | |
| 12 | Hiroo Mirchandani - Independent Director | | | | | | |
| | | | | | | | |
| **B** | **Key Managerial Personnel (KMPs):** | | | | | | |
| 1 | Paresh B. Mehta - Chief Financial Officer | | | | | | |
| 2 | Priti P. Dave - Company Secretary | | | | | | |

Note :
1. The number of shareholders mentioned here are consolidated on a PAN basis.
2. Nayan S. Parekh holds shares under two folios separately, one jointly with Sharad V. Parekh and second jointly with Purvi N. Parekh but consolidated on PAN basis.
3. 1,900 Equity Shares i.e. shares purchased on March 30, 2020 and March 31, 2020 by Mr. Vamanrai V. Parekh were credited in his demat account on April 1, 2020 and April 2, 2020 respectively, hence the said shares does not form part of his Shareholding as on March 31, 2020 shown in Part IV (i) & (ii) of MGT - 9.
4. 400 Equity Shares i.e. shares purchased on March 30, 2020 by Mr. Sharad V. Parekh were credited in his demat account on April 1, 2020, hence the said shares does not form part of his Shareholding as on March 31, 2020 shown in Part IV (i) & (ii) of MGT - 9.

## V INDEBTEDNESS

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

**(₹ In Lakhs)**

| | Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| | Indebtedness at the beginning of the financial year | | | | |
| i | Principal Amount | 5,872 | - | - | 5,872 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | 32 | - | - | 32 |
| | **Total (i+ii+iii)** | **5,904** | | | **5,904** |
| | Change in Indebtedness during the financial year | | | | |
| | Addition | 1,497 | - | - | 1,497 |
| | Reduction | 1,441 | - | - | 1,441 |
| | **Net Change** | **56** | - | - | **56** |
| | Indebtedness at the end of the financial year | | | | |
| i | Principal Amount | 5,911 | - | - | 5,911 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | 49.00 | - | - | 49.00 |
| | **Total (i+ii+iii)** | **5,960.00** | | | **5,960.00** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Sharad V. Parekh | Hiten V. Parekh | Manish V. Parekh | Nayan S. Parekh | *Mihir H. Parekh | |
| 1 | Gross salary | | | | | | |
| a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 243.05 | 212.68 | 201.13 | 188.35 | 6.04 | 851.25 |
| b) | Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 10.39 | 6.07 | 8.69 | 13.30 | 0.07 | 38.52 |
| 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 | 119.00 | 119.00 | 119.00 | 119.00 | - | 476.00 |
| 5 | Others: i) National Pension Scheme & Provident Fund | - | 28.17 | 26.65 | 24.96 | 0.40 | 80.18 |
| | Total (A) | 372.44 | 365.92 | 355.47 | 345.61 | 6.51 | 1445.95 |

* Appointed as an Additional and Executive Director w.e.f. February 1, 2020

**B. Remuneration to other directors**

**I. Independent Directors:-**

(₹ in Lakhs)

| Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | Mr. K. R. Ramamoorthy | Mr. Mahendra V. Doshi | Mr. Mufazzal S. Federal | Mr. S. K. Palekar | Mr. K. Venkataramanan | Ms. Hiroo Mirchandani | |
| Fees for attending board / committee meetings | 9.25 | 9.10 | 9.10 | 5.50 | 5.75 | 5.50 | 44.20 |
| Commission | - | - | - | - | - | - | - |
| Others, please specify | - | - | - | - | - | - | - |
| Total | **9.25** | **9.10** | **9.10** | **5.50** | **5.75** | **5.50** | **44.20** |
| Total (1) | | | | | | | **44.20** |

**II Other Non-Executive Directors:-**

(₹ in Lakhs)

| Particulars of Remuneration | Mr. Vamanrai V. Parekh | Total Amount |
|---|---|---|
| Fee for attending board / committee meetings | 8.40 | 8.40 |
| Commission | - | - |
| Others, please specify | - | - |
| **Total (2)** | **8.40** | **8.40** |
| **Total (B)=(1+2)** | | **52.60** |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD**

(₹ in Lakhs)

| 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 | 132.39 | 21.27 | 153.66 |
| b | Value of perquisites u/s 17(2) of the Income - tax Act, 1961 | 0.67 | 0.57 | 1.24 |
| 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 | 8.60 | 1.57 | 10.17 |
| | **Total** | **141.66** | **23.41** | **165.07** |

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

**(₹ in Lakhs)**

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **B. DIRECTORS** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

## "ANNEXURE D"

**Statement pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules,2014, forming part of the Directors' Report.**

### A. CONSERVATION OF ENERGY.

During the year under review, your company has successfully being Re-certified for ISO 50001 EnMS (Energy Management Systems) for the Third consecutive time since the year 2012 it has implemented and maintained by TUV-SUD Germany across all its units.

Energy focus and monitoring of energy is now a way of life in its work culture from top to bottom of the pyramid leading to strict vigilance and overall control of the scarce resource.

The sustained culture towards Energy Conservation with daily display of energy consumptions ensuring the focus is never missed across all the functions leading to various opportunities being identified to Reduce, Recycle and Re-use natural resources and save mother earth from environment pollution by way of consistent reduction in carbon foot prints across all the units.

The group's Energy Conservation efforts and use of Renewable sources Energy has successfully resulted in significant reduction of carbon Emission which is higher by 14.5% than last year's carbon Emission saving.

Various key performance indicators like specific energy consumption, specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

The Company has transited from BS OHSAS 18001 to the latest ISO45001:2018 certified by TUV-SUD Germany for upgrading its Occupational Health and Safety Management Systems by identifying its significant Risks & Opportunities based on international norms and standards of governance.

The Group Participation in various energy conservation and environment protection activities has been recognized and Awarded Green-Co Silver by Confederation of Indian Industries for its Puducherry Unit.

The Company's Corporate Energy Conservation Cell reporting directly to the Operational Head have initiated various time bound Projects to ensure its successful implementation as below,

1. The 4000 KWp Rooftop Solar Project, generated substantial units during the year and has helped in reducing our yearly Carbon Emission which is significant move towards our Management's sustained commitment to Energy and Environment Protection.
2. The on-going partnership with BETA Wind Energy Farms Private Limited was optimized for its unit's consumption leading to lower billing by TNEB to a great extent thereby reducingthe Carbon Emission.
3. Reduction in specific energy consumption at all our locations helped to reduce Carbon Emission for the current financial year by the projects mentioned herewith in-addition to using Effective "M3 Tool" with Mold-Machine Matrix Planning.

    a. Changing Screw Barrel and Replacing Hydro Motor with Servo Motor in Injection Molding machines resulting in saving of 0.32 Units/kg and reduction in Carbon emission.
    b. 30 KW Motor replaced with 2.2 KW Cooler for Roto Molding Machine.
    c. New screw/Barrels were adopted to minimize energy loss due to poor plasticizing rate per hour of Kg output resulting carbon Emission reduction in JW 400T machine.
    d. Transparent sheets were used on roof tops to provide natural light in shop floor.
    e. Use of transparent sheets on roof tops and LED fittings of lower Watts with same Lux saved energy consumption.
    f. Sharing of best practices at each plant started for easy replication of applicable ideas.

The ongoing focus will further continue and your Company will be further optimizing the plant capacity utilisation at various locations and also derive the benefits of solar and wind energy for continued sustenance of Environment protection and Resources as committed by Management.

### 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 ₹ 410.54 lacs, i.e. 0.20 % 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.

    1. Installation of latest technology mould cooling system, which helps in efficient cooling of moulds during production and reduction in cycle time, thus contributing to energy saving and efficiency.
    2. Developed a special purpose machine for finishing of 2-welded injection moulded pallets at Kharadpada plant.
    3. Developed a special purpose machine for L-bending of Bubble-Guard sheets to make various value-added products at Hosur plant.
    4. Upgraded the structural Analysis software, Hyperworks from version 12.0 to 19.0.
    5. Retrofitting of Conventional Injection Molding machines with latest imported Servo motor driven technology resulted in productivity improvement & cost saving.
    6. Lean Management being the focus area the company took various initiatives on Productivity Improvement, Weight reduction, quality improvement, weight optimization, Cycle time reduction and cost saving projects under the "V30 Winner" theme.
    7. Various initiatives on Efficiency improvement, Kaizan, Safety and 5S resulted in several successful projects under the "V30 Winner" theme.

2. Benefits derived as a result of the above efforts.

    · Conservation of natural resources with prime focus on energy and water management with Zero Discharge philosophy.
    · Environment Protection for Sustainability to reduce, recycle & reuse waste.
    · Improved performance of machines and its utilisation.
    · Using "V30Winner" theme for sustained innovation as a growing culture within the organisation.
    · Knowledge and skills sharing across Company initiatives for benchmarking the best Practices.
    · Environment friendly products.
    · Opportunities to expand business in new areas.

3. The Company has not imported any technology or process know-how.

**FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Total Foreign Exchange used and earned

( ₹ in Lakhs)

| **Particulars** | **2019 - 2020** | 2018 - 2019 |
|---|---|---|
| Foreign Exchange Earned | **5,489** | 5,166 |
| Foreign Exchange Used | **31,733** | 37,641 |

**For and on behalf of the Board**

Place: Mumbai
Date: June 28, 2020

**Vamanrai V. Parekh**
**Chairman**

## BUSINESS RESPONSIBILITY REPORT

***Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.***

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Company: | L25209DN1985PLC000162 |
| 2 | Name of the Company: | Nilkamal Limited |
| 3 | Registered address: | Survey No. 354/2 and 354/3,<br>Near Rakholi Bridge,<br>Silvassa-Khanvel Road, Vasona,<br>Silvassa – 396 230,<br>Union Territory of Dadra and Nagar Haveli. |
| 4 | Website: | www.nilkamal.com |
| 5 | E-mail id: | investor@nilkamal.com |
| 6 | Financial year reported: | April 1, 2019 to March 31, 2020 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code - wise):<br>*As per National Industrial Classification – Ministry of Statistics and Programme Implementation* | I) 222 - Manufacture of plastic products<br>ii) 471 - retail sales in non-specialized stores<br>iii) 310 - manufacture of mattresses and pillows |
| 8 | List three key products/services that the Company manufactures /provides (as in balance sheet): | 1] Plastic moulded products<br>2] Mattresses<br>3] Bubble Guard |
| 9 | Total number of locations where business activity is undertaken by the Company:<br>a) Number of International Locations<br>(Provide details of major 5): | None |
| | b) Number of National Locations: | 10 plants, 18 @home stores, 8 @home franchise stores and 40 Nilkamal furniture Ideas stores and various regional and marketing offices alongwith warehouses across the country. |
| 10 | Markets served by the Company – Local/State/ National/International:- | Pan India alongwith exports to some of the international countries. |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1 | Paid up Capital (INR): | ₹ 1,492.25 lacs |
| 2 | Total Turnover (INR): | ₹ 208,147.38 lacs |
| 3 | Total profit after taxes (INR): | ₹ 12,201.15 Lacs |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): | ₹ 338 Lacs (2 %) |
| 5 | List of activities in which expenditure in 4 above has been incurred | Education, Rural Development, Health care, Hygiene and Sanitation, Animal welfare. |

### SECTION C: OTHER DETAILS

| | | |
|---|---|---|
| 1. | Does the Company have any Subsidiary Company /Companies? | Yes the Company has 5 (five) subsidiaries. |
| 2. | Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s) | The Company encourages its subsidiaries to undertake BR initiatives to the fullest extent in their operations. The Company's three subsidiaries are incorporated outside India, they comply with the local statutory requirements of their respective countries. |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30-60%, More than 60%] | The Company encourages the stakeholders associated with it to adopt sustainable business practices. |

## SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR:

   DIN: 00035747
   Name: Mr. Sharad V. Parekh
   Designation: Managing Director

   b) Details of the BR head:
      1. DIN Number (if applicable): 00035747
      2. Name: Mr. Sharad V. Parekh
      3. Designation: Managing Director
      4. Telephone number: 022 4235 8651
      5. E-mail ID: brr@nilkamal.com

2. Principle-wise (as per NVGs) BR Policy/policies

   The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted Nine areas of Business Responsibility. These briefly are as under:

   P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
   P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
   P3: Businesses should promote the wellbeing of all employees.
   P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
   P5: Businesses should respect and promote human rights.
   P6: Businesses should respect, protect, and make efforts to restore the environment.
   P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
   P8: Businesses should support inclusive growth and equitable development.
   P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies for: | Y | Y | Y | Y | Y | Y | Refer Note No. 1 | Y | Refer Note No. 1 |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | | | | | | | | |
| 3. | Does the policy confirm to any national / international standards? If yes, specify? (50 words) | Yes. The policies confirm with the standards laid in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India, and also of the requirements of the Companies Act, 2013, BIFMA Level 3 and Green-guard certifications from UK cert, ISO 45001:2018, International Standards namely ISO 9001 - 2015, ISO 14001 -2015, ISO 50001- 2011 etc. | | | | | | | | |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | The Policies which are statutorily required to be adopted by the Board, have been approved by them, while the others policies are formulated and implemented by the Human resources department of the Company. | | | | | | | | |
| 5. | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | The Company is having a Committee for CSR as well as Anti Sexual Harassment of Women at workplace and dedicated Ethic Counselors for Whistle Blower Policy. For other policies, the Company has put in place adequate process and resources for its implementation. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online? | Please refer Note 3. | | | | | | | | |

| | | |
|---|---|---|
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes - on the website of the Company. |
| 8. | Does the Company have in-house structure to implement the policy/ policies. | Yes |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes |

Note: The replies to the questions at serial no. 2 to 10 as mentioned above are applicable to all the Principles except the Principles 7 and 9.

a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)
   i) The Company has not understood the Principles
   ii) The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles
   iii) The Company does not have financial or manpower resources available for the task
   iv) It is planned to be done within next 6 months
   v) It is planned to be done within the next 1 year
   vi) Any other reason (please specify)

Note 1: With respect to the Principle 7, the Company is a member of various chambers and associations through which it has been advocating from time to time in a responsible manner, and hence a specific policy for the same has not been adopted.

Note 2: With respect to the Principle 9, the Company has a systematic process of assessing customer needs, fulfilling them with innovative products and services and providing value to them in a responsible manner.

Note 3: The Company's CSR Policy, Code of Business Ethics, Code of Conduct, Whistle Blower Policy and Anti-Sexual Harassment Policy, Environment Policy and Health and Safety Policy are available on the Company's website at the following link: https://nilkamal.com/corporate-governance/

3. Governance related to BR:

| | | |
|---|---|---|
| a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year | The Business Responsibility performance of the Company shall be assessed annually. |
| b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Yes, the Company uploads Business Responsibility Report annually, which is available at https://nilkamal.com/wp-content/uploads/2019/07/BUSINESS-RESPONSIBILITY-REPORT-2019-20.pdf |

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

| | **Principle 1** | |
|---|---|---|
| 1 | Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.<br>Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others? | As one of the leading plastics processor in India and having diversified product portfolio, the Company's reputation is most important. How we conduct ourselves on a day to day basis with our customers, shareholders, competitors, contactors, neighboring communities, suppliers and distributor forms the basis of reputation of the Company as an ethical Company. We as a Company is committed to the philosophy of good corporate governance practices, thereby conducting business in a responsible manner. To achieve the said objective, the Company has certain policies namely the Code of Business Ethics for its employees, the Code of Conduct for Directors and |

| | | |
|---|---|---|
| | | Senior Managerial Personnel, The Whistle Blower Policy, Insider Trading Prohibition Code containing (a) Code of Conduct to regulate, monitor and report Trading by designated persons in Securities of the Company. (b) Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information. (c) Code of Practices and procedure for fair Disclosure of Unpublished Price Sensitive Information and the same are available on the Company's website at www.nilkamal.com. The Company also has in place an Anti-Sexual Harassment Policy which institutes specific mechanisms to deal with workplace harassment.<br><br>The Company has also assigned dedicated e-mail ids for the stakeholders to raise their concerns under the above policies.<br><br>Further, the Company also persuades its Indian Subsidiary, Joint venture, suppliers, contractors and others to follow the said policies, to the extent applicable to them. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so | The Company has in place a mechanisms for receiving and dealing with complaints from different stakeholders'. The Company responds to the complaints within a time bound manner.<br><br>During the year, Company received 10 complaints from shareholders which were disposed-off within due time and there were no complaints which had remained unresolved at the end of the year. Further, the Company has not received any complaints under the Whistle Blower Policy of the Company. |
| | **Principle 2** | |
| 1 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | Your Company is committed to offer quality standards for all range of products which are eco - friendly, safe and energy efficient products, thus incorporating social and environmental concerns. Some of the products introduced during the year 2019 - 20, are as below:<br><br>i) Designed and developed crates/totes with lid and other features which are to be used as returnable packaging in rapidly developing e-commerce and home delivery markets. This will reduce the use of corrugated boxes currently used for packaging which in turn reduce use of natural resource i.e. wood.<br>ii) Designed and developed One-way Plastic Pallets for export and other reusable Pallets, replacing the conventional wooden pallets. Thus, reducing use of natural resource i.e. wood.<br>iii) Designed and developed Plastic Hand wash basin with 4 taps for use in rural area schools. It is easy to install assembly, low cost and promote hygiene.<br>iv) Plastic Fish Frames are developed for fishing industry replacing conventional wooden & metal frames.<br>v) Designed and developed Prefabricated Plastic Manholes & Inspection Chambers. These are used underground for drainage and sewerage as well as in Electrical and Telecom applications. These are easy to install and assembly. |
| 2 | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): | The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company's Environment Policy enables its employees to strive towards prevention of |

| | | |
|---|---|---|
| | (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?<br>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? | pollution and for continuous conservation of valuable resources. As a measure of the same, the Company has installed :-<br>I) 2 new Injection molding machines of medium and big tonnage capacity with new energy saving technology resulting in reduction of electrical units.<br>ii) installed latest technology mould cooling system to optimize cooling time, subsequently reduction in cycle time.<br>iii) Use of Solar Power Panels to source energy for manufacturing operations at our various plants viz; Barjora ,Hosur, Sinnar, Kharadpada, Vassona plant.<br>iv) Replaced hydro motors with electric servo motor to save energy. |
| 3 | Does the Company have procedures in place for sustainable sourcing (including transportation)?<br><br>a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so | Yes.<br><br>The Company encourages the HUB and Spoke Policy resulting in sustainable sourcing from many local based suppliers, giving them opportunity to supply raw materials and packing materials.<br><br>The Company has strategically designed its distribution network in order to serve its distributors and the dealers thereof in the least possible transportation time.<br><br>Further, all of our products can be used multiple times there by increasing its sustainability. |
| 4 | Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?<br>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Yes, the Company has registered many small scale units under MSME as its suppliers.<br><br>The Company gives preference to local suppliers/producers especially by giving to local persons work on job work basis.<br><br>Apart from providing resources, the Company's representatives also give on - the - job training with proper QMS practices, thus enabling the suppliers to get ISO-9001 certification, to ensure quality and productivity. The Company makes sure that they utilize their manufacturing capacity with preferred vendor program. |
| 5 | Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so | Yes, the Company has in-house grinders to grind and re-use its own process wastes. Also, it has installed extruder / pelletizing machine for making granules. The Company's complete recycling line, grinds and cleans used crates/pallets from its customers, and the said recycled material is then used to produce new crates and pallets for customers.<br><br>Thus, waste management is highly focused and monitored through corporate management and recycling the product by using good waste management process. |
| | **Principle 3** | |
| 1 | Please indicate the Total number of employees. | 3,281 |
| 2 | Please indicate the Number of permanent women employees. | 255 |
| 3 | Please indicate the Number of permanent employees with disabilities. | 3 |

| | | |
|---|---|---|
| 4 | Do you have an employee association that is recognized by management? | No |
| 5 | What percentage of your permanent employees is members of this recognized employee association? | Not Applicable |
| 6 | Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | The Company does not employ either on its own or through labour contractor any child labour or forced labour. Further, the Company has not received any complaints relating to involuntary labour or sexual harassment. |

| No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial Year |
|---|---|---|---|
| i) | Child labour/forced labour/involuntary labour | Nil | N.A |
| ii) | Sexual harassment | Nil | N.A |
| iii) | Discriminatory employment | Nil | N.A |

| | | |
|---|---|---|
| 7 | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?<br>a) Permanent Employees<br>b) Permanent Women Employees<br>c) Casual/Temporary/Contractual Employees<br>d) Employees with Disabilities | The employees are the key asset to the Company's growth. And hence their safety is of utmost priority to the Company.<br>The Company has in place a Health and Safety Policy, which prioritizes the health and safety of all persons working within the Company premises. The Company is committed to providing the employees a safe and healthy work Environment. The Company provides health, safety & skill training on periodical basis.<br>Further, the Company also imparts training on a regular basis to its retail workforce for enhancement of their skills. |
| | **Principle 4** | |
| 1 | Has the Company mapped its internal and external stakeholders? Yes/No | Yes |
| 2 | Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders | Yes |
| 3 | Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so | Yes<br>The Company is responsive towards all stakeholders. The Company tries to engage local workforce to the extent feasible for any new project or expansion at any of its existing location. The Company also undertakes a project on a continuous basis named as 'V30Winner', which provides opportunity to and proactively engages the disadvantaged, vulnerable and marginalized section of its workforce.<br><br>Under this project a group of 3 - 5 workman is formed who provides the Company innovative ideas, either financial or non-financial, for the benefit of the Company. The best ideas amongst all are selected and adopted by the Company and the team is incentivized.<br><br>In this manner the Company recognizes and motivates the marginalized stakeholders.<br><br>The Company extends its social responsibility by engaging in providing education to underprivileged, medical and sanitation facilities through its CSR projects. |

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| | **Principle 5** | |
| 1 | Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | The Company believes that a sustainable organization rests on a foundation of respect for human rights. Hence it is committed to protect the human rights across the Company. The Company has in place a Human Rights policy which prioritizes the various rights of the employees' working within the Company and further all other aspects of the Human rights are covered by the Company's internal HR policies and practices. The Company does not hire child labour, forced labour or involuntary labour and never discriminates between its employees. Further, the Company also persuades its Joint venture, suppliers, contractors and others to follow the said practices, to the extent possible. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | Nil |
| | **Principle 6** | |
| 1 | Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures /Suppliers /Contractors /NGOs /others? | The Company's policy on Environment is applicable to all, including its subsidiary & Joint Venture Companies. Further, the Company obtains its raw material from large suppliers who themselves are law compliant and have National awards to their credit. |
| 2 | Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc. | Yes. The Company's policy on Environment guides the organization to continually mitigate the impact on climate change and global warming as a result of its operations. The Company is continuously working to improve energy efficiency in its operations. The Company adheres to all legal requirements and norms of energy conservation standards stipulated by the Government of India. Energy conservation initiatives are part of regular operations.<br>Your Company has been certified for "Green Guard" compliance which ensures:<br>i) Consumption of less energy at the manufacturing stage.<br>ii) Harmful gases are not emitted when exposed for longer duration which pollutes indoor air quality.<br>iii) Safe disposal or recycling to make new products at the end of its life cycle.<br>iv) Initiated project for Zero Ozone depleting potential (ODP) and Reduce Global warming potential (GWP) by replacing the PU system.<br><br>Further, the plastic raw materials, used by the Company are FDA and RoHS compliant, and the practice of reduce, recycle & reuse of scarce resources and waste management, including hazardous wastes, too is done in accordance of the PCB norms. |
| 3 | Does the Company identify and assess potential environmental risks? Y/N | Yes. Aspect & Impact Study for all processes is carried out with proper Management program for all significant aspects.<br><br>ISO 9001- 2015, 14001 – 2015, ISO 50001 -2011 and ISO 4500 - 2018 are adopted at Units as the quality and environment management system standards.<br><br>Yes, the Company has a mechanism to identify and access potential environmental risks in its plants. |
| 4 | Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or | Yes. The Company has consistently managed and improved the environmental performance. The Company is sensitive to its role as user of natural resources. The efforts to manage |

| | | |
|---|---|---|
| | so. Also, if Yes, whether any environmental compliance report is filed. | water, energy and material resources at all its units have yield positive results. Further, Waste Management disposal is also practiced across all units. |
| 5 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N<br>If yes, please give hyperlink for web page etc. | Yes. The Company has undertaken initiatives in recycling system of our own polymeric products alongwith the same the energy consumption reduction under umbrella of ISO 50001 system to reduce overall carbon foot print and utilization of solar system capacity is also increased in other plants. |
| 6 | Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? | Yes |
| 7 | Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | Nil |
| | **Principle 7** | |
| 1 | Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: | Federation of Indian Chambers of Commerce and Industry (FICCI) and Plastic Export Promotion Council (PLEX Council), Retail Association of India (RAI). |
| 2 | Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No;<br>If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | Yes. The Company generally supports the decisions taken by the associations to which the Company is connected with. |
| | **Principle 8** | |
| 1 | Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof. | Yes. The Company have a CSR policy in place and it carried out activities majorly in the areas of education, providing of health care hygiene and sanitation facilities, animal welfare and rural development. |
| 2 | Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization? | The Company extends its social responsibility through Nilkamal Foundation, a section 8 Company – the Implementing Agency. |
| 3 | Have you done any impact assessment of your initiative? | The Company makes CSR spends through Nilkamal Foundation – implementing agency, which contributes to various institutions/ projects having good track record. Since, impact assessment is an ongoing process, the Company periodically assess whether the said institutions have utilized the funds towards the purpose for which they have been donated. The Company has also recently completed an in-house project through its implementing agency for reconstruction and modernisation of Government School near Mahuva, Gujarat. |
| 4 | What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. | During the year ended March 31, 2020, the Company has spent ₹ 383.83 lacs on various projects through its implementing agency viz; Nilkamal Foundation . The details of the same are provided under the 'Annual Report on CSR' section. |
| 5 | Have you taken steps to ensure that this community development initiative is | The Company has contributed its funds to institutions furthering the benefit to the disadvantaged and needy section |

| | | |
|---|---|---|
| | successfully adopted by the community? Please explain in 50 words, or so | of the society and the same has been acknowledged by them. The Company is also monitoring that the school reconstructed by them is functioning in a proper manner and the benefits of the same are passed in a systematic manner to the under privileged children's. |
| | **Principle 9** | |
| 1 | What percentage of customer complaints/ consumer cases are pending as on the end of financial year? | 4.19% of the customer complaints received during the year were pending. |
| 2 | Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. Remarks (additional information) | Yes. The products of the Company display all information which is mandated by law including the directions for use. The Company follows all legal statutes with respect to product labeling and displaying of product information, such as features, attributes, benefits, recycling codes, etc., wherever applicable. Further, the Company adheres to appropriate advertising policies and also adopts fair business practices in all its dealings.<br>The Company never restricts the freedom of choice and free competition in any manner while catering to its customer needs. |
| 3 | Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. | Nil |
| 4 | Did your Company carry out any consumer survey/ consumer satisfaction trends? | Yes, the Company has carried out certain customer satisfaction surveys for its retail brand i.e. @ home through Google talk.<br>Further the Company also conducted surveys with its channel partners in order to check the service level of the Company. |

# REPORT ON CORPORATE GOVERNANCE

**The Board of Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended, for the year ended March 31, 2020.**

## 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 committed to transparency in all its dealings and places emphasis on business ethics.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations). The Company has adopted best practices mandated in the SEBI Listing Regulations.

## 2. BOARD OF DIRECTORS

**The Composition of the Board**

The Board of Directors ('Board') of the Company comprises of an optimum combination of Executive and Non-Executive Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 ('the Act') and the ('SEBI Listing Regulations') as amended from time to time. As at the end of the financial year 2020, the total Board strength comprises of Twelve Directors on the Board, out of which Seven are Non-Executive Directors including a Non-Executive Chairman, and the rest are Executive Directors.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Directors are eminently qualified and experienced professionals in industrial, managerial, business, finance, marketing and corporate management that allow them to make effective contribution to the Board and its Committees. The Directors attending the meetings actively participate in the deliberations at these 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 Board meets at least once in a quarter to consider amongst other matters, the quarterly performance of the Company and financial results.

Further none of the Directors on the Board is a member of more than Ten Committees or Chairman of Five Committees (committees being Audit Committee and Stakeholders' Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors hold office in more than Ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than Seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

**Composition/ Category of Directors/ Attendance at Meetings as on March 31, 2020: -**

| Name of the Director | Category of Directorship | No. Of Board Meeting attended | Attendance at last AGM held on June 28, 2019 |
|---|---|---|---|
| Ms. Hiroo Mirchandani<br>DIN : 06992518 | Independent, Non-Executive Director | 5 | No |
| Mr. K. R. Ramamoorthy<br>DIN : 00058467 | Independent Non-Executive Director | 5 | Yes |
| Mr. K. Venkataramanan<br>DIN : 00001647 | Independent, Non-Executive Director | 5 | No |
| Mr. Mahendra V. Doshi<br>DIN : 00123243 | Independent, Non-Executive Director | 5 | No |
| Mr. Mufazzal S. Federal<br>DIN : 03409798 | Independent, Non-Executive Director | 5 | No |

| Name of the Director | Category of Directorship | No. Of Board Meeting attended | Attendance at last AGM held on June 28, 2019 |
|---|---|---|---|
| Mr. S. K. Palekar<br>DIN : 01723670 | Independent, Non-Executive Director | 5 | No |
| Mr. Hiten V. Parekh<br>DIN : 00037550<br>Joint Managing Director | Executive Director | 5 | Yes |
| Mr. Manish V. Parekh<br>DIN : 00037724<br>President and Executive Director (Furniture) | Executive Director | 5 | No |
| * Mr. Mihir H. Parekh<br>DIN : 07308466<br>Executive Director | Executive Director | NA | No |
| Mr. Nayan S. Parekh<br>DIN : 00037597<br>President and Executive Director (Material Handling) | Executive Director | 5 | Yes |
| Mr. Sharad V. Parekh<br>DIN : 00035747<br>Managing Director | Executive Director | 5 | Yes |
| Mr. Vamanrai V. Parekh<br>DIN : 00037519<br>Chairman | Non-Executive Director | 5 | Yes |

* Appointed w.e.f. February 1, 2020 and hence was not a Director as on the date of the last Board Meeting held on January 29, 2020 for the FY 2019 - 2020.

**Number of directorships / committee memberships held by the Directors of the Company in other Companies including the names of the other listed entities where the Director is a Director and the category of their directorship as on March 31, 2020:-**

| Name of the Director | Number of directorship in other public Companies* | Committee Chairmanship and Membership* | | Names of other Listed Companies in which he/she holds Directorship and category of Directorship | Shareholding of Non - Executive Directors |
|---|---|---|---|---|---|
| | | Chair-manship** | Member-ship** | | |
| Ms. Hiroo Mirchandani<br>DIN : 06992518 | 3 | 1 | 3 | 1. Tata Teleservices (Maharashtra) Limited Independent, Non-Executive Director<br>2. Polycab India Limited - Independent, Non-Executive Director. | Nil |
| Mr. K. R. Ramamoorthy<br>DIN :00058467 | 3 | 3 | 4 | 1. Amrit Corp. Limited Independent Non-Executive Director<br>2. Subros Limited Independent, Non-Executive Director<br>3. Ujjivan Financial Services Limited Independent, Non-Executive Chairman | Nil |
| ***Mr. K. Venkataramanan<br>DIN : 00001647 | 3 | - | 2 | 1. Vedanta Limited Independent, Non-Executive Director<br>2. Kirloskar Pneumatic Company Limited Independent | Nil |
| Mr. Mahendra V. Doshi<br>DIN : 00123243 | 6 | 1 | 3 | 1. Graviss Hospitality Limited -Independent, Non-Executive Director<br>2. LKP Finance Limited – Chairman, Executive Director | 7,200 |
| Mr. Mufazzal S. Federal<br>DIN : 03409798 | - | - | - | - | Nil |
| Mr. S. K. Palekar<br>DIN : 01723670 | - | - | - | - | Nil |
| Mr. Hiten V. Parekh<br>DIN : 00037550<br>*Joint Managing Director* | # 1 | - | - | - | NA |

| Name of the Director | Number of directorship in other public Companies* | Committee Chairmanship Membership* | | Names of other Listed Companies in which he/she holds Directorship and category of Directorship | Shareholding of Non - Executive Directors |
|---|---|---|---|---|---|
| | | Chair manship** | Member ship** | | |
| Mr. Manish V. Parekh<br>DIN : 00037724<br>*President and Executive Director (Furniture)* | #1 | - | - | - | NA |
| ****Mr. Mihir H. Parekh<br>DIN 07308466<br>*Executive Director* | - | - | - | - | NA |
| Mr. Nayan S. Parekh<br>DIN : 00037597<br>*President and Executive Director (Material Handling)* | #1 | - | - | - | NA |
| Mr. Sharad V. Parekh<br>DIN : 00035747<br>*Managing Director* | - | - | - | - | NA |
| Mr. Vamanrai V. Parekh<br>DIN : 00037519<br>*Chairman* | - | - | - | - | 1,31,000 |

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

# Includes Directorship in Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited), being deemed to be Public Limited Company since it is subsidiary of Nilkamal Limited.

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

*** Mr. K. Venkataramanan has been appointed as a Member of Stakeholders' Relationship Committee w.e.f. April, 1, 2019.

**** The Board of Directors has appointed Mr. Mihir H. Parekh as Additional and Executive Director of the Company w.e.f. from February 1, 2020.

**Separate Meeting of Independent Directors**

As required under the SEBI Listing Regulations,the Independent Directors held One separate meeting on January 29, 2020. The Independent Directors discussed and reviewed the matters specified in Regulation 25(4) of the SEBI Listing Regulations.

Further, as a part of familiarization programme, the Board members are provided with necessary documents, reports, internal policies, amendments to the various enactments, statutory laws, etc., to enable them to familiarise themselves with the Company's operations. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, updates on products of the Company, Company plans and strategies, budgets, risk management mechanism, investments, fund flows, operations of subsidiaries and associates etc. The details pertaining to the familiarisation program can be accessed at the Company's weblink at https://nilkamal.com/wp-content/uploads/2019/05/FamiliarizationProgramme_For_Independent_Directors.pdf

In addition to the same, any new Independent 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 five Board Meetings of the Company held during the financial year 2019-2020 on the following dates: May 11, 2019, July 6, 2019, August 6, 2019, November 13, 2019 and January 29, 2020.

**Inter-se Relationship**

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, Mr. Mihir H. Parekh is son of Mr. Hiten 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.

**Criteria for Board membership**

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skill sets, so that the Company benefits from new insights, guidance and challenges to business proposals. The Policy outlines the appointment criteria and qualifications of the Directors on the Board of Company and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at https://nilkamal.com/wp-content/uploads/2019/01/Nomination-and-Remuneration-Policy_11052018.pdf.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified the core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

| Sr. No. | Areas of expertise Required | Skill areas actually available with the Board | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Hiroo Mirchandani | K. R. Ramamoorthy | K. Venkataramanan | Mahendra V. Doshi | Mufazzal S. Federal | S. K. Palekar | Hiten V. Parekh | Manish V. Parekh | Mihir H. Parekh | Nayan S. Parekh | Sharad V. Parekh | Vamanrai V. Parekh |
| 1. | **Strategy and planning** - Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities. | Ö | Ö | Ö | Ö | | Ö | Ö | Ö | Ö | Ö | Ö | Ö |
| 2. | **Governance, Risk and Compliance**- Experience in the application of corporate governance principles. Ability to identify key risks to the Companyin a wide range of areas including legal and regulatory compliance. | Ö | Ö | Ö | | Ö | | Ö | Ö | | Ö | | |
| 3. | **Financial** - Comprehensive understanding of financial accounting, reporting and controls and analysis | | Ö | Ö | Ö | | Ö | Ö | Ö | Ö | Ö | Ö | Ö |
| 4. | **Sales, Marketing & Brand building**- Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation. | Ö | | | | | Ö | Ö | Ö | Ö | Ö | Ö | |

## 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 Regulations 18 of the SEBI 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 11, 2019, August 6, 2019, November13, 2019 and January 29, 2020. The necessary quorum was present for all the meetings. The Chairman of the Audit committee was present at the last Annual General Meeting of the Company held on June 28, 2019.

**Details of the composition of the Audit Committee and attendance of the Members are as follows:**

| Name | 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 | 4 |
| Mr. Mufazzal S. Federal | Independent, Non-Executive | Member | 4 | 4 |
| 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 various functional areas of the Company, Statutory Auditors and Internal Auditors at its Meetings.

**Terms of Reference:**

The terms of reference of the Audit Committee (AC) covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations. The scope and terms of reference of the said committee have been widened in line with the amendments made to SEBI Listing Regulations.The terms of reference of the AC, inter-alia are as follows:

1. Audited and Un-audited 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 and Internal Auditors and also the proposal for appointment of 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 SEBI Listing Regulations as amended from time to time and that of 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 two times in 2019 - 2020 on May 11, 2019 and January 29, 2020. The necessary quorum was present for both the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on June 28, 2019. The composition of the Committee during 2019 and the details of meetings held and attended by the members are as under:

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

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations. The scope and terms of reference of the said committee have been widened in line with the amendments made to SEBI Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

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.
5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

**Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2019 - 20 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship, Corporate Social Responsibility Committees, Stakeholders' Relationship Committee, Share Transfer Committee and Board's Management Committee. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared and circulated after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated January 5, 2017.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of Meetings. The consolidated evaluation report of the Board, based on inputs received from the Directors was discussed at the Meeting of the Board held on January 29, 2020 and the action areas identified in the process are being implemented to ensure a better interface at the Board/ Management level.

**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 reviewed and approved by the Board at its meeting held on May 11, 2018 based upon the recommendation of the Nomination and Remuneration Committee. The said policy is set out on the website of the Company at https://nilkamal.com/wp-content/uploads/2019/01/Nomination-and-Remuneration-Policy_11052018.pdf

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 scale approved by the members. All the Executive Directors except Mr. Mihir H. Parekh, Executive Director 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.

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 fee of ₹ 1,00,000 per meeting for attending Board Meeting, ₹ 75,000 per meeting for Audit Committee Meeting, ₹ 50,000 per meeting for separate meeting of Independent Directors, ₹ 30,000 per meeting for Nomination and Remuneration Committee Meeting, ₹ 15,000 per meeting for Corporate Social Responsibility Committee Meeting and ₹ 25,000 per meeting for Stakeholders Relationship Committee Meeting.

**The details of remuneration paid to the Directors for the financial year 2019-2020 are given below:**

| Name of the Director | Salary & perquisites (₹) | Commission for the FY 2019-2020 (payable in FY 2020-2021) | Sitting fees (₹) | Total (₹) | No. of Shares held as on 31-03-2020 |
|---|---|---|---|---|---|
| Ms. Hiroo Mirchandani | N.A. | N.A. | 550,000 | 550,000 | Nil |
| Mr. K. R. Ramamoorthy | N.A. | N.A. | 925,000 | 925,000 | Nil |
| Mr. K. Venkataramanan | N.A. | N.A. | 575,000 | 575,000 | Nil |
| Mr. Mahendra V. Doshi | N.A. | N.A. | 910,000 | 910,000 | 7,200 |
| Mr. Mufazzal S. Federal | N.A. | N.A. | 910,000 | 910,000 | Nil |
| Mr. S. K. Palekar | N.A. | N.A. | 550,000 | 550,000 | Nil |
| Mr. Vamanrai V. Parekh | N.A. | N.A. | 840,000 | 840,000 | 131,000 |
| Mr. Hiten V. Parekh | 24 691 958 | 11,900,000 | N.A. | 36,591,958 | 1,892,258 |
| Mr. Manish V. Parekh | 23,647,354 | 11,900,000 | N.A. | 35,547,354 | 1,551,563 |
| Mr. Nayan S. Parekh | 22,661,027 | 11,900,000 | N.A. | 34,561,027 | 2,189,704 |
| Mr. Sharad V. Parekh | 25,344,083 | 11,900,000 | N.A. | 37,244,083 | 120,400 |
| * Mr. Mihir H. Parekh | 650,707 | Nil | N.A. | 650,707 | 131,900 |

* Appointed as an Additional and Executive Director w.e.f. February 1, 2020.

Notes:

1. Sitting fees include fees for attending the Board Meetings,Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Corporate Social Responsibility Committee Meeting, Stakeholder's Relationship Committee Meeting and Independent Director's Meeting.

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 one time on November 13, 2019. The composition and details of the meetings attended by the members are given below:

| Name | Category | Position | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Vamanrai V. Parekh | Non-Executive | Chairman | 1 | 1 |
| *Mr. K. Venkataramanan | Independent, Non- Executive | Member | 1 | 1 |
| Mr. Sharad V. Parekh | Executive | Member | 1 | 1 |
| Mr. Hiten V. Parekh | Executive | Member | 1 | 1 |

* Mr. K. Venkataramanan has been appointed as a Member of Stakeholders' Relationship Committee w.e.f. April, 1, 2019.

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

**Terms of Reference:**

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the SEBI Listing Regulations. The scope and terms of reference of the said committee have been widened in line with the amendments made to SEBI Listing Regulations.

The terms of reference of the SRC, inter-alia are as follows:

1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, the Company had received 10 complaints from shareholders, which were disposed-off within due time and there were no complaints which had remained unresolved at the end of the year. 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, 2020 there was 1 dematerialisation requests for 200 Equity Shares which was 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 |
|---|---|---|---|---|
| 33rd AGM | 28-06-2019 | | Survey No. | 1. Approval for continuation of the existing tenure of Directorship of Mr. K. Venkataramanan, as an Independent Director of the Company after attaining the age of 75 years till completion of his present tem i.e. upto conclusion of Thirty Fourth Annual General Meeting .<br>2. Re-appointment of Mr. Mahendra V. Doshi as an Independent Director for a period of Five years w.e.f. June 28, 2019 |

| Annual General Meeting (AGM) | Date | Time | Venue | Special Resolution Passed |
|---|---|---|---|---|
| | | 12.00 noon | 354/2 and 354/3, Near Rakholi Bridge, Silvassa–Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli. | 3. Re-appointment of Mr. Mufazzal S. Federal as an Independent Director for a period of Five years w.e.f. June 28, 2019.<br>4. Re-appointment of Mr. S. K. Palekar as an Independent Director for a period of Five years w.e.f. June 28, 2019.<br>5. Continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018. |
| 32nd AGM | 30-06-2018 | | | 1. Re-appointment of Ms. Hiroo Mirchandani as an Independent Director for a period of Five years.<br>2. Re-classification of Ms. Rajul Manoj Gandhi and Mr. Manoj Kantilal Gandhi from 'Promoter / Promoter group category' to 'Public category. |
| 31st AGM | 08-08-2017 | | | NIL |

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

**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 the link https://nilkamal.com/wp-content/uploads/2019/03/Policyonmaterialityofanddealingwithrelatedparty_290120191.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**

During the year under review, BSE Limited and National Stock Exchange of India Limited (NSE) vide their letter dated November 6, 2019 levied a penalty of ₹11,800/- each for delay in submission of voting results by one day for the Postal Ballot convened on March 24, 2019 to the said Exchanges. The Company has paid the said fine.

Apart for the above, there was no non-compliance by the Company nor any 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 SEBI 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 the link https://nilkamal.com/wp-content/uploads/2019/01/Whistle-Blower-Policy.pdf

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

During the year, the Company has complied with the mandatory requirements as stipulated in SEBI 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 quarterly results along with the press release are uploaded on the website of the Company at https://nilkamal.com/unaudited-financial-results/. The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
ii) 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.
iii) 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.
iv) The position of Chairperson of Board and the Managing Director are separate.
v) 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, 2020, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI Listing Regulations. The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the SEBI Listing Regulations and the same is disclosed on the Company's website. The weblink is https://nilkamal.com/wp-content/uploads/2019/01/Policy-on-determining-material-subsidiary.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 and also by way of External Commercial Borrowings (ECB's). The Company is proactively mitigating these risks by entering into commensurate hedging transactions as per the Company's Enterprise Risk Management Policy.

g) **Certificate from Company Secretary in practice**

The Company has received a certificate from Mr. Pratik M. Shah, Practising Company Secretaries, Mumbai that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

h) During the financial year 2019 - 2020, the Board has accepted all the recommendations of its Committees.

i) **Details of workplace sexual harassment complaints reported as per the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013:**

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

| Sr. No. | Particulars | No. of Complaints |
|---|---|---|
| 1 | Number of complaints filed during the financial year 2019 - 2020 | 0 |
| 2. | Number of complaints disposed of during the financial year 2019 - 2020 | 0 |
| 3. | Number of complaints pending as on end of the financial year 2019 - 2020 | 0 |

j) **Total fees for all services paid by the Listed Entity and its Subsidiaries, on a Consolidated basis, to the Statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:**

| **Particulars** | **₹ in Lakhs** |
|---|---|
| Payment to Statutory Auditors | 52.00 |
| Other Services | 8.11 |
| Reimbursement of expenses | 5.07 |
| **Total** | **65.17** |

Note:- The above figures are given on consolidated basis i.e. alongwith its 100% subsidiary, Nikamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited)

8. **CEO / CFO CERTIFICATION**

The Managing Director& Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI 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 and audited annual 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.
- A Management Discussion and Analysis report is a part of this Annual Report.

**GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting (AGM)**

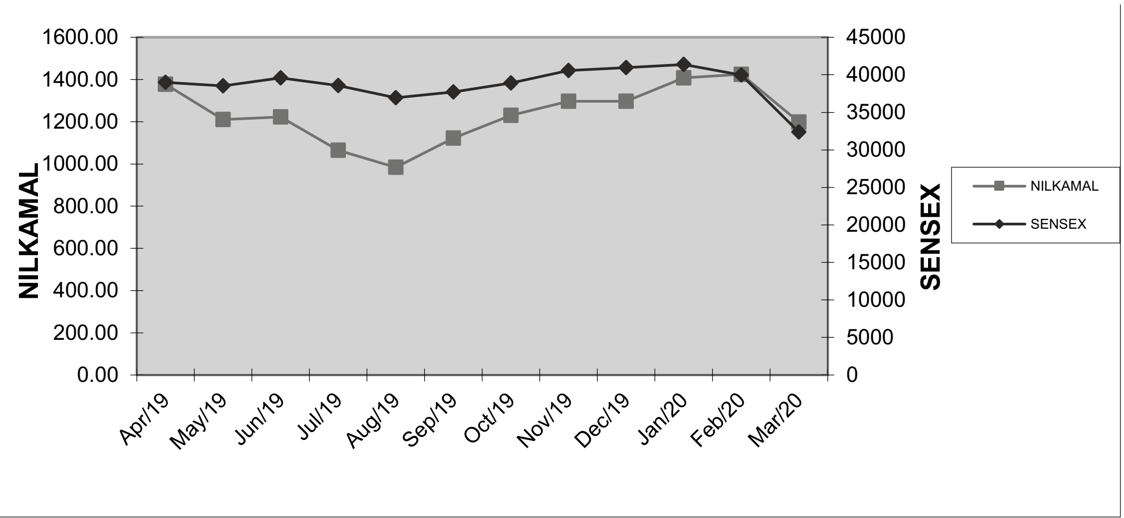
| | |
|---|---|
| **Date & Time** | August 14, 2020 at 11.00 am |
| **Venue** | The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |
| **Financial Year** | April 1 to March 31 |
| **Financial Calendar** | Financial Year: April 1, 2020 to March 31, 2021<br>Results for Quarter ending :<br>June 30, 2020 — Before August 14, 2020.<br>September 30, 2020 — Before November 14, 2020.<br>December 31, 2020 — Before February 14, 2021.<br>March 31, 2021 — Before May 30, 2021. |
| **Listing on Stock Exchanges** | 1. The BSE Limited<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001<br>2. National Stock Exchange of India Limited<br>Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. |
| **Stock Code** | 1. The BSE Limited – 523385<br>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 2019 - 2020.

**Market Price Data**

| BSE Limited | | | National Stock Exchange of India Limited | | |
|---|---|---|---|---|---|
| **Month** | **High (₹)** | **Low (₹)** | **Month** | **High (₹)** | **Low (₹)** |
| April, 2019 | 1,439.95 | 1,315.60 | April, 2019 | 1,440.00 | 1,321.40 |
| May, 2019 | 1,338.45 | 1,083.70 | May, 2019 | 1,339.90 | 1,085.00 |
| June, 2019 | 1,293.00 | 1,152.55 | June, 2019 | 1,283.95 | 1,153.00 |
| July, 2019 | 1,210.00 | 918.00 | July, 2019 | 1,211.95 | 928.05 |
| August, 2019 | 1,077.00 | 890.45 | August, 2019 | 1,078.70 | 889.85 |
| September, 2019 | 1,265.90 | 980.00 | September, 2019 | 1,265.00 | 975.60 |
| October, 2019 | 1,295.95 | 1,165.00 | October, 2019 | 1,299.75 | 1,164.00 |
| November, 2019 | 1,375.00 | 1,219.95 | November, 2019 | 1,372.20 | 1,220.00 |
| December, 2019 | 1,368.00 | 1,226.80 | December, 2019 | 1,366.80 | 1,227.35 |
| January, 2020 | 1,544.15 | 1,272.55 | January, 2020 | 1,543.70 | 1,270.10 |
| February, 2020 | 1,534.85 | 1,315.00 | February, 2020 | 1,534.00 | 1,311.80 |
| March, 2020 | 1,487.00 | 911.00 | March, 2020 | 1,441.00 | 912.00 |

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




*** 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 Share 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, 2020**

| No. of equity shares held | No. of Shareholders | % of Shareholders | No. of shares held | % of Shareholding |
|---|---|---|---|---|
| 1-500 | 22,888 | 97.54 | 1,046,259 | 7.01 |
| 501 to 1000 | 276 | 1.18 | 205,305 | 1.38 |
| 1001 to 2000 | 142 | 0.60 | 211,378 | 1.42 |
| 2001 to 3000 | 40 | 0.17 | 99,082 | 0.66 |
| 3001 to 4000 | 16 | 0.07 | 55,624 | 0.37 |
| 4001 to 5000 | 14 | 0.06 | 63,103 | 0.42 |
| 5001 to 10000 | 30 | 0.13 | 205,529 | 1.38 |
| 10001 and above | 59 | 0.25 | 13,036,245 | 87.36 |
| **Total** | **23,465** | **100.00** | **14,922,525** | **100.00** |

**Shareholding Pattern as on March 31, 2020**

| Category | No. of Shareholders | Voting Strength (%) | No. of shares |
|---|---|---|---|
| Promoter and Promoter Group | 17 | 64.31 | 9,597,146 |
| Mutual Funds | 7 | 16.87 | 2,517,847 |
| Alternate Investment Funds | 2 | 0.01 | 2,194 |
| Foreign Portfolio Investor | 29 | 2.12 | 316,359 |
| Financial Institution / Bank | 2 | 0.04 | 5,730 |
| Body Corporate | 235 | 1.75 | 261,141 |
| Public & Others | 22,719 | 14.90 | 2,222,108 |
| **Total** | **23,011** | **100** | **14,922,525** |

Note: As per the SEBI circular no.SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the number of shareholders mentioned here are consolidated on a PAN basis.

**Dematerialisation of shares and liquidity**

99.21% of the Company's Share Capital is dematerialised as on March 31, 2020. 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 (West Bengal), Bhiwandi and Sinnar (Maharashtra), Dharuhera (Haryana), Hosur (Tamilnadu), Jammu (Jammu and Kashmir), Kharadpada and Vasona (Union Territory of Dadra and Nagar Haveli), Noida (Uttar Pradesh) and Puducherry (Puducherry).

**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

**Credit Ratings**

The Credit Ratings of the Company for all the debt instruments as on March 31, 2020 is as below:-

| Bank Facilities | Rating |
|---|---|
| Long Term Bank Facilities | CARE AA;Stable<br>(Double A) |
| Short Term Bank Facilities | CARE A1+<br>(A One Plus) |

**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**

Place : Mumbai
Date : June 28, 2020

**Sharad V. Parekh**
**Managing Director**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Members,
**Nilkamal Limited**
Survey No 354/2 & 354/3,
Silvassa Khanvel Road,
Near Rakholi Bridge, Village Vasona,
U.T of D & NH, Silvassa – 396230

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nilkamal Limted having CIN L25209DN1985PLC000162 and having registered office at Survey No 354/2 & 354/3, Silvassa Khanvel Road, Near Rakholi Bridge, Village Vasona, U.T of D & NH, Silvassa – 396230 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | DIN | Name of the Directors | Date of Appointment |
|---|---|---|---|
| 1 | 00037550 | Mr. Hiten Vamanrai Parekh | December 9, 1985 |
| 2 | 00037519 | Mr. Vamanrai Vrajlal Parekh | June 14, 1990 |
| 3 | 00035747 | Mr. Sharad Vrajlal Parekh | June 14, 1990 |
| 4 | 00123243 | Mr. Mahendra Vasantrai Doshi | December 3, 1990 |
| 5 | 00037597 | Mr. Nayan Sharad Parekh | April 1, 2000 |
| 6 | 00037724 | Mr. Manish Vamanrai Parekh | April 1, 2000 |
| 7 | 00058467 | Mr. Kuttalam Rajagopalan Ramamoorthy | October 31, 2003 |
| 8 | 03409798 | Mr. Mufazzal Saifuddin Federal | January 25, 2011 |
| 9 | 01723670 | Mr. Sarvadaman Krishnarao Palekar | April 17, 2012 |
| 10 | 06992518 | Ms. Hiroo Mirchandani | November 6, 2014 |
| 11 | 00001647 | Mr. Krishnamurti Venkataramanan | November 5, 2016 |
| 12 | 07308466 | Mr. Mihir Hiten Parekh | February 1, 2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the bases of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**PRATIK M. SHAH**
Company Secretaries
FCS No.: 7431
CP No.: 7401
**UDIN: F007431B000213879**

Place: Mumbai
Date: May 8, 2020

## 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, 2020 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, if any;

  i) Significant changes in the Internal Control over financial reporting during the year ended March 31, 2020;

  ii) Significant changes in accounting polices during the year ended March 31, 2020 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** **For Nilkamal Limited**

Place: Mumbai
Date: June 28, 2020

**Sharad V. Parekh**
**Managing Director**

**Paresh B. Mehta**
**Chief Financial Officer**

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

To the Members of Nilkamal Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated April 22, 2020.

2. This report contains details of compliance of conditions of corporate governance by Nilkamal Limited ('the Company') for the year ended March 31, 2020 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 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the BSE Limited (collectively referred to as the '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 the Listing Regulations for the year ended March 31, 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the' Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

**Rishabh Kumar**
***Partner***
Membership No: 402877
UDIN: 20402877AAAABY6336

Mumbai
June 28, 2020

# MANAGEMENT DISCUSSION AND ANALYSIS

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

The financial year 2019-20 was a tough one for India as its real GDP growth slowed down to a decadal low of five per cent. The growth in private consumption and investment demand, the two main pillars of the Indian economy, shrank during the year. The year ended with an average inflation of 4.8 per cent, the highest in the last Four years. Consumer sentiments appeared weak through most part of the year.

There was an expectation that the GDP growth would start moving up again from the financial year 2020-21. However, the joy was short-lived as Covid-19 disease started spreading in India which lead the Central Government to announce a complete nationwide lockdown for a period of more than two months bringing the economy to a grinding halt.

As a large part of the nation-wide lockdown fall in the on-going year 2020 - 2021, the country is unlikely to come out of its slumber in the current year. While consumption demand is expected to remain muted throughout the year, investment demand will also take a back seat on account of impaired demand.

**Plastic Division**

The **Plastic Business** has achieved a volume de - growth of 11 % and value de - growth of 11 %. During the Financial Year 2019 - 2020. It has achieved total turnover of ₹ 1,866 Cr as compared to ₹ 2,093 Cr in the previous year.

Over last few years your company`s **Furniture** business has transformed from Plastic Furniture to Complete Furniture Solution Provider for Home Furniture, Office Furniture, Education Furniture, Health Care Furniture and CSR Furniture in various materials and Upholstered Products. Furniture business have Four major verticals – Moulded Furniture, Ready Furniture, Mattress and KAT (Key Account Team- B2B Sales).

Furniture Business has achieved a volume de-growth of 3% with no value growth. As a leader in the moulded category, the company has taken aggressive steps to maintain and grow the market share. More than 15 new products were introduced in the year mostly in the value-added segment. The company appointed more than 200 additional channel partners and more than 2000 retailers to increase its reach for better market penetration and availability across the country. The company has been very aggressive in its pricing to wade off the competition from local players.

The Ready Furniture business is serviced through 3 broad channels, namely, Exclusive Brand Outlets (EBO), Trade and Large Furniture Outlet (LFO) and E-commerce. Ecommerce sale of Ready Furniture grew by more than 200%. EBO channel added 14 stores last year taking the total count of stores to 44. Most of the new stores are franchisee owned. The company added more than Fifty thousand sq.ft. of retail space last year. In order to improve trade and LFO business, the company had invested in local sofa manufacturers to ensure localization of design and reduction in cost. The liquidity crunch in the market is expected to make many small businesses unviable. This will give the EBO's a great opportunity to capture market share. The company will support the EBO business with proper advertising inputs to drive business in the immediate catchment. For the FY 2020 - 2021 we are planning to add 25 additional Franchisee outlets which will add an additional 50000 – 75000 sq.ft. retail foot print in the market.

The **Mattress** business experienced a year full of roller - coaster rides. Year 2019 - 2020 was not a dynamic year for mattress industry. The first quarter saw a moderate demand in the category. However, the 2$^{nd}$ quarter was completely disrupted by massive floods in various parts of the country. Q3 and Q4 showed good signs of recovery. However, with the COVID19 situation, the business completely dropped during March, 2020. Overall, the Company did a turnover of ₹ 70.47 crores with a marginal growth of 3% over last year. During the financial year 2019 - 2020, the company had invested significantly in establishing its presence in the mattress category. Television and Newspaper advertisement were done to improve awareness among consumers and activate new trade partners. This has helped the brand register a positive growth in Q3 and partially in Q4.

The healthcare crisis coupled with the liquidity crunch will see a shift of business from the unorganized to the organized market in the mattress business. The company intends to capitalize this trend by introducing new products at various price points. The Company will also go aggressive in appointing new dealers to increase the brand footprint across India. Exclusive Mattress outlets are planned in major cities to give consumer an experience of the range available with the Company.

The forthcoming year is going to be very uncertain with the spread of the COVID-19 pandemic across the country. The Company is taking the required measures by innovating in the product category, product design, sales channel and other aspects of the business. Towards this the company were able to innovate in less than Two week Quarantine bed, Isolation bed (Patent applied) of various sizes (9 product design registration applied) and supplied till date more than 5000 numbers to several hospitals across the country. The impact of the pandemic is not going to be the same across the country. Different markets are going to behave differently based on the spread of the pandemic and hence the recovery phase will also be different for the markets across India. Brand Nilkamal has a widespread presence across the country and this will help the Company in mitigating the situation by leveraging markets with lower impact of the COVID-19 crisis. Work from home will be the new normal in the near future as social distancing will be followed across the country. This will give rise to a new set of demand for home office range. We are planning to launch new product range which is exclusive for Small Office Home Office (SOHO).

As you are aware that your company already has World Class Infrastructure and Quality Testing Facilities for Moulded Furniture which has helped Company to retain the market leader position year after year. The company is now in process of creating World Class -State of the Art Infrastructure for Steel Furniture, Wooden Modular Furniture and Mattress Manufacturing. We strongly believe that these are the new areas for growth to support Country`s growing Retail, Housing, Education, Healthcare and Commercial Infrastructure. The Company clearly see a gap in the market for National brand for various type of Furniture and your company already enjoyed high Brand Recall, Trust of customers and Large Distribution Network which will give us leverage to build the various verticals for supply of Quality Products to the customer at best prices.

We are in process of creating a Company which is Unique and have all kind of Furniture Manufacturing capabilities under one roof.

As per study India`s Import bill for Furniture was 600+ Mn USD in 2018-2019 and as a strong National Player we believe that there is an enough opportunity for your Company to become part of this opportunity and support the “Atmanirbhar Bharat” Campaign.

Our Strategy to become India`s Leading Furniture Company has following focus areas:-

1. Creating World Class Infrastructure
2. Development of Innovative and Value Added Products
3. Logistics and Technology adaptation
4. Sales and Distribution
5. Installation and After Sales Service

The **Bubble Guard** division this year saw double digit growth and continues to be a growing product category. The packaging applications of Bubble Guard have contributed to growth driven by companies switching away from conventional packaging made of paper and wood towards a more sustainable and reusable alternative. During the lock down period we have also launched innovative Bubble Guard products like Travel Guard (Transport), Virus Guard (for office, cafeteria, Education) and patient bed, to help in fight against Covid-19.

Over the year we participated in numerous exhibitions across the country as the focus remains to increase awareness about this disruptive technology which we believe has yet to reach the majority of industries. We have also invested in consumer and digital marketing to reach a wider audience.

Challenges in the upcoming year are expected to be muted demands across all the sectors we cater to – construction, steel, FMCG and automotive. These industries contribute to more than 50% of BubbleGuard sales and will see slower growth due to the after effects of Covid - 19.

**Material Handling Business**

The financial year 2019 - 2020 was a mixed year for the Material Handling business. Several end-user sectors of the economy were under stress. Also the large electronic voting machines order which we received in the last financial year was not repeated this year, as there were no large elections. These factors impacted our business which went down by 15% in volume terms. Nevertheless, in all our businesses, we were able to increase our margins because of our ability to demonstrate better pricing power despite the reduction in raw material prices. Moreover, we capitalised on a wide range of products for all industries and our B2B direct sales approach. Our racking business showed a decent growth due to the ongoing impetus on Ecommerce fulfilment centres, logistics and warehousing. This year was an important milestone for our racking business as we acquired 50% share from BITO Lagertechnik Bittmann GmbH, and now Nilkamal Storage Systems Pvt. Ltd. is 100% subsidiary of Nilkamal Ltd. Our US joint venture, Cambro Nilkamal Pvt. Ltd. also performed satisfactorily.

March witnessed the COVID-19 pandemic which has gone on to create devastating social, economic and political crises across the globe. With social isolation imperative and factories closed across the country, the economy has taken a very bad hit. The impact of the pandemic is predicted to last much longer.

**SURVIVE:**

Nilkamal felt the need to urgently respond to and face the challenges posed by the virus. By the time the lockdown was declared by Indian Government, all employees were equipped with the digital infrastructure needed to work from home. Technology was used to ensure seamless internal and external communication. Employees were engaged in virtual team building activities to keep their morale high. Safety and sanitisation measures for our labourers in plants and warehouses were ramped up, safety drills were carried out in plants, with due importance to social distancing norms. Webinars by external consultants regarding actions during and after lockdown were organised for the Managers to assess the way ahead.

**REVIVE:**

With industries shut down for an uncertain period, it soon became clear that “Cash is King”. The entire Material Handling division's focus shifted to collecting dues from customers, thereby building cash reserves to pull us through this time, meet fixed expenses and ensure timely disbursal of salaries. Different teams approached large and small customers, at different levels. At corporate level Suppliers were also paid on time, to keep the cycle rolling.

**THRIVE:**

The COVID-19 pandemic has led to socio economic changes affecting consumer behaviour. This has compelled industries and supply chains to revisit their current operation methods. Some industries may take longer to recover but there are many who are expected to bounce back more quickly. We also see an inevitable disruption in labour and transport operations. We are well positioned to handle the material handling challenges the industries will face.

We foresee huge activity in the following sectors. Listing down our readiness in meeting their expectations:

**Ecommerce:**

We have been supplying crates, pallets, racks and material handling equipment to many ecommerce players for their fulfilment centres. The next challenge faced by them will be to manage the increasing throughputs efficiently by automation. Automation needs high precision racking products which we have geared up for. We also have developed smart boxes which can be used in return logistics, for transport of food, rations and other supplies.

**Pharmaceuticals:**

As this sector is increasingly moving towards using plastic pallets, we have developed special hygiene pallets and export pallets. We also have racking solutions and material handling equipment compliant with GMP requirements to offer.

**Food processing, Dairy and FMCG:**

We already have a whole range of crates, containers and pallets for these sectors. We have taken this a step ahead by adding smart technology RFID tags for quick identifying and sorting of perishable essentials, saving huge costs and time for our customers.

**Fruits & Vegetables, Fisheries:**

We have a huge range of products for these sectors. Our range of crates, pallets, racking solutions and equipment are there to help with transportation, storage in cold stores and exports of these perishables.

**Healthcare:**

Our vaccine carriers and cold boxes are ready to deliver the COVID vaccine once it is developed, all across the country, through the Ministry of Health and local health bodies.

**Sanitation & Hygiene:**

With sanitisation and hygiene the key words now on, we have added to our range of waste collection and disposal bins, hand wash sinks and industrial cleaning equipment. FSSAI standards are going to be enforced more strictly and we are ready to meet the market demands of clean storage of perishables with our range of products for hygienic food transport and service.

At company level we have differing large Capex in the immediate future, till situation looks favourable.

**Lifestyle Furniture, Furnishing and Accessories Division:**

The Lifestyle Furniture, Furnishing and Accessories Division (@home) registered a revenue of ₹ 215 Cr in FY 2019 - 2020 against ₹ 210 Cr in last FY. The marginal growth came in the background of a very tough market condition where the overall economy saw a consistent decline quarter on quarter. At the end of the Financial year, @home had 26 stores across India with a total retail space of 3.25 lac sq.ft. The business consciously focused on adding Franchisee stores (FOFO) in the said Financial Year. 6 new FOFO stores were added in the year taking the total count to 8. The brand ventured into 4 new markets, namely, Lucknow, Madurai, Salem and Hassan in FY 2019 - 2020. The initial response from all these markets have been very positive for the brand. The balance 18 stores are owned and operated by the Company.

The Organized Furniture industry saw a significant disruption in the online space with many more consumers opting for online purchases. @home had invested significantly in the online space with specific new product development for the online channel, presence in all significant market places, an aggressive pricing strategy based on market mapping and a well targeted marketing campaign round the year to attract the online buyers and ensure a great buying experience. @home achieved 67% growth in the e-commerce business with ₹42 cr revenue in FY 2019 - 2020.

Overall, the marketing mix for the brand shifted towards creating a strong digital footprint to ensure the brand is discovered by potential consumers during their online research.

The Pandemic has forced both consumers and businesses to think differently. Work from Home will be the new norm for the foreseeable future. This changing world order is surely going to change the way consumers shop and also the kind of products they will need in the coming year. In view of the current scenario and fast changing retail environment, the business will focus on strengthening its e - commerce presence with better supply chain measures to ensures a quicker turnaround time, introduction of more futuristic technology to give consumers a unique buying experience and new product development in line with changing consumer preferences. The Company will be investing on product categories like utility, storage, organizers, kitchen utility and home office range in the coming year. The Company will also focus on indigenisation of panel board assortment to go lean on inventory and reduce procurement time. Consumers are expected to defer discretionary purchases and hence the Company plans to increase the entry price point products to ensure large scale affordability for consumers.

The Company will ensure that the entire supply chain is sanitized to give the required confidence to the consumer base shopping with us. Social distancing will be the key word in the fight against the Pandemic. Hence, significant focus will be on staff training to ensure that the team is equipped with the necessary soft skills to handle the healthcare crisis by implementing and executing social distancing norms in-store.

**Financial Review**

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarised below:-

| Ratio | Particulars | Financial Year 2019 - 20 | Financial Year 2018 - 19 | Change (%) | Reason for change |
|---|---|---|---|---|---|
| Interest Coverage Ratio (Excluding Impact of IND AS 116 "Lease") | Standalone | 15.16 | 11.04 | 37% | Improvement in Coverage Ration due to Improved Operational performance |
| | Consolidated | 15.61 | 11.48 | 36% | |

**Change in Return on Net Worth**

The return on Net worth for the financial year 2019 - 2020 has increased from 13.23% to 13.28% as compared to preceding financial year.

**Internal Control System and their Adequacy**

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Act. The Company maintains system of multi - level internal controls which provide reasonable assurance regarding Effectiveness and Efficiency of operation, safeguarding of assets, prevention and detections of frauds and error, accuracy and timely preparation of reliable financial information.

The Company with the help of external professional agencies monitor the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the internal control. The assessment involved self-assessment, review and external audit. Based on their assessment, management is of the opinion that your Company maintained effective internal control over financial reporting.

**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 3,104.

**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 economic 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.

**Independent Auditors' Report**

**To the Members of Nilkamal Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Nilkamal Limited ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2020, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), standalone Statement of Changes in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matters**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition**<br>**(Refer to Significant Accounting Policy Note 35(m) and Note 27 in the standalone financial statements)**<br><br>Revenue of the Company mainly comprises of sale of material handling products and plastic moulded furniture to its customers.<br><br>Revenue from sale of goods is recognised when control is transferred to the customers.<br><br>There is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure to achieve performance targets at the reporting period end.<br><br>Accordingly, timing of recognition of revenue is a key audit matter. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>a. Evaluating the Company's accounting policies for revenue recognition, in terms of applicable accounting standards<br>b. Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls. These are in respect of the Company's systems which govern timing of recognition of revenue including creation of new customers in the system.<br>c. Performing testing on selected statistical samples of customer contracts. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on substantive testing. It included year-end cut-off testing. We carried out audit procedures by selecting samples of revenue transactions recorded during the year and before and after the financial year end. We also selected samples of one off sales to customers, by verifying the underlying documents such as sales invoices/contracts and shipping documents.<br>d. Performing substantive testing by verifying statistical samples of credit notes with underlying sales invoice and delivery documents.<br>e. Assessing manual journal entries posted to revenue on sample basis to identify unusual items of revenue recorded in the current year. |

**Key Audit Matters *(Continued)***

**Description of Key Audit Matters *(Continued)***

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Adoption of new lease accounting standard - Ind AS 116**<br>**(Refer to Significant Accounting Policy Note 35(n) and Note 1 in the standalone financial statements)**<br>The Company, as a lessee, has entered into lease contracts mainly relating to the depots, warehouses and retail stores of the Company with different contractual terms.<br>As described in note 35(n) to the standalone financial statements, the Company has adopted Ind AS 116, Leases (Ind AS 116) in the current year using modified retrospective approach.<br>Ind AS 116 provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding lease liability on the lease commencement date. The Company has recognized the operating lease liabilities based on the present value of the remaining minimum rental payments discounted using the incremental borrowing rate, with corresponding ROU assets on the balance sheet. The Company uses automated report developed in SAP system to compute the Ind AS 116 liabilities.<br>We considered the first-time application of Ind AS 116 as a key audit matter due to the judgements needed in establishing the underlying key assumptions. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>a. Evaluating the accounting policies regarding leases in terms of applicable accounting standard (Ind AS 116);<br>b. Testing the manual and automated controls in respect of the lease accounting impact as computed under SAP system;<br>c. Evaluating the method and adjustments of transition;<br>d. Testing completeness of the lease data used for lease accounting. We reconciled the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.<br>e. Selected a sample of lease contracts. We performed following procedures:<br>i. evaluating the terms of the contract;<br>ii. evaluating the contract meeting the definition of a lease;<br>iii. evaluating the Company's assessment of identification of leases based on contractual agreements;<br>iv. checking the Company's determination of lease payments, based on the terms of the lease contract;<br>v. evaluating the Company's determination of the lease term, which required consideration of which option periods are certain to be exercised; and<br>vi. Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability;<br>f. Assessing and testing the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition. |

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

**Report on Other Legal and Regulatory Requirements *(Continued)***

(B) 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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36(a) to the standalone financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Rishabh Kumar**
Partner
Membership No. 402877
ICAI UDIN: 20402877AAAABW9479

Mumbai
28 June 2020

**Annexure A to the Independent Auditors' Report – 31 March 2020**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, 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 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 Lakhs) | 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 | 26 | 255.19 | 204.86 | |

(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.

**Annexure A to the Independent Auditors' Report – 31 March 2020 *(Continued)***

(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, paragraph 3 (iii) 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 during the year 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 from public in accordance with 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, Goods and Service tax, Duty of Customs, 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, Goods and Service tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2020 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 31 March 2020 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 |
| | | 53.38 | 2010-11, 2013-14 2017-18 | Commercial Tax Officer |
| | | 26.13 | 2012-2013 to 2014-2015 | Excise and Taxation officer |
| | | 22.98 | 2012-2013 , 2013-14 | Commissioner – Appeals |
| | | 25.94 | 2010-11 to 2015-16 | Additional Commissioner – Appeals |
| Central Excise Act, 1944 | Excise Duty | 72.22 | June 2009 to September 2014 | Commissioner –Appeals |
| | | 10.17 | 2008-2013 | Commissioner –Appeals |
| | | 32.89 | October 2014 to March 2015 | Customs Excise & Service tax Appellate tribunal ("CESTAT") |
| | | 40.60 | April 2015 to December 2015 | Customs Excise & Service tax Appellate tribunal ("CESTAT") |
| | | 30.88 | April 2013 to September 2014 | Commissioner – Appeals |
| | | 74.95 | January 2016 to June 2017 | Commissioner – Appeals |
| | | 11.93 | April 2016 to June 2017 | Commissioner – Appeals |

* Amount is net of payments made under dispute

**Annexure A to the Independent Auditors' Report – 31 March 2020** ***(Continued)***

(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) during the year. In our opinion and according to the information and explanations given to us the term loans taken by the Company have been applied for the purposes for which they were raised.

(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

**Rishabh Kumar**
Partner
Membership No. 402877
ICAI UDIN: 20402877AAAABW9479

Mumbai
28 June 2020

**Annexure B to the Independent Auditors' report on the standalone financial statements of Nilkamal Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (2(A)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Nilkamal Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 Institute of Chartered Accountants of India (the "Guidance Note")

**Annexure B to the Independent Auditors' report on the standalone financial statements of Nilkamal Limited for the year ended 31 March 2020 *(Continued)***

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 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 financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Rishabh Kumar**
Partner
Membership No. 402877
ICAI UDIN: 20402877AAAABW9479

Mumbai
28 June 2020

## Standalone Balance Sheet as at 31st March 2020

(₹ in lakhs)

| Particulars | Note | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 1 | **54,164.37** | 38,218.41 |
| (b) Capital work-in-Progress | | **2,693.59** | 1,384.37 |
| (c) Other Intangible Assets | 1a | **136.83** | 100.21 |
| (d) Financial Assets | | | |
| (i) Investments in Subsidiaries and Joint Ventures | 2 | **7,644.91** | 2,529.28 |
| (ii) Other Investments | 3 | **43.14** | 43.14 |
| (iii) Loans | 4 | **2,480.16** | 2,495.51 |
| (iv) Other Financial Assets (Net) | 5 | **378.80** | 110.57 |
| | | **10,547.01** | 5,178.50 |
| (e) Other Non-Current Assets | 6 | **2,537.31** | 2,546.48 |
| **Total Non-Current Assets** | | **70,079.11** | 47,427.97 |
| **2 Current Assets** | | | |
| (a) Inventories | 7 | **36,888.64** | 38,167.80 |
| (b) Financial Assets | | | |
| (i) Investments | 8 | **1,513.30** | - |
| (ii) Trade Receivables | 9 | **26,228.38** | 29,870.61 |
| (iii) Cash and Cash Equivalents | 10 | **1,032.85** | 479.29 |
| (iv) Bank Balances other than cash and cash equivalents | 11 | **309.58** | 245.98 |
| (v) Loans | 12 | **1,190.79** | 891.55 |
| (vi) Other Financial Assets | 13 | **1,491.32** | 1,073.63 |
| | | **31,766.22** | 32,561.06 |
| (c) Current Tax Assets (Net) | | **803.72** | 437.47 |
| (d) Other Current Assets | 14 | **4,315.07** | 3,436.78 |
| **Total Current Assets** | | **73,773.65** | 74,603.11 |
| **TOTAL ASSETS** | | **1,43,852.76** | 1,22,031.08 |
| **II. EQUITY AND LIABILITIES** | | | |
| 1 Equity | | | |
| (a) Equity Share Capital | 15 | **1,492.25** | 1,492.25 |
| (b) Other Equity | 16 | **93,866.45** | 86,946.23 |
| **Total Equity attributable to equity holders of the Company** | | **95,358.70** | 88,438.48 |
| **2 Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | **4,790.08** | 4,441.81 |
| (ii) Other Financial Liabilities | 18 | **18,222.75** | 5,326.15 |
| (b) Provisions | 19 | **480.95** | 538.73 |
| (c) Deferred Tax Liabilities (Net) | 20 | **871.99** | 1,780.35 |
| (d) Other Non-Current Liabilities | 21 | - | 377.02 |
| **Total Non-Current Liabilities** | | **24,365.77** | 12,464.06 |
| **3 Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | **-** | 685.73 |
| (ii) Trade Payables | | | |
| (a) Total Outstanding dues of micro enterprises and small enterprises | | **-** | - |
| (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | 23 | **13,453.06** | 13,139.43 |
| (iii) Other Financial Liabilities | 24 | **6,987.61** | 2,723.70 |
| | | **20,440.67** | 16,548.86 |
| (b) Other Current Liabilities | 25 | **2,623.62** | 3,494.47 |
| (c) Provisions | 26 | **1,064.00** | 1,085.21 |
| **Total Current Liabilities** | | **24,128.29** | 21,128.54 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,43,852.76** | 1,22,031.08 |
| **Significant accounting policies** | 35 | | |

The notes referred to above form an integral part of the standalone 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

**Rishabh Kumar**
Partner
Membership No : 402877

Mumbai
June 28, 2020

**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
June 28, 2020

**Priti P. Dave**
Company Secretary
Membership No : 19469

**Standalone Statement of Profit & Loss for the year ended 31st March 2020**

(₹ in lakhs)

| Particulars | Note | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|---|---|---|
| **I. Revenue from Operations** | 27 | **2,08,147.38** | 2,30,418.37 |
| **II. Other Income** | 28 | **1,088.74** | 1,709.16 |
| **III. Total Income (I+II)** | | **2,09,236.12** | 2,32,127.53 |
| **IV. Expenses:** | | | |
| Cost of Materials Consumed | | **67,708.38** | 87,440.96 |
| Purchases of Stock in Trade | | **45,735.72** | 52,012.20 |
| Changes in inventories of Finished Goods, Stock in Trade and Work-in-Progress | 29 | **805.85** | (3,649.41) |
| Employee Benefits Expense | 30 | **17,537.93** | 17,788.12 |
| Finance Costs | 31 | **2,573.73** | 1,579.90 |
| Depreciation and Amortisation Expenses | 1 | **9,051.14** | 4,964.07 |
| Other Expenses | 32 | **50,003.13** | 56,123.27 |
| **Total Expenses** | | **1,93,415.88** | 2,16,259.11 |
| **V. Profit Before Tax (III-IV)** | | **15,820.24** | 15,868.42 |
| **VI. Tax Expense:** | | | |
| Current Tax | 34 | **4,030.00** | 4,810.00 |
| Deferred Tax (Credit) / Charge | 34 | **(410.91)** | 733.70 |
| Tax for earlier years | | **-** | (798.20) |
| **Total Tax Expenses** | | **3,619.09** | 4,745.50 |
| **VII. Profit for the year (V-VI)** | | **12,201.15** | 11,122.92 |
| **VIII. Other Comprehensive Income:** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit (asset) | | **(127.83)** | (58.15) |
| Income Tax effect on above | | **25.66** | 20.12 |
| **Items that will be reclassified subsequently to profit or loss** | | | |
| Effective portion of (losses) on hedging instrument in a cash flow hedge | | **(62.51)** | (141.13) |
| Income Tax effect on above | | **1.90** | 56.22 |
| **Other Comprehensive Income for the year, net of income tax** | | **(162.78)** | (122.94) |
| **Total Comprehensive Income ( VII + VIII)** | | **12,038.37** | 10,999.98 |
| **IX. Earnings per equity share of ₹ 10 each** | | | |
| (Previous Year ₹ 10 each) | 52 | | |
| (1) Basic (in ₹) | | **81.76** | 74.54 |
| (2) Diluted (in ₹) | | **81.76** | 74.54 |
| **Significant accounting policies** | 35 | | |

The notes referred to above form an integral part of the standalone 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

**Rishabh Kumar**
Partner
Membership No : 402877

Mumbai
June 28, 2020

**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
June 28, 2020

## Cash Flow Statement for the year ended 31st March 2020

(₹ in lakhs)

| | | Year Ended 31st March, 2020 | | Year Ended 31st March, 2019 |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Profit before tax for the year** | | **15,820.24** | | 15,868.42 |
| **Adjustments for :** | | | | |
| Depreciation and amortisation | **9,051.14** | | 4,964.07 | |
| Forex (Profit)/Loss on Forward Contract | **(34.91)** | | 22.45 | |
| (Profit) / Loss on sale of Property, Plant and Equipment | **(302.48)** | | 23.66 | |
| Non-cash expenses adjustment for Gratuity | **(127.83)** | | (58.15) | |
| Finance Costs | **2,573.73** | | 1,579.90 | |
| Provision for doubtful debts and advances | **198.24** | | 196.73 | |
| Bad Debts Written off | **153.94** | | 123.06 | |
| Interest Income | **(319.47)** | | (489.21) | |
| Gain on Cancellation of Lease | **(36.16)** | | - | |
| Provision for Rent Equalisation | **(52.93)** | | 28.65 | |
| Dividend Income on Equity Securities | **(205.99)** | | (515.57) | |
| Profit on valuation of Investment | **(224.64)** | | - | |
| Unrealised Foreign Currency Loss | **(36.26)** | | 29.07 | |
| | | **10,636.38** | | 5,904.66 |
| **Operating Profit before Working Capital changes** | | **26,456.62** | | 21,773.08 |
| Working capital adjustments: | | | | |
| Decrease / (Increase) in Inventories | **1,279.16** | | (1,307.46) | |
| Decrease / (Increase) in Trade Receivables | **3,336.08** | | 2,954.22 | |
| (Increase) / Decrease in Other Receivables | **(1,534.93)** | | 468.48 | |
| Increase / (Decrease) in Trade Payables | **303.86** | | (3,768.38) | |
| Decrease / (Increase) in Other Liabilities & Provisions | **(416.21)** | **2,967.96** | 1,523.15 | (129.99) |
| **Cash generated from operations** | | **29,424.58** | | 21,643.09 |
| Direct Taxes Paid (Net of Refund) | **(4,299.33)** | | (4,537.79) | |
| | | **(4,299.33)** | | (4,537.79) |
| **Net cash from operating activities (A)** | | **25,125.25** | | 17,105.30 |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest Received | **202.97** | | 283.59 | |
| Dividends Received | **177.34** | | 448.34 | |
| Proceeds from Sale of Property, Plant and Equipment | **769.31** | | 267.46 | |
| Acquisition of Property, Plant and Equipment | **(9,935.39)** | | (11,305.57) | |
| Investment in Subsidiary Co. | **(5,115.63)** | | - | |
| Investment in Mutual Fund | **(15,750.00)** | | - | |
| Redemption of Mutual fund | **14,461.35** | | - | |
| Investment in fixed deposits (Net) | **18.48** | | (19.76) | |
| **Net cash used in investing activities (B)** | | **(15,171.57)** | | (10,325.94) |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Receipt of Long term Borrowings | **1,738.75** | | 5,233.40 | |
| Repayment of Long term Borrowings | **(855.14)** | | - | |
| (Decrease) in Short Term borrowings (Net) | **(685.73)** | | (8,605.02) | |
| Interest paid | **(1,195.60)** | | (1,570.54) | |
| Principle Amount paid towards Lease Liability | **(2,796.78)** | | - | |
| Interest paid towards Lease Liability | **(1,360.34)** | | - | |
| Dividends paid (including dividend distribution tax) | **(4,245.28)** | | (2,279.06) | |
| **Net cash used in financing activities (C)** | | **(9,400.12)** | (7,221.22) | |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | | **553.56** | | (441.86) |
| Cash and Cash Equivalents as at the beginning of the year | **479.29** | | 921.15 | |
| **Cash and cash equivalents as at the end of the year** | **1,032.85** | | 479.29 | |
| **Net increase / (decrease) in cash and cash equivalents** | | **553.56** | | (441.86) |

**Cash Flow Statement (Continued)**

(₹ in lakhs)

| | | Year ended 31st March 2020 | | Year ended 31st March, 2019 |
|---|---|---|---|---|
| **1 Components of cash and cash equivalents (Refer Note 10)** | | | | |
| (a) Balance in Current Accounts | | **843.92** | | 269.58 |
| (b) Cheques on Hand | | **136.10** | | 92.60 |
| (c) Cash on Hand | | **52.83** | | 100.98 |
| (d) Bank Deposits with less than 3 months maturity | | **-** | | 16.13 |
| **Cash and cash equivalents** | | **1,032.85** | | 479.29 |
| **2 Debt reconciliation statement in accordance with Ind AS 7** | | | | |
| **Opening balances** | | | | |
| Long-term borrowing (Refer Note 17) | 4,441.81 | | - | |
| Current maturities of Long term borrowings | 744.81 | | - | |
| Short-term borrowing (Refer Note 22) | 685.73 | | 9,290.75 | |
| | | 5,872.35 | | 9,290.75 |
| **Movements** | | | | |
| Long-term borrowing | 883.61 | | 5,233.40 | |
| Exchange Loss/(Gain) on restatement of Long Term Borrowings | 564.37 | | (46.78) | |
| Short-term borrowing | (685.73) | | (8,605.02) | |
| | | 762.26 | | (3,418.40) |
| Closing balances | | | | |
| Long-term borrowing (Refer Note 17) | **4,790.08** | | 4,441.81 | |
| Current maturities of Long term Borrowings (Refer Note 24) | **1,844.52** | | 744.81 | |
| Short-term borrowing (Refer Note 22) | - | | 685.73 | |
| | | **6,634.60** | | 5,872.35 |

3 The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (Ind As -7) Statement of Cash Flows .

4 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

**Rishabh Kumar**
Partner
Membership No : 402877

Mumbai
June 28, 2020

**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
June 28, 2020

**Priti P. Dave**
Company Secretary
Membership No : 19469

## Standalone Statement of Changes in Equity (SOCIE) For the Year Ended 31st March 2020

**(a) Equity share capital**

(₹ in lakhs)

| | **As at 31st March, 2020** | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | **No. of Shares** | **Amount** | No. of Shares | Amount |
| Balance at the beginning of the reporting period | **1,49,22,525** | **1,492.25** | 1,49,22,525 | 1,492.25 |
| Changes in equity share capital during the year | **-** | **-** | - | - |
| Balance at the end of the reporting period | **1,49,22,525** | **1,492.25** | 1,49,22,525 | 1,492.25 |

(₹ in lakhs)

| **Particulars** | **Reserves & Surplus** | | | **Other Reserve** | **Total** |
|---|---|---|---|---|---|
| | **Retained Earnings** | **Securities Premium** | **General Reserve** | **Effective portion of cash flow hedges** | |
| **Balance at April 1, 2018** | 36,783.59 | 6,448.96 | 35,000.00 | (7.24) | 78,225.31 |
| Profit for the year | 11,122.92 | - | - | - | 11,122.92 |
| Other comprehensive income for the year | (38.03) | - | - | (84.91) | (122.94) |
| **Total comprehensive income for the year** | 11,084.89 | - | - | (84.91) | 10,999.98 |
| Final dividend declared and paid | (1,343.03) | - | - | - | (1,343.03) |
| Interim dividend declared and paid | (596.90) | - | - | - | (596.90) |
| DDT on interim and final dividend distributed | (339.13) | - | - | - | (339.13) |
| **Balance at March 31, 2019** | **45,589.42** | **6,448.96** | **35,000.00** | **(92.15)** | **86,946.23** |
| Profit for the year | 12,201.15 | - | - | - | 12,201.15 |
| Other comprehensive income for the year | (102.17) | - | - | (60.61) | (162.78) |
| **Total comprehensive income for the year** | **57,688.40** | **6,448.96** | **35,000.00** | **(152.76)** | **98,984.60** |
| Final Dividend paid | (1,343.03) | - | - | - | (1,343.03) |
| Interim dividend declared and paid | (2,238.38) | - | - | - | (2,238.38) |
| DDT on interim and final dividend distributed | (663.87) | - | - | - | (663.87) |
| Transition Impact of IND AS 116 | (872.87) | - | - | - | (872.87) |
| **Balance at March 31, 2020** | **52,570.25** | **6,448.96** | **35,000.00** | **(152.76)** | **93,866.45** |

**As per our report of even date attached.**
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Rishabh Kumar**
***Partner***
Membership No : 402877

Mumbai
June 28, 2020

**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
June 28, 2020

## 1 Property, Plant and Equipment

| | Freehold Land | Leasehold Land | Building | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equip-ments | Lease Equip-ments | Leasehold Improve-ments | Right of Use Assets (see note e below) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Block :** | | | | | | | | | | | |
| Balance as at 1st April 2018 | 1,131.70 | 167.27 | 13,239.27 | 25,140.96 | 3,249.67 | 272.27 | 1,684.47 | 61.55 | 1,553.22 | - | 46,500.38 |
| Additions | - | - | 803.05 | 8,894.22 | 492.12 | 62.14 | 337.56 | - | 81.52 | - | 10,670.61 |
| Adjustments | - | - | (42.50) | (25.05) | 55.42 | - | 10.22 | (40.59) | 42.50 | - | - |
| Disposals | - | - | 3.62 | 157.50 | 19.66 | 75.72 | 13.42 | - | 71.51 | - | 341.43 |
| Balance as at 31st March 2019 | 1,131.70 | 167.27 | 13,996.20 | 33,852.63 | 3,777.55 | 258.69 | 2,018.83 | 20.96 | 1,605.73 | - | 56,829.56 |
| **Balance as at 1st April 2019** | **1,131.70** | **167.27** | **13,996.20** | **33,852.63** | **3,777.55** | **258.69** | **2,018.83** | **20.96** | **1,605.73** | **-** | **56,829.56** |
| **Additions On account of Transition to Ind As 116 -1st April 2019** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **14,940.15** | **14,940.15** |
| **Additions** | **-** | **-** | **2,238.28** | **5,459.20** | **334.73** | **2.26** | **380.75** | **-** | **39.30** | **1,965.51** | **10,420.03** |
| **Adjustments** | **-** | **-** | **-** | **30.80** | **0.07** | **-** | **(30.87)** | **-** | **-** | *** 346.58** | **346.58** |
| **Disposals** | **13.52** | **-** | **245.18** | **512.98** | **51.08** | **12.76** | **43.72** | **-** | **84.77** | **247.59** | **1,211.60** |
| Balance as at 31st March 2020 | **1,118.18** | **167.27** | **15,989.30** | **38,829.65** | **4,061.27** | **248.19** | **2,324.99** | **20.96** | **1,560.26** | **17,004.65** | **81,324.72** |
| **Depreciation :** | | | | | | | | | | | |
| Balance as at 1st April 2018 | - | 6.86 | 1,378.18 | 8,977.06 | 1,406.89 | 123.01 | 1,055.92 | 24.03 | 922.32 | - | 13,894.27 |
| Depreciation for the year | - | 2.18 | 558.15 | 3,465.94 | 406.42 | 41.10 | 288.16 | 3.81 | 151.98 | - | 4,917.74 |
| Adjustments : | - | - | (0.68) | 9.24 | 2.91 | - | 7.80 | (19.95) | 0.68 | - | - |
| Disposals | - | - | 0.92 | 60.15 | 14.83 | 60.01 | 11.91 | - | 53.04 | - | 200.86 |
| Balance as at 31st March 2019 | - | 9.04 | 1,934.73 | 12,392.09 | 1,801.39 | 104.10 | 1,339.97 | 7.89 | 1,021.94 | - | 18,611.15 |
| **Balance as at 1st April 2019** | **-** | **9.04** | **1,934.73** | **12,392.09** | **1,801.39** | **104.10** | **1,339.97** | **7.89** | **1,021.94** | **-** | **18,611.15** |
| **Depreciation for the year** | **-** | **2.18** | **588.70** | **4,203.30** | **372.06** | **31.74** | **306.43** | **3.81** | **128.73** | **3,332.87** | **8,969.82** |
| **Adjustments** | **-** | **-** | **-** | **5.94** | **0.07** | **-** | **(6.01)** | **-** | **-** | **-** | **-** |
| **Disposals / Adjustments** | **-** | **-** | **18.20** | **241.61** | **26.57** | **11.07** | **41.63** | **-** | **40.56** | **40.98** | **420.62** |
| **Balance as at 31st March 2020** | **-** | **11.22** | **2,505.23** | **16,359.72** | **2,146.95** | **124.77** | **1,598.76** | **11.70** | **1,110.11** | **3,291.89** | **27,160.35** |
| **Net Block :** | | | | | | | | | | | |
| As at 31st March 2019 | 1,131.70 | 158.23 | 12,061.47 | 21,460.54 | 1,976.16 | 154.59 | 678.86 | 13.07 | 583.79 | - | 38,218.41 |
| **As at 31st March 2020** | **1,118.18** | **156.05** | **13,484.07** | **22,469.93** | **1,914.32** | **123.42** | **726.23** | **9.26** | **450.15** | **13,712.76** | **54,164.37** |

**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 fixed assets having Gross block value ₹ 228.00 lakhs (Previous year ₹ 255.87 lakhs) and Net block value ₹ 205.54 lakhs (Previous year ₹ 235.83 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 commitment with regards to property plant and equipment refer note 36 (b).

d) For Assets on hypothecation as security against borrowing refer note 39.

e) **Details of Right of Use**

**(₹ in lakhs)**

| | Land & Building | Computer Server | Vehicles | Total |
|---|---|---|---|---|
| **Gross Block :** | | | | |
| **Balance as at 1st April, 2019** | | | | |
| **Additions On account of Transition** | - | - | - | - |
| **to Ind As 116 -1st April 2019** | 14,027.15 | 399.55 | 513.45 | 14,940.15 |
| **Additions** | 1,815.77 | - | 149.74 | 1,965.51 |
| **Adjustment** | * 346.58 | - | - | 346.58 |
| **Disposals** | 247.59 | - | - | 247.59 |
| **Balance as at 31st March, 2020** | 15,941.91 | 399.55 | 663.19 | 17,004.65 |
| **Amortisation** | | | | |
| **Balance as at 1st April, 2019** | - | - | - | - |
| **Amortisation for the year** | 2,979.37 | 123.64 | 229.86 | 3,332.87 |
| **Disposals / Adjustments** | 40.98 | - | - | 40.98 |
| **Balance as at 31st March, 2020** | 2,938.39 | 123.64 | 229.86 | 3,291.89 |
| **Net Block :** | | | | |
| **As at 31st March, 2020** | 13,003.52 | 275.91 | 433.33 | 13,712.76 |

* In accordance with Ind AS 116 prepaid lease rental is regrouped from Other Non current asset to Right of Use asset amounting to ₹ 346.58 lakhs

**Notes :-**

a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of ₹ 15,940.15 lakhs and a corresponding lease liability of ₹ 16,607.01 lakhs. The difference of ₹ 872.87 lakhs (net of deferred tax asset created of ₹ 469.89 lakhs and opening Rent Equalisation liability of ₹ 324.10 lakhs ) has been adjusted to retained earnings as at 1st April 2019.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 8.5% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

b) The Company incurred ₹ 1,347.82 lakhs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 5,504.94 lakhs for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 1,360.34 lakhs for the year.

c) The Company's leases mainly comprise of land and buildings, Plant and equipment and Computer Server. The Company leases land and buildings for manufacturing and warehouse facilities.

d) Maturity analysis of Undiscounted Contractual Future lease Outflow are as follows.

**(₹ in lakhs)**

| Period | Amount |
|---|---|
| Within one year | 4,398.37 |
| One to Five years | 12,114.75 |
| More than Five years | 3,214.03 |

**1a Other Intangible Assets**

(₹ in lakhs)

| | Computer Software | Total |
|---|---|---|
| **Gross Block :** | | |
| Balance as at 1st April 2018 | 299.32 | 299.32 |
| Additions | 84.31 | 84.31 |
| Disposals | - | - |
| Balance as at 31st March 2019 | 383.63 | 383.63 |
| **Balance as at 1st April 2019** | **383.63** | **383.63** |
| **Additions** | **117.94** | **117.94** |
| **Disposals** | **-** | **-** |
| **Balance as at 31st March 2020** | **501.57** | **501.57** |
| **Depreciation :** | | |
| Balance as at 1st April 2018 | 237.09 | 237.09 |
| Amortisation for the year | 46.33 | 46.33 |
| Disposals / Adjustments | - | - |
| Balance as at 31st March 2019 | 283.42 | 283.42 |
| **Balance as at 1st April 2019** | **283.42** | **283.42** |
| **Amortisation for the year** | **81.32** | **81.32** |
| **Adjustments** | **-** | **-** |
| **Disposals / Adjustments** | **-** | **-** |
| **Balance as at 31st March 2020** | **364.74** | **364.74** |
| **Net Block :** | | |
| As at 31st March 2019 | 100.21 | 100.21 |
| **As at 31st March 2020** | **136.83** | **136.83** |

(₹ in lakhs)

| | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **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 (Previous year - 1,520,000) Equity Shares of SLR 10/- each of Nilkamal Eswaran Plastics Private Limited, Srilanka, fully paid up | **93.62** | 93.62 |
| (ii) 1 (Previous year - 1) Equity share of DHS 185,000/- each of Nilkamal Crates and Bins, FZE, fully paid up | **19.65** | 19.65 |
| (iii) 4,440,000 (Previous year - 2,220,000) Equity Shares of ₹ 10/ each of Nilkamal Storage Systems Private Limited, (formerly known as Nilkamal Bito Storage Systems Private Limited) fully paid up | **7,331.13** | - |
| (iv) 98 (Previous year - 98) Equity share of ₹ 10/- each of Nilkamal Foundation | **0.01** | 0.01 |
| **(b) Investments in Joint Ventures** | | |
| (i) Nil (Previous year - 2,220,000) Equity Shares of ₹ 10/ each of Nilkamal Bito Storage Systems Private Limited, fully paid up | **-** | 2,215.50 |
| (ii) 105,000 (Previous year - 105,000) Equity Shares of ₹ 10/- each of Cambro Nilkamal Private Limited, fully paid up | **200.50** | 200.50 |
| **Total** | **7,644.91** | 2,529.28 |
| **Aggregate amount of unquoted investments** | **7,644.91** | 2,529.28 |

(₹ in lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **3** | **Other Non-Current Investments (Refer Note 47)** | | |
| | **Unquoted** | | |
| | **(a) Investments - Others** | **42.82** | 42.82 |
| | 225,370 (Previous year - 225,370) Equity Shares of Rs. 10/ each of Beta Wind Farm Private Limited fully paid up | | |
| | **(b) Investment in Government Securities** | | |
| | National Savings Certificates (Pledged with Government Authorities) | **0.32** | 0.32 |
| | **Total** | **43.14** | 43.14 |
| | **Aggregate amount of unquoted other investments** | **43.14** | 43.14 |
| **4** | **Non-Current Loans** | | |
| | **(a) Secured, Considered good** | - | - |
| | **(b) Unsecured, Considered good** | | |
| | (i) Employee Loans | **332.17** | 358.23 |
| | (ii) Security Deposit | | |
| | (a) With other than related parties | **1,427.99** | 1,417.28 |
| | (b) With related parties (Refer Note 42) | **720.00** | 720.00 |
| | **(c) With significant increase in Credit Risk** | **-** | - |
| | **(d) Credit impaired** | **-** | - |
| | **Total** | **2,480.16** | 2,495.51 |
| **5** | **Other Non-Current Financial Assets** | | |
| | **Unsecured, Considered good** | | |
| | (a) Bank Deposits with more than 12 months maturity | **65.77** | 110.57 |
| | (b) Derivative Assets | **313.03** | - |
| | **Total** | **378.80** | 110.57 |
| **6** | **Other Non-Current Assets** | | |
| | **Unsecured, Considered good** | | |
| | **To parties other than related parties :** | | |
| | (a) Capital Advances | **1,435.48** | 1,065.18 |
| | (b) Deposit with Government Authorities | **1,101.83** | 1,134.71 |
| | (c) Other Loans and Advances | | |
| | (i) Prepaid Lease Rental | - | 346.59 |
| | **Total** | **2,537.31** | 2,546.48 |
| **7** | **Inventories** | | |
| | **(Valued at the lower of cost and net realisable value)** | | |
| | (a) Raw Material (including Goods in transit ₹ 424.76 lakhs (Previous year - ₹ 459.73 lakhs)) | **5,942.89** | 6,590.51 |
| | (b) Work-in-Progress | **3,103.33** | 3,387.87 |
| | (c) Finished Goods | **9,520.39** | 10,024.74 |
| | (d) Stock in Trade (including Goods in transit ₹ 695.39 lakhs (Previous year - ₹ 674.93 lakhs)) | **16,069.01** | 16,085.98 |
| | (e) Stores and Spares | **1,923.92** | 1,764.51 |
| | (f) Packing Material | **329.10** | 314.19 |
| | **Total** | **36,888.64** | 38,167.80 |

For Inventories on hypothecation as security against borrowing refer note 39

During the year an amount of ₹ 198.98 lakhs (Previous year - ₹ 287.37 lakhs) was charged to the statement of profit and loss on account of Damage and Slow Moving Inventory.

(₹ in lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **8** | **Investments** | | |
| | **Quoted** | | |
| | **Investment in Liquid Fund Growth Scheme** | | |
| | (a) 34,468.791 units (Previous year Nil) of Kotak Liquid Fund-Growth Scheme | **1,383.88** | - |
| | (b) 44,051.544 units (Previous year Nil) of ICICI Prudential Liquid Fund-Growth Scheme | **129.42** | - |
| | **Total** | **1,513.30** | - |
| **9** | **Trade Receivables** | | |
| | (a) Considered good - Secured | **3,789.01** | 4,362.13 |
| | (b) Considered good - Unsecured | **22,439.37** | 25,508.48 |
| | (c) With significant increase in credit risk | **-** | - |
| | (d) Credit impaired | **1,040.00** | 841.76 |
| | | **27,268.38** | 30712.37 |
| | Less: Provision for Loss Allowance | **(1,040.00)** | (841.76) |
| | **Total** | **26,228.38** | 29,870.61 |

For Trade receivables on hypothecation as security against borrowing refer note 39 Trade receivables (unsecured considered good) includes ₹ 821.68 lakhs (Previous year - ₹ 677.22 lakhs) due from subsidiaries and joint venture companies. (Refer Note 42)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **10** | **Cash and Cash Equivalents** | | |
| | (a) Cash on Hand | **52.83** | 100.98 |
| | (b) Cheques on Hand | **136.10** | 92.60 |
| | (c) Balance with Banks in Current Accounts | **843.92** | 269.58 |
| | (d) Bank Deposits with less than 3 months maturity | **-** | 16.13 |
| | **Total** | **1,032.85** | 479.29 |
| **11** | **Bank Balances other than Cash and Cash Equivalents** | | |
| | (a) Bank Deposits with 3-12 months maturity | **229.64** | 203.32 |
| | (b) Earmarked Balance with Banks (Unclaimed Dividend) | **79.94** | 42.66 |
| | **Total** | **309.58** | 245.98 |
| **12** | **Current Loans** | | |
| | **(a) Secured, Considered good** | **-** | - |
| | **(b) Unsecured, Considered good** | | |
| | To parties other than related parties : | | |
| | Security Deposit | **1,190.79** | 891.55 |
| | **(c) With significant increase in Credit Risk** | **-** | - |
| | **(d) Credit impaired** | | |
| | Security Deposits Considered Doubtful | **52.05** | 52.05 |
| | Less: Provision for Loss Allowance | **(52.05)** | (52.05) |
| | **Total** | **1,190.79** | 891.55 |
| **13** | **Other Current Financial Assets** | | |
| | (a) Interest Receivable | **5.76** | 1.99 |
| | (b) Discount Receivable | **1,277.72** | 1,050.98 |
| | (c) Due from Related Parties | **143.16** | 16.38 |
| | (d) Other Receivables | **64.68** | 4.28 |
| | **Total** | **1,491.32** | 1,073.63 |

(₹ in lakhs)

| | | As at 31st March 2020 | As at 31st March 2020 |
|---|---|---|---|
| **14** | **Other Current Assets** | | |
| | **To parties other than related Parties** | | |
| | (a) Advance to Vendors | **1,514.65** | 1,156.41 |
| | (b) Advance for Expenses | **74.78** | 73.78 |
| | (c) Balances with authorities | **1,930.97** | 1,550.65 |
| | (d) Expenses | **414.63** | 346.01 |
| | (e) Others | **380.04** | 309.93 |
| | **Total** | **4,315.07** | 3,436.78 |
| **15** | **Equity Share Capital** | | |
| | **Authorised** | | |
| | 22,000,000 (Previous year - 22,000,000) Equity Shares of ₹ 10/- each | **2,200.00** | 2,200.00 |
| | 3,000,000 (Previous year - 3,000,000) Preference Shares of ₹ 10/- each | **300.00** | 300.00 |
| | **Total** | **2,500.00** | 2,500.00 |
| | **Issued, Subscribed and Fully Paid-up** | | |
| | 1,49,22,525 Equity Shares of ₹ 10/- each (Previous year - 1,49,22,525 Equity Shares of ₹ 10/- each) (Refer Note 38) | **1,492.25** | 1,492.25 |
| | **Total** | **1,492.25** | 1,492.25 |
| **16** | **Other Equity** | | |
| | **(a) Retained Earnings** | | |
| | At the commencement of the year | **45,589.42** | 36,783.59 |
| | Less: Transition Impact of IND AS 116 | **(872.87)** | - |
| | Add : Net Profit for the year | **12,201.15** | 11,122.92 |
| | Add : Other Comprehensive Income for the year | **(102.17)** | (38.03) |
| | **Appropriations** | | |
| | Final Dividend 31st March, 2019 ₹ 9 per share (31st March 2018 ₹ 9 per share) | **(1,343.03)** | (1,343.03) |
| | Interim Dividend | **(2,238.38)** | (596.90) |
| | Dividend distribution tax | **(663.87)** | (339.13) |
| | | **52,570.25** | 45,589.42 |
| | **(b) Securities Premium** | | |
| | At the commencement and at the end of the year | **6,448.96** | 6,448.96 |
| | | **6,448.96** | 6,448.96 |
| | **(c) General Reserve** | | |
| | At the commencement and at the end the year | **35,000.00** | 35,000.00 |
| | | **35,000.00** | 35,000.00 |
| | **(d) Items of Other Comprehensive Income** | | |
| | **i) Cash Flow Hedge Reserve** | | |
| | At the commencement of the year | **(92.15)** | (7.24) |
| | Add : Net gain / (loss) recognised on cash flow hedge (Refer Note 40) | **(60.61)** | (84.91) |
| | At the end of the year | **(152.76)** | (92.15) |
| | **Total Other Equity** | **93,866.45** | 86,946.23 |

**16 Other Equity**

**Nature and purpose of reserves**

**1) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act,2013.

**2) General reserve**

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

**3) Cash flow hedge reserve**

For hedging foreign currency exposure risk, the Company uses forward contracts 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.

(₹ in lakhs)

| | | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|---|
| **17** | **Borrowings - Non-Current Financial Liabilities** | | | |
| | **Secured Loan (For Security and terms of repayment : Refer Note 39)** | | | |
| | **Term Loan from Banks** | | | |
| | (ii) Foreign Currency Loans | | **4,790.08** | 4,441.81 |
| | | **Total** | **4,790.08** | 4,441.81 |
| | * Current maturities of Long Term Borrowings disclosed under Other Current Liabilities : Refer Note 24 | | *** 1844.52** | * 744.81 |
| **18** | **Other Non-Current Financial Liabilities** | | | |
| | (a) Security Deposit Received | | **5,917.85** | 5,326.15 |
| | (b) Lease Liabilities | | **12,304.90** | - |
| | | **Total** | **18,222.75** | 5,326.15 |
| **19** | **Non-Current Provisions** | | | |
| | **Provision for employee benefits (Refer Note 49)** | | | |
| | (a) Gratuity | | - | - |
| | (b) Compensated Absences | | **480.95** | 538.73 |
| | | **Total** | **480.95** | 538.73 |
| **20** | **Deferred Tax Liabilities (Net) (Refer note 34)** | | | |
| | Major components of deferred tax assets and liabilities arising on account of timing differences are: | | | |
| | Deferred Tax Liabilities : | | | |
| | Depreciation and Amortisation | | **5,260.35** | 2,357.90 |
| | Allowances under Income Tax Act | | **230.31** | 316.69 |
| | | | **5,490.66** | 2,674.59 |
| | **Deferred Tax Assets :** | | | |
| | Disallowances under Income Tax Act | | **4,356.92** | 600.10 |
| | Provision for Doubtful Debts | | **261.75** | 294.14 |
| | | **Total** | **4,618.67** | 894.24 |
| | **Deferred Tax Liabilities (Net)** | | **871.99** | 1,780.35 |
| **21** | **Other Non-Current Liabilities** | | | |
| | Rent Equalisation | | - | 377.02 |
| | | **Total** | **-** | 377.02 |
| **22** | **Borrowings-Current Financial Liabilities** | | | |
| | **Secured Loan (For Security and terms of repayment : Refer Note 39)** | | | |
| | **Working Capital Loan from Banks** | | | |
| | Rupee Loans | | - | 685.73 |
| | | **Total** | **-** | 685.73 |
| **23** | **Trade Payables** | | | |
| | (a) Total Outstanding dues of micro enterprises and small enterprises (Refer Note 41) | | - | - |
| | (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | | **13,453.06** | 13,139.43 |
| | | **Total** | **13,453.06** | 13,139.43 |

| | | As at 31st March 2020 | As at 31st March 2019 (₹ in lakhs) |
|---|---|---|---|
| **24** | **Other Current Financial Liabilities** | | |
| **(a)** | **Current maturities of Long-Term debt** | | |
| | (i) Foreign Currency Loan (Refer Note 39) | **1,844.52** | 744.81 |
| (b) | Book Overdrafts | **11.49** | - |
| (c) | Interest accrued but not due on borrowings | **49.36** | 31.57 |
| (d) | Lease Liabilities | **3,205.26** | - |
| (e) | Derivative Liability | **-** | 223.73 |
| (f) | Unclaimed Dividends | **79.94** | 42.66 |
| (g) | Payable for purchase of property, plant and equipment | **854.61** | 635.75 |
| (h) | Employee Benefits | **942.43** | 1,045.18 |
| | **Total** | **6,987.61** | 2,723.70 |
| **25** | **Other Current Liabilities** | | |
| (a) | Advance Received from Customers | **1,787.03** | 1,785.58 |
| (b) | Advance Received against Sale of Property, Plant and Equipment | **130.78** | 150.54 |
| **(c)** | **Statutory Dues** | | |
| | (i) Sales Tax / Goods and services tax | **123.94** | 1,219.28 |
| | (ii) Tax duducted at source | **409.83** | 233.81 |
| | (iii) Employee Benefits | **136.83** | 104.17 |
| | | **670.60** | 1,557.26 |
| (d) | Other Payable | **35.21** | 1.09 |
| | **Total** | **2,623.62** | 3,494.47 |
| **26** | **Current Provisions** | | |
| **(a)** | **Provision for Employee Benefits (Refer Note 49)** | | |
| | (i) Gratuity | **68.70** | - |
| | (ii) Compensated Absences | **377.07** | 380.48 |
| | | **445.77** | 380.48 |
| **(b)** | **Others Provisions (Refer Note 37)** | | |
| | (i) Provision For Product Warranties | **578.23** | 604.73 |
| | (ii) Provision Others | **40.00** | 100.00 |
| | **Total** | **1,064.00** | 1,085.21 |

| | | Year Ended 31st March 2020 | Year Ended 31st March 2019 (₹ in lakhs) |
|---|---|---|---|
| **27** | **Revenue from Operations (refer note 33)** | | |
| **(a)** | **Sale of Products** | | |
| | (i) Domestic | **2,00,121.53** | 2,22,892.46 |
| | (ii) Export [Including Deemed Exports of ₹ Nil, (Previous year - ₹ 114.00 Lakhs)] | **5,230.43** | 5,143.93 |
| | | **2,05,351.96** | 2,28,036.39 |
| **(b)** | **Sale of Services** | **837.54** | 737.89 |
| **(c)** | **Other Operating Revenue** | | |
| | (i) Sale of Scrap | **580.08** | 391.99 |
| | (ii) Technical and Management Fees | **855.64** | 769.01 |
| | (iii) Others | **522.16** | 483.09 |
| | **Revenue from Operations** | **2,08,147.38** | 2,30,418.37 |

(₹ in lakhs)

| | | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|---|
| **28** | **Other Income** | | |
| | (a) Interest Income | **319.47** | 489.21 |
| | (b) Dividend Income from Subsidiary Companies and Joint Ventures | **205.99** | 515.57 |
| | (c) Keyman Policy Refund | **-** | 662.00 |
| | (d) Gain on Sale of Investments | **224.64** | - |
| | (e) Gain on Cancellation / Modification of Lease | **36.16** | - |
| | (f) Foreign Exchange Gain (net) | **-** | 42.38 |
| | (g) Profit on property, plant and equipment Sold / Discarded (Net) | **302.48** | - |
| | **Total** | **1,088.74** | 1,709.16 |
| **29** | **Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress** | | |
| | **Opening Stock** | | |
| | Work in Progress | **3,387.87** | 3,754.78 |
| | Finished Goods | **10,024.74** | 9,096.43 |
| | Stock in Trade | **16,085.98** | 12,997.97 |
| | | **29,498.59** | 25,849.18 |
| | **Closing Stock** | | |
| | Work in Progress | **3,103.34** | 3,387.87 |
| | Finished Goods | **9,520.39** | 10,024.74 |
| | Stock in Trade | **16,069.01** | 16,085.98 |
| | | **28,692.74** | 29,498.59 |
| | **Total** | **805.85** | (3,649.41) |
| **30** | **Employee Benefits Expense** | | |
| | (a) Salary, Wages and Bonus (Net) | **15,653.42** | 15,821.45 |
| | (b) Contribution to Provident and Other funds (Refer Note 49) | **823.60** | 626.56 |
| | (c) Workmen and Staff Welfare Expenses | **1,060.91** | 1,340.11 |
| | **Total** | **17,537.93** | 17,788.12 |
| **31** | **Finance Costs** | | |
| | (a) Interest on Financial Liabilities | **1,122.67** | 1,504.67 |
| | (b) Interest Expense on Lease Liabilities | **1,360.34** | - |
| | (c) Other Borrowing Costs | **90.72** | 75.23 |
| | **Total** | **2,573.73** | 1,579.90 |
| **32** | **Other Expenses** | | |
| | (a) Stores, Spare Parts Consumed | **1,835.68** | 2,020.30 |
| | (b) Power and Fuel | **4,593.86** | 4,816.85 |
| | (c) Repairs : | | |
| | (i) Building | **237.15** | 188.15 |
| | (ii) Machinery | **248.77** | 325.06 |
| | (iii) Others | **1,025.31** | 1,189.47 |
| | (d) Labour Charges | **11,040.27** | 12,247.27 |
| | (e) Rent | **1,347.82** | 5,486.82 |
| | (f) Rates and Taxes | **539.97** | 417.31 |
| | (g) Insurance | **333.12** | 242.94 |
| | (h) Postage and Telephone Expenses | **553.05** | 628.78 |
| | (i) Loss on property, plant and equipment Sold / Discarded (Net) | **-** | 23.66 |
| | (j) Packing Material Consumed | **2,254.92** | 2,460.49 |
| | (k) Travelling and Conveyance | **1,649.85** | 1,825.13 |
| | (l) Commission | **1,918.29** | 1,109.85 |
| | (m) Advertisements and Sales Promotion Expense | **3,568.83** | 2,691.05 |
| | (n) Computer Expenses | **888.54** | 812.70 |
| | (o) Transportation and Forwarding Charges | **13,457.09** | 15,348.19 |
| | (p) Security and Guards | **515.40** | 494.71 |
| | (q) House Keeping Expenses | **478.08** | 396.25 |
| | (r) Legal and Professional Fees | **1,434.62** | 1,459.26 |
| | (s) Vehicle Expenses | **533.82** | 612.35 |
| | (t) Printing and Stationery | **139.24** | 179.84 |

| | Year Ended 31st March 2020 | (₹ in lakhs) Year Ended 31st March 2019 |
|---|---|---|
| **32 Other Expenses (Continued)** | | |
| (u) Board Meeting Fees | **52.60** | 28.00 |
| (v) Bad Debts written off | **153.94** | 123.06 |
| (w) Provision for Doubtful Debts and Advances | **198.24** | 196.73 |
| (x) Corporate Social Responsibility Expenses (Refer Note 46) | **338.00** | 336.05 |
| (y) Payment to Auditors | | |
| - Audit Fees | **44.00** | 37.00 |
| - For Other Services | **7.90** | 5.95 |
| - Reimbursement of Expenses | **4.47** | 3.46 |
| (z) Foreign Exchange Loss (Net) | **31.21** | - |
| (aa) Bank Charges | **246.48** | 243.77 |
| (ab) Miscellaneous Expenses | **332.61** | 172.82 |
| **Total** | **50,003.13** | 56,123.27 |

**33 Revenue from C**ontract from Customer

**A. Revenue Streams**

The Company generates revenue primarily from the sale of Plastic articles and Life style Furniture , Furnishings and Accessories to its customers . Other sources of revenue include Sale of services and Technical management fees.

| | 31st March, 2020 | (₹ in lakhs) 31st March, 2019 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| Sale of Goods | **2,05,351.96** | 2,28,036.39 |
| Sale of Services | **837.54** | 737.89 |
| **Other Operating revenue** | | |
| Sale of Scrap | **580.08** | 391.99 |
| Technical and Management Fees | **855.64** | 769.01 |
| Others | **522.16** | 483.09 |
| **Total revenue** | **2,08,147.38** | **2,30,418.37** |

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

(₹ in lakhs)

| For the year ended 31 March | *Product Category* *Plastics* | | *Life style Furniture, Furnishings and Accessories* | | *Total* | |
|---|---|---|---|---|---|---|
| | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 |
| **Primary geographical markets** | | | | | | |
| Domestic Sales | **1,81,405.64** | 2,04,185.43 | **21,511.31** | 21,089.01 | **2,02,916.95** | 2,25,274.44 |
| Export sales | **5,230.43** | 5,143.93 | **-** | - | **5,230.43** | 5,143.93 |
| | **1,86,636.07** | 2,09,329.36 | **21,511.31** | 21,089.01 | **2,08,147.38** | 2,30,418.37 |
| **Revenue types** | | | | | | |
| Sale of products | **1,83,865.36** | 2,06,961.40 | **21,486.60** | 21,074.99 | **2,05,351.96** | 2,28,036.39 |
| Sale of Services | **837.54** | 737.89 | **-** | - | **837.54** | 737.89 |
| Sale of Scrap | **572.32** | 377.98 | **7.76** | 14.01 | **580.08** | 391.99 |
| Technical and Management Fees | **855.64** | 769.01 | **-** | - | **855.64** | 769.01 |
| Others | **505.21** | 483.08 | **16.95** | 0.01 | **522.16** | 483.09 |
| | **1,86,636.07** | 2,09,329.36 | **21,511.31** | 21,089.01 | **2,08,147.38** | 2,30,418.37 |
| **Timing of revenue recognition** | | | | | | |
| Products Transferred at a point in time | **1,86,636.07** | 2,09,329.36 | **21,511.31** | 21,089.01 | **2,08,147.38** | 2,30,418.37 |
| **Revenue from contracts with customers** | **1,86,636.07** | 2,09,329.36 | **21,511.31** | 21,089.01 | **2,08,147.38** | 2,30,418.37 |
| **External revenue as reported** | **1,86,636.07** | 2,09,329.36 | **21,511.31** | 21,089.01 | **2,08,147.38** | 2,30,418.37 |

**c. Reconciliation of Revenue from operation with Contract price**

(₹ in lakhs)

| | **Year ended 31st March, 2020** | **Year ended 31st March, 2019** |
|---|---|---|
| Contract Price | **2,32,562.14** | 2,54,784.33 |
| Less: Sales Returns | **3,267.63** | 3,307.58 |
| Schemes and Discounts | **21,147.13** | 21,058.38 |
| **Total Revenue from Operation** | **2,08,147.38** | 2,30,418.37 |

**D. Contract balances**

The following table provides information about receivables from contracts with customers.

**(₹ in lakhs)**

| | **Note** | **31st March, 2020** | **31st March, 2019** |
|---|---|---|---|
| Advance from customer, which are included in 'Other Current Liabilities' | 25 | **1,787.03** | 1,785.58 |
| Receivables, which are included in 'trade receivables' | 9 | **26,228.38** | 29,870.61 |

## 34 Tax expenses

### (a) Amounts recognised in profit and loss

(₹ in lakhs)

| | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|
| **Current income tax** | **4,030.00** | 4,810.00 |
| Adjustment in respect of current income tax of previous year | **-** | (798.20) |
| Deferred income tax liability / (asset), net | | |
| Origination and reversal of temporary differences | **(44.30)** | 733.70 |
| Reduction in tax rate | **(498.07)** | - |
| Transition impact of IND AS116 | **131.46** | - |
| **Deferred tax (credit) / expense** | **(410.91)** | 733.70 |
| **Tax expense for the year** | **3,619.09** | 4,745.50 |
| **Effective tax rate for the year** | **22.88%** | 29.91% |

### (b) Amounts recognised in other comprehensive income

(₹ in lakhs)

| | Year ended 31st March, 2020 | | | Year ended 31st March, 2019 | | |
|---|---|---|---|---|---|---|
| | 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) | **(127.83)** | **25.66** | **(102.17)** | (58.15) | 20.12 | (38.03) |
| **Items that will be reclassified to profit or loss** | | | | | | |
| Effective portion of Gain/(Loss) on hedging instrument in a cash flow hedge | **(62.51)** | **1.90** | **(60.61)** | (141.13) | 56.22 | (84.91) |
| | **(190.34)** | **27.56** | **(162.78)** | (199.28) | 76.34 | (122.94) |

### (c) Reconciliation of effective tax rate

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|---|---|
| **Profit before tax** | **15,820.24** | 15,868.42 |
| Tax using the Company's domestic tax rate | **25.17%** | 34.94% |
| Reduction in tax rate | **-3.15%** | - |
| **Tax effect of:** | | |
| Tax impact of income not subject to tax | **-0.07%** | -0.29% |
| Tax effects of amounts which are not deductible for taxable income | **0.60%** | 0.89% |
| Adjustment for current tax of prior period | **-** | - |
| Deferred tax assets not recognized because realization is not probable | **-** | 0.15% |
| Effect of different tax rate | **-0.18%** | -0.42% |
| Tax deduction Under Chapter VI | **-0.27%** | -0.43% |
| Adjustment for current tax of prior period | **-** | -5.03% |
| Transition Impact of IND AS 116 | **0.83%** | - |
| Others | **-0.06%** | 0.08% |
| | **22.88%** | 29.91% |

The applicable Indian corporate statutory rate for the year ended 31st March, 2020 is 25.168% and 2019 is 34.94%.

**34 Tax expenses (Continued)**

**(d) Movement in deferred tax balances**

(₹ in lakhs)

**i)**

| | Net balance 1st April, 2019 | Recognised in profit or loss | Recognised in OCI | Charge in respect of earlier years | 31st March, 2020 Net | Deferred tax asset | Deferred tax liability |
|---|---|---|---|---|---|---|---|
| Deferred tax Asset/(Liabilities) | | | | | | | |
| Property, plant and equipment | (2,357.90) | 2,325.70 | - | (5,228.15) | (5,260.35) | – | (5,260.35) |
| Employee benefits | 364.25 | (107.73) | 25.66 | - | 282.18 | 282.18 | - |
| Rent equilisation | 131.75 | (18.34) | - | (113.41) | - | - | - |
| Provision for Doubtful Debts / Advances | 294.13 | (32.39) | - | 261.74 | 261.74 | - | |
| Other provisions | (212.57) | (1,756.33) | 1.90 | 5,811.44 | 3,844.44 | 4,161.13 | (316.69) |
| **Tax assets / (Liabilities)** | **(1,780.34)** | **410.91** | **27.56** | **469.88** | **(871.99)** | **4,705.05** | **(5,577.04)** |
| Set off tax | | | | | | | |
| **Net tax assets / (liabilities)** | **(1,780.34)** | **410.91** | **27.56** | **469.88** | **(871.99)** | **4,705.05** | **(5,577.04)** |

**ii) Movement in deferred tax balances**

| | Net balance 1st April, 2018 | Recognised in profit or loss | Recognised in OCI | Charge in respect of earlier years | 31st March, 2019 Net | Deferred tax asset | Deferred tax liability |
|---|---|---|---|---|---|---|---|
| **Deferred tax asset / (liabilities)** | | | | | | | |
| Property, plant and equipment | (1,610.55) | (720.86) | - | (26.49) | (2,357.90) | - | (2,357.90) |
| Employee benefits | 414.21 | (59.91) | 20.12 | (10.17) | 364.25 | 364.25 | - |
| Rent equilisation | 121.73 | 10.02 | - | - | 131.75 | 131.75 | - |
| Provision for Doubtful Debts / Advances | 225.39 | 68.74 | - | - | 294.13 | 294.13 | - |
| Other provisions | (223.17) | (31.69) | 56.22 | (13.93) | (212.57) | 104.12 | (316.69) |
| **Tax assets (Liabilities)** | (1,072.39) | (733.70) | 76.34 | (50.59) | (1,780.34) | 894.25 | (2,674.59) |
| **Set off tax** | | | | | | | |
| **Net tax assets / (liabilities)** | (1,072.39) | (733.70) | 76.34 | (50.59) | (1,780.34) | 894.25 | (2,674.59) |

(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) 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) The Company have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company have recognised provision for income tax for the year ended 31st March 2020 and re-measured its deferred tax balances basis the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of profit and loss account for the year ended 31st March 2020.
The Company has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements

(4) Given that the Company does not have any intention to dispose investments in subsidiaries and Joint Ventures in the foreseeable future, deferred tax asset amounting to ₹ 592.01 lakhs as of 31 March 2020, ₹ 557.35 lakhs as on 31 March 2019 on indexation benefit in relation to such investments has not been recognised.

**35 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) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. The financial statements were authorised for issue by the Company's Board of Directors on 28th June 2020.

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 standalone 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 standalone 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 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 and liabilities**
  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.

*b) Use of Estimates and Judgements: (Continued) :*

- **Segment reporting**
  Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. 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 value 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.

*c)* **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

*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.

**d) *Property, plant and equipment (continued):***

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.

- **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.

**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.

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.

**h) *Financial Instruments: (Continued)***

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 47.

**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.

*h) Financial Instruments: (Continued)*

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.

***h) Financial Instruments: (Continued)***

**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. 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 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 the 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)* **Revenue Recognition:**
The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established.

Export incentives receivable under various schemes are accounted on accrual basis.

Interest income is recognized using the effective interest rate method.

*n)* ***Leases:***
Effective 1 April, 2019, Company adopted IND AS 116 - Leases. Company applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

**Accounting policy applicable before 1st April 2019**
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

***As a lessee***
Leases of assets where Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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.

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.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

***As lessor***
Leases in which Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

**Accounting policy applicable from 1st April 2019**
At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, Company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

n) *Leases: (Continued)*

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when Company has the right to use the asset or Company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**As a Lessee:**
Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

**Right-of-use asset (ROU):**

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or the cost of the right-of-use asset reflects Company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

**Lease liability:**
Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using Company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under “Property, Plant & Equipment” and lease liabilities are presented under “Financial liabilities” in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

*n) Leases: (Continued)*

**Lessor**
At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The Company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the Company as a lessor, in the comparative period, were not different from IND AS 116.

**Transitional impact:**
On transition to IND AS 116, Company elected to apply practical expedients given by the standard as follows:

(a) Company has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.

(b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.

(c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.

(d) For the leases which is previously classified as operating lease, under IND AS 17, Company recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.

(e) Company recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. Company also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.

(f) During transition, no adjustments is made for leases for which the underlying asset is of low value.

(g) ompany has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.

(h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

*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 remaining maturity of three months or less, which are subject to an insignificant risk of changes in value.

*p)* **Impairment of non-financial assets (Continued)**

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.

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

**a) Contingent liabilities :-**

1)

**(₹ in Lakhs)**

| Sr.no. | Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|---|
| i) | Excise and Service Tax matters | **290.31** | 550.88 |
| ii) | Sales Tax matters * | **1,117.23** | 1,114.03 |
| iii) | On account of Cross Subsidy Surcharge on electricity | **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 and Sales Tax demands are being contested by the Company at various levels. The Company has been legally advised that it has a good case and the demands 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.

2) In respect of Supreme Court judgement on which allowances paid to employees should be identified for inclusion in basic wages for the purposes of computation of provident fund contribution.

In view of the management based on legal advice obtained, the liability for the period from the date of the SC order to 31st March 2019 is not significant and has not been given effect to in the books of account.

**b) Commitments**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,900.46 lakhs (Previous year ₹ 1,894.31 lakhs).

**37. Provision for warranty and other provisions:**

**(₹ in Lakhs)**

| | 31st March, 2020 | 31st March, 2020 | 31st March, 2019 | 31st March, 2019 |
|---|---|---|---|---|
| | **Warranty Provision** | **Other Provisions** | Warranty Provision | Other Provisions |
| Opening Balance | **604.73** | **100.00** | 548.34 | 100.00 |
| Additions | **496.86** | **0.00** | 559.45 | 0.00 |
| Utilisations / Reversals | **523.36** | **60.00** | 503.06 | 0.00 |
| Closing Balance | **578.23** | **40.00** | 604.73 | 100.00 |

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.

**38. 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, 2020** | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | **No. of shares held** | **% of Holding** | No. of shares held | % of Holding |
| Hiten V. Parekh | **1,892,258** | **12.68%** | 1,937,258 | 12.98% |
| Manish V. Parekh | **1,551,563** | **10.40%** | 1,551,563 | 10.40% |
| Nayan S. Parekh | **2,189,704** | **14.67%** | 2,234,704 | 14.98% |
| Nilkamal Builders Private Limited | **1,464,000** | **9.81%** | 1,464,000 | 9.81% |
| Heirloom Finance Private Limited | **912,000** | **6.11%** | 912,000 | 6.11% |

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

| Particulars | **2019-20** | | 2018-19 | |
|---|---|---|---|---|
| | **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 |
| 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 |

**39. Borrowings:**

**(A) Secured loans:**

**(a) Working Capital loans :**
Working capital facilities of ₹ Nil (Previous year ₹ 685.73 Lakhs) from Banks are secured on first pari passu basis by way of hypothecation of current assets (inventories and trade receivables) of the Company, second pari passu charge by way of equitable mortgage on the Company's immoveable property. Working Capital Loans repayable on Demand having Interest Rate from 9.25% to 9.60% p.a. (Previous Year 9.25% p.a to 9.60% p.a).

**(b) Foreign Currency Term loans:**
Foreign currency term loans of ₹ 6634.60 Lakhs (Previous year ₹ 5186.62 Lakhs) from the Banks are secured on first pari passu basis by way of equitable mortgage created on Company's moveable properties. These loans are repayable in equal quarterly installment, last installments due on March 2023 and February 2024 as per repayment schedules, having interest rate from 3 month LIBOR +1.05% to 1.38% p.a. which are reset periodically.

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

**40. Derivative Instruments outstanding at the Balance Sheet date:**

**(a) Forward Contracts against imports:**
Forward contracts to buy USD 10.52 Lakhs and CNY 5.00 Lakhs (Previous Year USD 30.00 Lakhs and Euro 15 Lakhs) amounting to ₹ 852.54 lakhs (Previous Year ₹ 3,328.92 lakhs).

**(b) Option Contracts against imports:**
Option Contract to buy Nil (Previous Year Euro 15 Lakhs) amounting to ₹ Nil (Previous Year ₹ 1,170 Lakhs).

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

**(c) USD Floating rate/INR Floating rate cross-currency interest rate swap (CCIRS):**

Outstanding USD/INR Floating rate cross-currency interest rate swap USD 87.68 Lakhs (Previous year USD 75 lakhs) amounting to ₹ 6,634.60 Lakhs (Previous Year ₹ 5,186.62 Lakhs).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from foreign currency loan and interest there on, resulting net loss recognised in cash flow Hedge reserve of ₹ 60.61 Lakhs.

**41. Dues to micro and small suppliers**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 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, 2020 | 31st March, 2019 |
|---|---|---|
| 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 | - | - |

42. Related Party Disclosures:
Names of related parties and description of relationship

| | |
|---|---|
| I Subsidiaries where control exists | Nilkamal Eswaran Plastics Private Limited<br>Nilkamal Eswaran Marketing Private Limited<br>Nilkamal Storage Systems Private Limited with effect from 23rd August 2019 (formerly known as Nilkamal BITO Storage Systems Private Limited)<br>Nilkamal Crates and Bins, FZE.<br>Nilkamal Foundation ( a Section 8 Company) |
| II Joint Ventures | Nilkamal Storage Systems Private Limited ceased to be joint venture effective from 22nd August 2019 (formerly known as Nilkamal BITO Storage Systems Private Limited)<br><br>Cambro Nilkamal Private Limited |
| III Key Management Personnel | Mr. Vamanrai V. Parekh, Chairman<br>Mr. Sharad V. Parekh, Managing Director<br>Mr. Hiten V. Parekh, Joint Managing Director<br>Mr. Manish V. Parekh, President and Executive Director – Furniture<br>Mr. Nayan S. Parekh, President and Executive Director – Material Handling<br>Mr. Mihir H. Parekh, Executive director (effective from 1st February, 2020)<br><br>**Independent Director:**<br><br>Mr. K. R. Ramamoorthy<br>Mr. Mahendra V. Doshi<br>Mr. Mufazzal S. Federal<br>Mr. S. K. Palekar<br>Ms. Hiroo Mirchandani<br>Mr. Krishnamurthi Venkataraman |
| IV Relatives of Key Management Personnel | Mr. Mihir H. Parekh (effective from 1st February, 2020 became Executive Director)<br>Ms. Priyanka H. Gandhi |
| V Enterprise owned or significantly influenced by key Management Personnel or their relatives, where transactions have taken place | Nilkamal Crates & Containers<br>M. Tech Industries<br>Raga Plast Private Limited |

## 42. 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2019-20** | **2019-20** | 2019-20 | **2019-20** | **2019-20** | **2019-20** | 2018-19 | 2018-19 | 2018-19 | 2018-19 | 2018-19 | 2018-19 |
| Sales of Finished Goods / Others | **796.24** | **1,594.47** | - | **-** | **265.99** | **2,656.70** | 1,012.78 | 1,809.42 | - | - | 239.47 | 3,061.67 |
| Sales of Fixed Assets | **-** | **-** | - | **-** | **-** | **-** | 19.50 | - | - | - | - | 19.50 |
| Purchases of raw materials, intermediaries and finished goods | **159.07** | **270.68** | - | **-** | **2,778.70** | **3,208.45** | 0.21 | 546.87 | - | - | 2,463.01 | 3,010.08 |
| Paid for services and labour charges | **24.55** | **-** | - | **-** | **155.83** | **180.38** | - | - | - | - | 227.64 | 227.64 |
| Received for services & labour charges | **23.92** | **15.76** | - | **-** | **-** | **39.68** | - | 30.16 | - | - | - | 30.16 |
| Deputation Charges | **12.59** | **8.01** | - | **-** | **-** | **20.60** | - | 33.59 | - | - | - | 33.59 |
| Technical and Management Fees received | **347.63** | **656.05** | - | **-** | **-** | **1,003.68** | 28.97 | 873.83 | - | - | - | 902.80 |
| Dividend received | **163.99** | **42.00** | - | **-** | **-** | **205.99** | 384.77 | 130.80 | - | - | - | 515.57 |
| Purchase of fixed assets | **506.91** | **127.48** | - | | | **634.39** | 33.03 | 304.61 | - | | | 337.64 |
| Rent paid | **9.96** | **-** | - | **-** | **309.81** | **319.77** | - | - | - | - | 301.20 | 301.20 |
| Remuneration to Directors | **-** | **-** | **1,445.95** | **-** | **-** | **1,445.95** | - | - | 1,468.65 | - | - | 1,468.65 |
| Salary Paid | **-** | **-** | - | **32.53** | **-** | **32.53** | - | - | - | 40.69 | - | 40.69 |
| Corporate Social Responsibility Expenses (CSR) | **338.00** | **-** | - | **-** | **-** | **338.00** | 298.60 | - | - | - | - | 298.60 |
| Board & Audit Committee sitting fees | **-** | **-** | **52.60** | **-** | **-** | **52.60** | - | - | 28.00 | - | - | 28.00 |
| Rent Received | **8.31** | **30.78** | - | **-** | **-** | **39.09** | 7.28 | 23.88 | - | - | - | 31.16 |
| Reimbursement of Expenses | **30.60** | **28.13** | - | **-** | **-** | **58.73** | 6.41 | 81.75 | - | - | 76.88 | 165.04 |
| **Balances Outstanding at the year end:** | | | | | | | | | | | | |
| Deposits Receivable | **-** | **-** | - | - | **720.00** | **720.00** | - | - | - | - | 720.00 | 720.00 |
| Trade and Other Receivables | **648.47** | **316.37** | - | - | **18.95** | **983.79** | 167.88 | 525.72 | - | - | 131.72 | 825.32 |
| Other Payables | **60.71** | **27.88** | - | - | **95.98** | **184.57** | - | 8.33 | - | - | 63.47 | 71.80 |

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 related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

**43. Information on Joint Ventures:**

**Jointly Controlled Entities**

| Name of the Joint Venture | Country of Incorporation | Percentage of Ownership Interest |
|---|---|---|
| Nilkamal Bito Storage Systems Private Limited ceased to be Joint Venture effective from 22nd August 2019 | India | 50 |
| Cambro Nilkamal Private Limited | India | 50 |

Investment in Joint Ventures have been accounted at cost in the standalone financial statements.

44. 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.

**45. Subsequent Events:**

In March 2020, World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic, consequent to this, Government of India declared lockdown on March 23, 2020 due to which the Company temporarily suspended all its operations i.e. manufacturing facilities, retail stores, depots, warehouses, regional offices and corporate office. This has affected the normal business operations of the Company by way of interruption in production, supply chain disruption, closure/lock down of production facilities etc. Since June 2020, the Company has commenced most of the operations. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property plant and equipment, intangible assets, right of use assets, investments, inventory, trade receivables and other financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

**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 2019-20 ₹ 337.93 lakhs (Previous year ₹ 335.81 lakhs).

(b) Amount spent during the year on:

**(₹ in lakhs)**

| **Particulars** | **2019-20** | **2018-19** |
|---|---|---|
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | **338.00** | 336.05 |

## 47 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, 2020 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Unquoted Equity Shares * | 42.82 | - | 0.32 | 43.14 | - | - | - | - |
| Employee Loans | - | - | 332.17 | 332.17 | - | - | - | - |
| Security Deposits | - | - | 2,147.99 | 2,147.99 | - | - | - | - |
| Other financial assets | - | - | 65.77 | 65.77 | - | - | - | - |
| Derivative asset | - | 313.03 | - | 313.03 | - | 313.03 | - | 313.03 |
| **Current** | | | | | | | | |
| Investments | 1,513.30 | - | - | 1,513.30 | 1,513.30 | - | - | 1,513.30 |
| Trade receivables | - | - | 26,228.38 | 26,228.38 | - | - | - | - |
| Cash and cash equivalents | - | - | 1,032.85 | 1,032.85 | - | - | - | - |
| Other bank balances | - | - | 309.58 | 309.58 | - | - | - | - |
| Loans | - | - | 1,190.79 | 1,190.79 | - | - | - | - |
| Other Current Financial Assets | - | - | 1,491.32 | 1,491.32 | - | - | - | - |
| | 1,556.12 | 313.03 | 32,799.17 | 34,668.32 | 1,513.30 | 313.03 | - | 1,826.33 |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowings | - | - | 4,790.08 | 4,790.08 | - | - | - | - |
| Current Borrowings | - | - | - | - | - | - | - | - |
| Trade and other payables | - | - | 13,453.06 | 13,453.06 | - | - | - | - |
| Other Non-Current financial liabilities | - | - | 18,222.75 | 18,222.75 | - | - | - | - |
| Other Current financial liabilities | - | - | 6,987.61 | 6,987.61 | - | - | - | - |
| | - | - | 43,453.50 | 43,453.50 | - | - | - | - |

(₹ in lakhs)

| 31st March, 2019 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Unquoted Equity Shares * | 42.82 | - | 0.32 | 43.14 | - | - | - | - |
| Employee Loans | - | - | 358.23 | 358.23 | - | - | - | - |
| Security Deposits | - | - | 2,137.28 | 2,137.28 | - | - | - | - |
| Other financial assets | - | - | 110.57 | 110.57 | - | - | - | - |
| **Current** | | | | | | | | |
| Trade receivables | - | - | 29,870.61 | 29,870.61 | - | - | - | - |
| Cash and cash equivalents | - | - | 479.29 | 479.29 | - | - | - | - |
| Other bank balances | - | - | 245.98 | 245.98 | - | - | - | |
| Loans | - | - | 891.55 | 891.55 | - | - | - | - |
| Other Current Financial Assets | - | - | 1,073.63 | 1,073.63 | - | - | - | - |
| | 42.82 | - | 35,167.46 | 35,210.28 | - | - | - | - |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowings | - | - | 4,441.81 | 4,441.81 | - | - | - | - |
| Short term borrowings | - | - | 685.73 | 685.73 | - | - | - | - |
| Trade and other payables | - | - | 13,139.43 | 13,139.43 | - | - | - | - |
| Other Non-Current financial liabilities | - | - | 5,326.15 | 5,326.15 | - | - | - | - |
| Other Current financial liabilities | - | - | 2,723.70 | 2,723.70 | - | - | - | - |
| | - | - | 26,316.82 | 26,316.82 | - | - | - | - |

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

**47 Financial instruments – Fair values and risk management (Continued)**

**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 |
|---|---|
| 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 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.

**47. Financial Instruments - Fair value & Risk Management (Continued)**

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 , 2020, the ageing of trade receivables was as follows.

**(₹ in lakhs)**

| | Carrying Amount | |
|---|---|---|
| | **31st March, 2020** | 31st March, 2019 |
| Neither past due nor impaired | **9,098.02** | 15,255.03 |
| Past due 1–90 days | **12,649.58** | 10,623.88 |
| Past due 91–180 days | **2,786.06** | 2,352.95 |
| Past due 181-365 days | **1,386.41** | 1,453.60 |
| Past due 366 days | **1,348.31** | 1,026.91 |
| | **27,268.38** | 30,712.37 |

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

| | Trade receivables Impairments | Loans |
|---|---|---|
| Balance as at 1st April , 2018 | 645.02 | 52.05 |
| Impairment loss recognised | 617.55 | - |
| Balance written back | (298.45) | - |
| Amounts written off | (122.36) | - |
| **Balance as at 31st March, 2019** | **841.76** | **52.05** |
| **Impairment loss recognised** | **636.54** | **-** |
| **Balance written back** | **(314.86)** | **-** |
| **Amounts written off** | **(123.44)** | **-** |
| **Balance as at 31st March, 2020** | **1,040.00** | **52.05** |

**Cash and cash equivalents and other Bank balances**

The Company held cash and cash equivalents and other bank balances of ₹ 1,342.43 lakhs as on 31 March 2020 (Previous year ₹ 725.27 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 Other financial assets:**

The Company held loans and other financial assets of ₹ 5,541.07 lakhs as on March 31, 2020 (Previous year ₹ 4,571.26 lakhs). The loans and other financial assets 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 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.

**47. Financial Instruments - Fair value & Risk Management (Continued)**

As of 31st March, 2020 and 31st March, 2019 the Company had unutilized credit limits from banks of ₹ 14,000 lakhs and ₹ 16,741 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)

| 31st March, 2020 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Working Capital Borrowings | - | - | - | - | - | - | - |
| Trade and other payables | **12,600.52** | **12,600.52** | **12,600.52** | - | - | - | - |
| Lease Liabilities | **15,510.16** | **15,510.16** | **1,602.38** | **1,605.37** | **3,225.72** | **6,638.15** | **2,438.54** |
| Other financial liabilities | **3,782.35** | **3,782.35** | **3,782.35** | - | - | - | - |
| **Derivative financial liabilities** | | | | | | | |
| Cross currency interest rate swaps | **6,634.60** | **6,634.60** | **917.99** | **917.99** | **1,835.99** | **2,962.62** | - |
| Forward exchange contracts used for hedging - Outflow | **852.54** | **852.54** | **852.54** | - | - | - | - |

| 31st March, 2019 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Working Capital Borrowings | 685.73 | 685.73 | 685.73 | - | - | - | - |
| Trade and other payables | 9,810.51 | 9,810.51 | 9,810.51 | - | - | - | - |
| Other financial liabilities | 1,978.89 | 1,978.89 | 1,978.89 | - | - | - | - |
| **Derivative financial liabilities** | | | | | | | |
| Interest rate swaps | 5,186.62 | 5,186.62 | - | 533.92 | 1,271.23 | 3,381.47 | |
| Forward exchange contracts used for hedging - Outflow | 3,328.92 | 3,328.92 | 3,328.92 | - | - | - | - |

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 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.

**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.

**47. Financial Instruments - Fair value & Risk Management (Continued)**

**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, 2020 and 31st March, 2019 are as below:

(₹ in lakhs)

| **31st March, 2020** | **USD** | **EURO** | **GBP** | **CNY** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade and other receivables | **1,939.50** | **209.78** | **3.73** | **9.17** |
| Cash and Cash Equivalents | **38.85** | **-** | **-** | **-** |
| | **1,978.35** | **209.78** | **3.73** | **9.17** |
| **Financial liabilities** | | | | |
| Trade and other payables | **1326.52** | **59.95** | **3.03** | **150.77** |
| Forecasted Purchase | **-** | **-** | **-** | **-** |
| Less: Forward contracts | **(799.20)** | **-** | **-** | **(53.34)** |
| | **527.32** | **59.95** | **3.03** | **97.43** |
| Net Exposure | **1451.03** | **149.83** | **0.70** | **(88.26)** |
| 31st March, 2019 | **USD** | **EURO** | **GBP** | **CNY** |
| **Financial assets** | | | | |
| Trade and other receivables | 1,556.14 | 161.98 | 0.77 | 23.63 |
| Cash and Cash Equivalents | 2.61 | - | - | - |
| | 1,558.75 | 161.98 | 0.77 | 23.63 |
| **Financial liabilities** | | | | |
| Trade and other payables | 1,575.24 | 22.38 | 27.15 | - |
| Less: Forward contracts | (2,164.02) | (1,164.90) | - | - |
| | (588.78) | (1,142.52) | 27.15 | - |
| Net Exposure | 2,147.53 | 1,304.50 | (26.38) | 23.63 |

**iv. Market risk**

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

| INR | **Year-end spot rate** | |
|---|---|---|
| | **31st March, 2020** | 31st March, 2019 |
| USD 1 | **75.67** | 69.16 |
| EUR1 | **82.77** | 77.66 |
| CNY | **10.65** | 10.30 |
| GBP1 | **93.36** | 90.50 |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the foreign Currency against the Indian Rupee at 31st March 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.

(₹ in lakhs)

| | **31st March, 2020** | | 31st March, 2019 | |
|---|---|---|---|---|
| | **Profit or loss** | | Profit or loss | |
| **Effect in INR** | **Strengthening** | **Weakening** | Strengthening | Weakening |
| USD - 3% Movement | **43.53** | **(43.53)** | 64.43 | (64.43) |
| EUR - 3% Movement | **4.49** | **(4.49)** | 39.13 | (39.13) |
| CNY - 3% Movement | **(2.65)** | **2.65** | 0.71 | (0.71) |
| GBP - 3% Movement | **0.02** | **(0.02)** | (0.79) | 0.79 |
| | **45.39** | **(45.39)** | 103.48 | (103.48) |

**47. Financial Instruments - Fair value & Risk Management (Continued)**

**C. Financial risk management**

**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)

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| **Borrowings** | | |
| Fixed rate borrowings | **-** | - |
| Variable rate borrowings | **6,634.60** | 5,872.35 |
| Less: Interest rate Swaps | **(6,634.60)** | (5,186.62) |
| **Total** | - | 685.73 |

**Cash flow sensitivity analysis for variable-rate instruments**

A reasjonably 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** |
| **March 31, 2020** | | |
| Variable-rate instruments | **(66.35)** | **66.35** |
| Interest rate swaps | **66.35** | **(66.35)** |
| **Cash flow sensitivity (net)** | - | - |
| March 31, 2019 | | |
| Variable-rate instruments | (58.72) | 58.72 |
| Interest rate swaps | 51.87 | (51.87) |
| **Cash flow sensitivity (net)** | (6.85) | (6.85) |

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.

**48 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, 2020** | **As at 31st March, 2019** |
|---|---|---|
| Non-Current Borrowings | **4,790.08** | 4,441.81 |
| Current Borrowings | **-** | 685.73 |
| Current maturity of long term debt | **1,844.52** | 744.81 |
| **Gross Debt** | **6,634.60** | 5,872.35 |
| Total equity | **95,358.70** | 88,438.48 |
| Adjusted Gross debt to equity ratio | **0.07** | 0.07 |

**49 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 ₹ 823.60 lakhs for year ended 31 March 2020 (Previous year ₹ 626.56 lakhs) 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:**

**A. 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 March 31, 2020. 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)**

| | Gratuity | |
|---|---|---|
| **Particulars** | **31st March, 2020** | **31st March, 2019** |
| Defined benefit obligation | **1,875.96** | 1,746.84 |
| Fair value of Plan Assets at the end of the year | **(1,807.26)** | (1,748.97) |
| Net Obligation at the end of the year | **68.70** | (2.13) |

**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 | |
| | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 |
| **Opening balance** | **1,746.84** | 1,589.10 | **1,748.97** | 1,485.88 | **(2.13)** | 103.22 |
| Included in profit or loss | **-** | | **123.18** | 121.34 | **(123.18)** | (121.34) |
| Current service cost | **214.77** | 209.04 | **-** | - | **214.77** | 209.04 |
| Past service cost | **-** | - | **-** | - | **-** | - |
| Interest cost (income) | **118.80** | 122.36 | **-** | - | **118.80** | 122.36 |
| | **2,080.41** | 1,920.50 | **1,872.15** | 1,607.22 | **208.26** | 313.28 |
| **Included in OCI** | | | | | | |
| Remeasurement loss (gain): | | | | | | |
| Actuarial loss (gain) arising from: | **-** | - | **-** | - | **-** | - |
| Demographic assumptions | **-** | - | **-** | - | **-** | - |
| Financial assumptions | **(18.85)** | - | **-** | - | **(18.85)** | - |
| Experience adjustment | **(49.69)** | 19.90 | **-** | - | **(49.69)** | 19.90 |
| Return on plan assets excluding interest income | **-** | | **(189.89)** | (38.25) | **189.89** | 38.25 |
| | **2,011.87** | 1,940.40 | **1,682.26** | 1,568.97 | **329.61** | 333.18 |
| **Other** | | | | | | |
| Contributions paid by the employer | **-** | - | **125.00** | 180.00 | **(125.00)** | (180.00) |
| Benefits paid | **(135.91)** | (193.56) | **-** | - | **(135.91)** | (193.56) |
| Closing balance | **1,875.96** | 1,746.84 | **1,807.26** | 1,748.97 | **68.70** | (40.38) |
| **Represented by** | | | | | | |
| Net defined benefit asset | | | | | **(1,807.26)** | (1,748.97) |
| Net defined benefit liability | | | | | **1,875.96** | 1,746.84 |
| | | | | | **68.70** | (2.13) |

**(ii) Defined Benefit Plan:**

**C. Plan assets**

Plan assets comprise the following:

**(₹ in lakhs)**

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Fund managed by Insurance Company | **1,807.26** | 1,748.97 |

**D. Defined benefit obligations**

**i. Actuarial assumptions**

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

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Discount rate | 6.80%p.a. | 7.70%p.a. |
| Expected Rate of Return on Plan Assets | 6.80%p.a. | 7.70%p.a. |
| Salary escalation rate | 6.00%p.a. | 7.00%p.a. |
| Employee Turnover | 5.00% to 1.00 % p.a. | 5.00% to 1.00 % p.a. |
| Mortality rate | 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 as follows.

**(₹ in lakhs)**

| | 31st March, 2020 | | 31st March, 2019 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | **1,712.92** | **2,065.49** | 1,594.67 | 1,923.92 |
| Future salary growth (1% movement) | **2,065.11** | **1,710.33** | 1,923.39 | 1,592.40 |
| Rate of employee turnover (1% movement) | **1,886.08** | **1,864.60** | 1,750.41 | 1,743.07 |

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 March 31, 2020 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, 2020, i.e. ₹ 145.69 lakhs.

**Expected future benefit payments**

(₹ in lakhs)

| | |
|---|---|
| 31st March, 2021 | 145.69 |
| 31st March, 2022 | 143.08 |
| 31st March, 2023 | 137.25 |
| 31st March, 2024 | 127.52 |
| Thereafter | 1,322.42 |

**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 ₹ 265.31 lakhs (Previous year ₹ 297.59 lakhs) and is included in Note 30 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 480.95 lakhs (Previous year ₹ 538.73 lakhs) and current provision aggregates ₹ 377.07 lakhs (Previous year ₹ 380.48 lakhs).

**50 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**

**Cash flow hedge - Forward exchange contracts**

**31st March, 2020**

**(₹ in lakhs)**

| Type of hedge and risks | Currency | Nominal Value Currency 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 use as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assets | Liabilities | | | | | | |
| Cash flow hedge | | | | | Liabilities | | Apr-20 | | | |
| Forward and Option contracts | USD | 10.52 | - | 0.62 | Other current financial liabilities | | 1:1 | 74.74 | (0.62) | 0.62 |
| | CNY | 5.00 | 0.04 | - | | | | 10.67 | 0.04 | (0.04) |
| Cross Currency Interest Rate Swap | USD | 87.68 | 313.61 | - | Other current financial liabilities Other non-current financial liabilities | March 2023 to February 2024 | 1:1 | | 313.61 | (313.61) |

**a. Disclosure of effects of hedge accounting on financial position (Continued)**

**Cash flow hedge - Forward exchange contracts**

**31st March, 2019**

**(₹ in lakhs)**

| Type of hedge and risks | Currency | Nominal Value Currency 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 use as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assets | Liabilities | | | | | | |
| Cash flow hedge | | | | | Liabilities | | Apr-20 | | | |
| Forward and Option contracts | USD | 29.95 | 21.37 | 52.43 | Other current financial liabilities | | 1:1 | 71.13 | (52.43) | 52.43 |
| | EURO | 30.00 | 21.37 | - | | | | 78.88 | 21.37 | (21.37) |
| Cross Currency Interest Rate Swap | USD | 75.00 | - | 192.68 | Other current financial liabilities and Other non-current financial liabilities | March 2023 to February 2024 | 1:1 | | (192.68) | 192.68 |

**b. Disclosure of effects of hedge accounting on financial performance**

| **31st March, 2020** | **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** | **(60.61)** | **-** | **92.15** | **Foreign exchange loss** |
| 31st March, 2019 | 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 | (84.91) | - | 7.24 | Foreign exchange loss |

**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 1 April 2018** | **(7.24)** |
| Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement) | (141.13) |
| Less : Amounts reclassified to profit or loss | - |
| Less: Deferred tax | 56.22 |
| **As at March 31, 2019** | **(92.15)** |
| Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement) | **(62.51)** |
| Less : Amounts reclassified to profit or loss | **-** |
| Less: Deferred tax | **1.90** |
| **As at March 31, 2020** | **(152.76)** |

51 **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.

i. **Profit attributable to Equity holders of Company**

**(₹ in lakhs)**

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| Profit attributable to equity holders of the Company: | | |
| Continuing operations | **12,201.15** | 11,122.92 |
| **Profit attributable to equity holders of the Company for basic earnings** | **12,201.15** | 11,122.92 |
| **Profit attributable to equity holders of the Company adjusted for the effect of dilution** | **12,201.15** | 11,122.92 |

ii. **Weighted average number of ordinary shares**

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| Issued ordinary shares at 1st April | **1,49,22,525** | 1,49,22,525 |
| **Weighted average number of shares at 31st March for basic and Diluted EPS** | **1,49,22,525** | 1,49,22,525 |

**Basic and Diluted Earnings Per Share**

**(Amount in ₹)**

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| **Basic earnings per share** | **81.76** | 74.54 |
| **Diluted earnings per share** | **81.76** | 74.54 |

52 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

**Rishabh Kumar**
Partner
Membership No : 402877

Mumbai
June 28, 2020

**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
June 28, 2020

**Independent Auditors' Report**

**To the Members of Nilkamal Limited**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Nilkamal Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition**<br><br>**(Refer to Significant Accounting Policy Note 35 (o) and Note 27 in the consolidated financial statements)**<br><br>Revenue of the Company mainly comprises of sale of material handling products and plastic moulded furniture to its customers.<br><br>Revenue from sale of goods is recognised when control is transferred to the customers.<br><br>There is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure to achieve performance targets at the reporting period end.<br><br>Accordingly, timing of recognition of revenue is a key audit matter. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>a. Evaluating the Company's accounting policies for revenue recognition, in terms of applicable accounting standards<br>b. Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls. These are in respect of the Company's systems which govern timing of recognition of revenue including creation of new customers in the system.<br>c. Performing testing on selected statistical samples of customer contracts. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on substantive testing. It included year-end cut-off testing. We carried out audit procedures by selecting samples of revenue transactions recorded during the year and before and after the financial year end. We also selected samples of one off sales to customers, by verifying the underlying documents such as sales invoices/contracts and shipping documents.<br>d. Performing substantive testing by verifying statistical samples of credit notes with underlying sales invoice and delivery documents<br>e. Assessing manual journal entries posted to revenue on sample basis to identify unusual items of revenue recorded in the current year. |

**Key Audit Matters *(Continued)***

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Adoption of new lease accounting standard – Ind AS 116**<br>**(Refer to Significant Accounting Policy Note 35 (p) and Note 1 in the consolidated financial statements)**<br>The Company, as a lessee, has entered into lease contracts mainly relating to the depots, warehouses and retail stores of the Company with different contractual terms.<br>As described in note 35 (p) to the consolidated financial statements, the Company has adopted Ind AS 116, Leases (Ind AS 116) in the current year using modified retrospective approach.<br>Ind AS 116 provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding lease liability on the lease commencement date. The Company has recognized the operating lease liabilities based on the present value of the remaining minimum rental payments discounted using the incremental borrowing rate, with corresponding ROU assets on the balance sheet. The Company uses automated report developed in SAP system to compute the Ind AS 116 liabilities.<br>We considered the first-time application of Ind AS 116 as a key audit matter due to the judgements needed in establishing the underlying key assumptions. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>a. Evaluating the accounting policies regarding leases in terms of applicable accounting standard (Ind AS 116);<br>b. Testing the manual and automated controls in respect of the lease accounting impact as computed under SAP system;<br>c. Evaluating the method and adjustments of transition;<br>d. Testing completeness of the lease data used for lease accounting. We reconciled the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.<br>e. Selected a sample of lease contracts. We performed following procedures:<br>i. evaluating the terms of the contract;<br>ii. evaluating the contract meeting the definition of a lease;<br>iii. evaluating the Company's assessment of identification of leases based on contractual agreements;<br>iv. checking the Company's determination of lease payments, based on the terms of the lease contract;<br>v. evaluating the Company's determination of the lease term, which required consideration of which option periods are certain to be exercised; and<br>vi. Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability;<br>f. Assessing and testing the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition. |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Accounting of Business Combination and Valuation of Net Assets acquired**<br>**(Refer to Significant Accounting Policy Note 35 (q) and Note 43 in the consolidated financial statements)**<br>The Company completed the acquisition of balance 50% of the shares of Nilkamal BITO Storage Systems Private Limited (NBSS) (now known as Nilkamal Storage Systems Private Limited) on 22 August 2019. The Group has accounted for this acquisition as a business combination as per Ind AS 103 with effect from 23 August 2019.<br>It has recognised identifiable assets (including intangible assets), liabilities and contingent liabilities acquired at fair value by carrying out Purchase Price Allocation (PPA) as of the acquisition date along with recognizing resultant Goodwill on acquisition.<br>The Company has involved external Valuation expert for determination of fair value for measurement of employee benefits provision, industrial land, facility buildings and other Property Plant and Equipment. Fair valuation measurement involves judgement towards use of key assumptions and the valuation methodology adopted and determination of discount rate.<br>Due to the complexity in accounting the business acquisition and the level of judgement included in fair value measurements, this is considered to be a key audit matter. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>Evaluating the Share Sale Agreement pertaining to the acquisition to understand the key terms and conditions of the acquisition.<br>a. Assessing the accounting policy of business combination by comparing with applicable accounting standards.<br>b. Assessing the competence, capabilities and objectivity of the experts engaged by the Company.<br>c. Inspecting the work of the experts by examining the valuation reports and the Company's evaluation.<br>d. Assessing completeness of data provided to the experts for obtaining valuation reports.<br>e. Involving valuation specialists in the audit work over valuation of Property Plant and Equipment.<br>f. Examining and challenging the independent valuer's reports for the accuracy of:<br>• fair valuation method under the market approach for the industrial land,<br>• depreciated replacement cost method under the cost approach for facility buildings and<br>• plant and machinery against comparable assumptions based on our knowledge of the Company and industry.<br>g. Examining the Company's working for measurement of inventory valuation, deferred taxes and other assets and liabilities acquired including contingent liabilities.<br>h. Testing the mathematical accuracy of the PPA working. |

**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its joint venture to cease to continue as a going concern.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)***

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

(a) We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of Rs.5,166.28 lakhs as at 31 March 2020, total revenues of Rs.6,642.62 lakhs and net cash flows amounting to Rs.(184.34) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 397.61 lakhs for the year ended 31 March 2020, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated 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 and the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' 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 financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements** ***(Continued)***

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2020 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 with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and joint venture. Refer Note 36(a) to the consolidated financial statements.

ii. The Group and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020

B. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and its joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Rishabh Kumar**
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAABX7506

Mumbai
28 June 2020

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Nilkamal Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph ((A)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Nilkamal Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 ('the Act") which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies (jointly controlled companies), have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and whether 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 of the relevant subsidiary companies and joint venture company (jointly controlled companies) 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 internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 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 financial statements.



**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Nilkamal Limited for the year ended 31 March 2020 *(Continued)***

**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements *(Continued)***

reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**Rishabh Kumar**
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAABX7506

Mumbai
28 June 2020

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

(₹ in Lakhs)

| | Particulars | Note | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|---|
| **I.** | **ASSETS** | | | |
| **1** | **Non-current Assets** | | | |
| | (a) Property, Plant and Equipment | 1 | **58,424.26** | 39,742.35 |
| | (b) Capital Work-in-Progress | | **2,662.48** | 1,384.37 |
| | (c) Goodwill | 43 | **675.60** | – |
| | (d) Other Intangible assets | 1 | **137.35** | 110.90 |
| | (e) Investment in Joint venture | 2 | **1,715.37** | 4,983.12 |
| | (f) Financial Assets | | | |
| | (i) Investments | 3 | **43.14** | 43.14 |
| | (ii) Loans | 4 | **2,505.52** | 2,502.04 |
| | (iii) Others Financial Assets (Net) | 5 | **406.42** | 110.57 |
| | | | **2,955.08** | 2,655.75 |
| | (g) Other Non-current Assets | 6 | **2,537.31** | 2,546.48 |
| | **Total Non-current Assets** | | **69,107.45** | 51,422.97 |
| **2** | **Current Assets** | | | |
| | (a) Inventories | 7 | **40,634.73** | 39,290.36 |
| | (b)Financial Assets | | | |
| | (i) Investments | 8 | **1,667.80** | 96.16 |
| | (ii) Trade Receivables | 9 | **32,500.58** | 30,902.31 |
| | (iii) Cash and Cash Equivalents | 10 | **1,841.44** | 1,316.65 |
| | (iv) Bank Balances other than cash and cash equivalents | 11 | **561.34** | 348.83 |
| | (v) Loans | 12 | **1,216.78** | 891.55 |
| | (vi) Other Financial Assets | 13 | **1,351.80** | 1,065.98 |
| | | | **39,139.74** | 34,621.48 |
| | (c) Current Tax Assets (Net) | | **918.37** | 464.78 |
| | (d) Other Current Assets | 14 | **5,292.68** | 3,572.15 |
| | **Total Current Assets** | | **85,985.52** | 77,948.77 |
| | **Total Assets** | | **1,55,092.97** | 1,29,371.74 |
| **II.** | **EQUITY AND LIABILITIES** | | | |
| **1** | **Equity** | | | |
| | (a) Equity Share Capital | 15 | **1,492.25** | 1,492.25 |
| | (b) Other Equity | 16 | **1,01,716.88** | 92,625.78 |
| | **Total Equity attributable to Equity Owners of the Company** | | **1,03,209.13** | 94,118.03 |
| **2** | **Non-controlling Interests** | | **90.47** | 723.36 |
| | **Total Equity** | | **1,03,299.60** | 94,841.39 |
| **3** | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 17 | **4,790.08** | 4,441.81 |
| | (ii) Other Financial Liabilities | 18 | **18,328.61** | 5,333.28 |
| | | | **23,118.69** | 9,775.09 |
| | (b) Provisions | 19 | **710.06** | 735.05 |
| | (c) Deferred Tax Liabilities (Net) | 20 | **1,343.65** | 2,042.06 |
| | (d) Other Non-current Liabilities | 21 | **–** | 377.02 |
| | **Total Non-current Liabilities** | | **25,172.40** | 12,929.22 |
| **4** | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 22 | **1.73** | 701.49 |
| | (ii) Trade Payables | 23 | | |
| | (a) Total Outstanding dues of micro enterprises and small enterprises | | **3.64** | – |
| | (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | | **15,299.31** | 13,378.72 |
| | (iii) Other Financial Liabilities | 24 | **7,066.29** | 2,723.70 |
| | (b) Other Current Liabilities | 25 | **3,136.15** | 3,696.68 |
| | (c) Provisions | 26 | **1,086.00** | 1,087.10 |
| | (d) Current Tax Liabilities (Net) | | **27.85** | 13.44 |
| | **Total Current Liabilities** | | **26,620.97** | 21,601.13 |
| | **TOTAL EQUITY AND LIABILITITES** | | **1,55,092.97** | 1,29,371.74 |
| | **Significant accounting policies** | 35 | | |

**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

**Rishabh Kumar**
Partner
Membership No: 402877

Mumbai
June 28, 2020

**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
June 28, 2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

| | Particulars | Note | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|---|---|
| I. | **Revenue from operations** | 27 | **2,25,719.18** | 2,36,236.37 |
| II. | **Other Income** | 28 | **1,441.89** | 1,299.41 |
| III. | **Total Income (I+II)** | | **2,27,161.07** | 2,37,535.78 |
| IV. | **Expenses:** | | | |
| | Cost of Materials Consumed | | **75,086.94** | 89,663.55 |
| | Purchases of Stock in Trade | | **50,031.66** | 53,405.87 |
| | Changes in inventories of Finished Goods, Stock in Trade and Work-in-Progress | 29 | **(413.49)** | (3,866.68) |
| | Employee Benefits Expenses | 30 | **19,068.74** | 18,666.25 |
| | Finance Costs | 31 | **2,610.47** | 1,583.76 |
| | Depreciation and Amortisation Expenses | 1 | **9,421.27** | 5,166.20 |
| | Other Expenses | 32 | **53,825.94** | 57,027.55 |
| | **Total Expenses** | | **2,09,631.53** | 2,21,646.50 |
| V. | **Profit Before share of Profit of Equity accounted Investee and Income Tax (III – IV)** | | **17,529.54** | 15,889.28 |
| VI. | Shares of Profit in Joint Ventures (net of Tax) | | **628.07** | 705.93 |
| VII. | **Profit before Tax (V + VI)** | | **18,157.61** | 16,595.21 |
| VIII. | **Income Tax Expense:** | | | |
| | Current tax | 34 | **4,460.77** | 4,858.66 |
| | Deferred tax (Credit) / Charge | 34 | **(545.91)** | 771.97 |
| | Taxation for earlier years (Credit) / Charges | | – | (804.86) |
| | **Total Tax Expenses** | | **3,914.86** | 4,825.77 |
| IX. | **Net Profit After Tax (VII – VIII)** | | **14,242.75** | 11,769.44 |
| X. | **Other Comprehensive Income:** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Remeasurements of defined benefit (asset) | | (122.92) | (58.15) |
| | Income Tax effect on above | | 24.17 | 20.12 |
| | **Items that will be reclassified subsequently to profit or loss** | | | |
| | Effective portion of (losses) on hedging instrument in a cash flow hedge | | (62.51) | (141.13) |
| | Income tax Effect on Above | | 1.90 | 56.22 |
| | Share of Other Comprehensive income in Joint Venture | | (5.13) | (5.09) |
| | **Total Other Comprehensive Income for the year, Net of Income Tax** | | **(164.49)** | (128.03) |
| XI. | **Total Comprehensive Income (IX + X)** | | **14,078.26** | 11,641.41 |
| | **Profit for the year attributable to :** | | | |
| | Equity Shareholder of the Company | | 14,208.45 | 11,733.31 |
| | Non-Controlling Interests | | 34.30 | 36.13 |
| | **Other Comprehensive income (net of tax) attributable to:** | | | |
| | Equity Shareholder of the Company | | (164.49) | (128.03) |
| | Non-Controlling Interests | | – | – |
| | **Total Comprehensive income attributable to:** | | | |
| | Equity Shareholder of the Company | | 14,043.96 | 11,605.28 |
| | Non-Controlling Interests | | 34.30 | 36.13 |
| XII. | **Earnings per equity share of ₹ 10 each (Previous Year ₹ 10 each)** | 50 | | |
| | (1) Basic (in ₹) | | **95.21** | 78.63 |
| | (2) Diluted (in ₹) | | **95.21** | 78.63 |
| | Weighted average number of equity shares outstanding | | **1,49,22,525** | 1,49,22,525 |
| | **Significant accounting policies** | 35 | | |

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 and on Behalf of the Board of Directors of**
**Nilkamal Limited**
CIN: L25209DN1985PLC000162

**Rishabh Kumar**
Partner
Membership No: 402877

**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
June 28, 2020

Mumbai
June 28, 2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| | | | Year ended on 31 March 2020 | | Year ended on 31 March 2019 |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | Net Profit before tax | | **17,529.54** | | 15,889.28 |
| | Adjustments for : | | | | |
| | Depreciation and Amortisation | **9,421.27** | | 5,166.20 | |
| | Unrealised Forex Loss on Forward Contract | **(34.91)** | | 22.45 | |
| | (Profit) / Loss on sale of Property, Plant and Equipment | **(287.51)** | | 42.96 | |
| | Non-cash expenses adjustment for Gratuity | **(128.05)** | | (53.06) | |
| | Finance Costs | **2,610.47** | | 1,583.76 | |
| | Interest Income | **(386.55)** | | (537.19) | |
| | Gain on Cancellation of Lease | **(36.16)** | | - | |
| | Provision for Rent Equalisation | **(52.93)** | | 28.65 | |
| | Provision for doubtful debts and advances | **186.96** | | 199.28 | |
| | Bad Debts Written off | **218.17** | | 123.98 | |
| | Dividend Income on Equity Securities | **(42.00)** | | - | |
| | Profit/revaluation of investment | **(704.31)** | | - | |
| | Unrealised Foreign Currency Loss | **26.94** | | 29.05 | |
| | | | **10,791.39** | | 6,606.08 |
| | **Operating Profit before Working Capital changes** | | **28,320.93** | | 22,495.36 |
| | Adjustments for : | | | | |
| | Decrease in Trade Receivables | **1,737.46** | | 2,779.53 | |
| | Decrease in Other Receivables | **2,024.98** | | 532.55 | |
| | (Increase) in Inventories | **(870.58)** | | (1,352.31) | |
| | Increase / (Decrease) in Trade Payables | **14.10** | | (3,751.67) | |
| | (Decrease) / Increase in Other Payables & Provisions | **(999.42)** | | 1,424.32 | |
| | | | **1,906.54** | | (367.58) |
| | **Cash generated from operations** | | **30,227.47** | | 22,127.78 |
| | Direct Taxes Paid (Net of Refund) | **(5,032.53)** | | (4,645.04) | |
| | | | **(5,032.53)** | | (4,645.04) |
| | **Net Cash Inflow from Operating Activities (A)** | | **25,194.94** | | 17,482.74 |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Interest Received | **253.30** | | 323.06 | |
| | Dividend Received | **33.37** | | | |
| | Proceeds from Sale of Property, Plant and Equipment | **808.51** | | 299.58 | |
| | Acquisition of Property, Plant and Equipment | **(9,954.32)** | | (11,447.98) | |
| | Investments in Subsidiary Company | **(5,097.10)** | | – | |
| | Investments in Mutual Fund | **(15,750.00)** | | – | |
| | Redemption of Mutual Fund | **14,461.35** | | – | |
| | Share of profit from Joint Ventures | **224.00** | | 130.80 | |
| | Investments in fixed deposits [Net] | **(216.39)** | | 48.40 | |
| | **Net Cash used in Investing Activities (B)** | | **(15,237.28)** | | (10,646.14) |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Receipt / (Repayment) of Long term Borrowings | **1,738.75** | | 5,233.40 | |
| | Repayment of Long term Borrowings | **(855.14)** | | | |
| | (Decrease) in Short Term borrowings (Net) | **(699.76)** | | (8,615.12) | |
| | Interest paid other than on Lease liabilities | **(1,232.34)** | | (1,593.12) | |
| | Principal payment of Lease Liabilities | **(2,796.78)** | | – | |
| | Interest paid on Lease liabilities | **(1,360.34)** | | – | |
| | Buyback of Share in Subsidiary Company | **(505.13)** | | – | |
| | Dividends paid (including dividend distribution tax) | **(4,259.78)** | | (2,279.06) | |
| | **Net Cash used in Financing Activities (C)** | | **(9,970.52)** | | (7,253.90) |
| | **Change In Foreign Currency Fluctuation Reserve Arising On Consolidation (D)** | | **(38.31)** | | (11.43) |
| | **Net Decrease in Cash and Cash Equivalents (A+B+C+D )** | | **(51.17)** | | (428.73) |
| | Cash and Cash Equivalents as at the beginning of the year | **1,316.65** | | 1,745.38 | |
| | Increase in Cash and cash equivalents pursuant to the balance 50% acquisition stake in Subsidiary Company | **575.96** | | – | |
| | **Cash and Cash Equivalents as at the year end** | **1,841.44** | | 1,316.65 | |
| | **Net Decrease in Cash and Cash Equivalents** | | **(51.17)** | | (428.73) |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

**Notes to the Cash Flow Statement**

1. Components of cash and cash equivalents ( Refer Note 10 )

| | Year ended on 31 March, 2020 | Year ended on 31 March, 2019 |
|---|---|---|
| (a) Cash on Hand | **67.09** | 107.39 |
| (b) Cheques on Hand / Remittance in Transit | **136.10** | 92.60 |
| (c) Balance in Current Accounts | **1,251.23** | 540.24 |
| (d) Bank Deposits with less than 3 months maturity | **387.02** | 576.42 |
| **Cash and cash Equivalents** | **1,841.44** | 1,316.65 |

2. **Debt reconciliation statement in accordance with Ind AS 7**

| | | | | |
|---|---|---|---|---|
| **Opening balances** | | | | |
| Long-term borrowing (Refer Note 17) | **4,441.81** | | – | |
| Current maturities of Long term Borrowings (Refer Note 24) | **744.81** | | – | |
| Short-term borrowing (Refer Note 22) | **701.49** | | 9,316.61 | |
| | | **5,888.11** | | 9,316.61 |
| **Movements** | | | | |
| Long-term borrowing | **883.61** | | 5,233.40 | |
| Exchange Loss / (Gain) on restatement of Long Term Borrowings | **564.37** | | (46.78) | |
| Short-term borrowing | **(699.76)** | | (8,615.12) | |
| | | **748.22** | | (3,428.50) |
| **Closing balances** | | | | |
| Long-term borrowing (Refer Note 17) | **4,790.08** | | 4,441.81 | |
| Current maturities of Long term Borrowings (Refer Note 24) | **1,844.52** | | 744.81 | |
| Short-term borrowing (Refer Note 22) | **1.73** | | 701.49 | |
| | | **6,636.33** | | 5,888.11 |

3 The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (Ind As – 7) Statement of Cash Flows .

4 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

**Rishabh Kumar**
Partner
Membership No: 402877
ICAI UDIN NO: 20402877AAAABU4370

Mumbai
June 28, 2020

**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
June 28, 2020

## Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2020

(₹ in lakhs)

**(a) Equity share capital**

| | As at 31 March 2020 No. of Shares | As at 31 March 2020 (₹ in lakhs) | As at 31 March 2019 No. of Shares | As at 31 March 2019 (₹ in lakhs) |
|---|---|---|---|---|
| Balance at the beginning of the reporting period | **1,49,22,525** | **1,492.25** | 1,49,22,525 | 1,492.25 |
| Changes in equity share capital during the year | – | – | – | – |
| Balance at the end of the reporting period | **1,49,22,525** | **1,492.25** | 1,49,22,525 | 1,492.25 |

**(b) Other Equity**

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | | Other Reserve | Grand Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Retained Earnings | Securities Premium | General Reserve | Share of Profit in Joint Venture | Foreign Currency Translation Reserves | Effective portion of cash flow hedges | Attributable to Equity Shareholders of the Company | Attributable to Non Controlling Interests | Total |
| **Balance at April 1, 2018** | 41,728.65 | 6,448.96 | 35,032.04 | 418.24 | (255.29) | (7.24) | 83,365.36 | 723.71 | 84,089.07 |
| Profit for the year | 11,733.31 | – | – | – | – | – | 11,733.31 | 36.13 | 11,769.44 |
| Adjustment | – | – | – | – | – | – | – | – | – |
| Other comprehensive income for the year (net of tax) | (38.03) | – | – | – | – | (84.91) | (122.94) | – | (122.94) |
| Share of other comprehensive income of Joint Venture | (5.09) | – | – | – | – | – | (5.09) | – | (5.09) |
| **Total comprehensive income for the year** | 11,690.19 | – | – | – | – | (84.91) | 11,605.28 | 36.13 | 11,641.41 |
| Interim dividend declared and paid | (596.90) | – | – | – | – | – | (596.90) | – | (596.90) |
| DDT on interim and final dividend distributed | (339.15) | – | – | – | – | – | (339.15) | – | (339.15) |
| Final Dividend declared and paid | (1,343.03) | – | – | – | – | – | (1,343.03) | (1.85) | (1,344.88) |
| Foreign Currency Monetary Item Translation Difference Account | – | – | – | – | (65.78) | – | (65.78) | (34.63) | (100.41) |
| **Balance at March 31, 2019** | **51,139.76** | **6,448.96** | **35,032.04** | **418.24** | **(321.07)** | **(92.15)** | **92,625.78** | **723.36** | **93,349.14** |
| **Profit for the year** | **14,208.45** | – | – | – | – | – | **14,208.45** | **34.30** | **14,242.75** |
| **Other comprehensive income for the year** | **(103.85)** | – | – | – | – | **(60.61)** | **(164.46)** | – | **(164.46)** |
| **Transition impact of INDAS 116** | **(872.87)** | – | – | – | – | – | **(872.87)** | – | **(872.87)** |
| **Share of Joint Venture of Transition impact of INDAS 116** | **(10.98)** | – | – | – | – | – | **(10.98)** | – | **(10.98)** |
| **Total comprehensive income for the year** | **13,220.75** | – | – | – | – | **(60.61)** | **13,160.14** | **34.30** | **13,194.44** |
| **Final Dividend declared and paid** | **(1,343.03)** | – | – | – | – | – | **(1,343.03)** | **(9.20)** | **(1,352.23)** |
| **Interim dividend declared and paid** | **(2,238.37)** | – | – | – | – | – | **(2,238.37)** | **(13.10)** | **(2,251.47)** |
| **Tax on Final Dividend / Interim Dividend** | **(663.87)** | – | – | – | – | – | **(663.87)** | – | **(663.87)** |
| **Adjustment relates to opening reserve of Nilkamal Foundation and Nilkamal Storage System Private Limited (Previously known as Nilkamal Bito Storage System Private Limited)** | **55.00** | – | – | **(52.29)** | – | – | **2.71** | – | **2.71** |
| **Buyback of a Non-controlling Interest (NCI)** | | | – | – | – | – | – | **(505.13)** | **(505.13)** |
| **Gain on Reduction of non-controlling interest on account of Buy back of shares** | **126.07** | – | – | – | – | – | **126.07** | **(126.07)** | – |
| **Foreign Currency Monetary Item Translation Difference Account** | | – | – | – | **47.45** | – | **47.45** | **(13.69)** | **33.76** |
| **Balance at March 31, 2020** | **60,296.31** | **6,448.96** | **35,032.04** | **365.95** | **(273.62)** | **(152.76)** | **1,01,716.88** | **90.47** | **1,01,807.35** |

**As per our report of even date attached.**

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

**Rishabh Kumar**
Partner
Membership No: 402877
Mumbai
June 28, 2020

**For and on Behalf of the Board of Directors of**
**Nilkamal Limited**
CIN: L25209DN1985PLC000162

**Sharad V. Parekh**
Managing Director
DIN: 00035747
Mumbai
June 28, 2020

**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

**1 Property, Plant and Equipment and Intangible Assets**

(₹in lakhs)

| Particulars | Property, Plant and Equipment | | | | | | | | | | | Intangible Assets | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Leasehold Land | Buildings | Plant and Equipments | Furniture and Fixtures | Office Equipments | Vehicle | Leasehold Improvements | Lease Equipments | Right of Use | Total | Software | |
| **Gross Block** | | | | | | | | | | | | | |
| Balance as at 1st April, 2018 | 1,238.96 | 167.27 | 13,932.13 | 26,263.01 | 3,285.65 | 1,724.96 | 514.59 | 1,553.25 | 61.55 | – | 48,741.37 | 342.44 | 49,083.81 |
| Addition during the year | – | – | 803.05 | 9,023.02 | 496.96 | 340.79 | 67.06 | 81.52 | – | – | 10,812.40 | 84.95 | 10,897.35 |
| Adjustments | – | – | (42.50) | (25.05) | 55.43 | 10.22 | – | 42.50 | (40.60) | – | – | – | – |
| Disposal | – | – | 3.62 | 209.21 | 19.66 | 13.69 | 81.78 | 71.51 | – | – | 399.47 | – | 399.47 |
| Exchange Translation | (5.82) | – | (37.59) | (66.34) | 1.05 | (0.82) | (2.74) | – | – | – | (112.26) | (2.34) | (114.60) |
| Balance as at 31st March, 2019 | 1,233.14 | 167.27 | 14,651.47 | 34,985.43 | 3,819.43 | 2,061.46 | 497.13 | 1,605.76 | 20.95 | – | 59,042.04 | 425.05 | 59,467.09 |
| **Balance as at 1st April, 2019** | **1,233.14** | **167.27** | **14,651.47** | **34,985.43** | **3,819.43** | **2,061.46** | **497.13** | **1,605.76** | **20.95** | | **59,042.04** | 425.05 | **59,467.09** |
| **Additions On account of Transition to Ind As 116 – 1st April 2019** | – | – | – | – | – | – | – | – | – | **14,940.15** | **14,940.15** | – | **14,940.15** |
| **Addition on Acquisition of additional stake in Nilkamal Storage Systems Private Limited on 23rd August 2019 (Refer note 43)** | **252.00** | | **1,115.19** | **1,628.60** | **10.00** | **12.00** | **12.29** | – | – | **122.23** | **3,152.31** | – | **3,152.31** |
| **Addition during the year** | – | – | **2,251.11** | **5,493.98** | **359.98** | **415.12** | **7.43** | **39.30** | – | **1,965.51** | **10,532.43** | **118.16** | **10,650.59** |
| **Adjustments** | – | – | – | – | – | – | – | – | – | **350.04** | **350.04** | – | **350.04** |
| **Disposal / Adjustments** | **13.52** | – | **245.18** | **684.59** | **57.59** | **80.42** | **74.49** | **84.77** | – | **247.59** | **1,488.15** | – | **1,488.15** |
| **Exchange Translation** | **0.42** | – | **2.71** | **5.20** | **2.84** | **1.30** | **8.73** | – | – | – | **21.20** | **0.17** | **21.37** |
| **Balance as at 31st March, 2020** | **1,472.04** | **167.27** | **17775.30** | **41,428.62** | **4,134.66** | **2,409.46** | **451.09** | **1,560.29** | **20.95** | **17,130.34** | **86,550.02** | **543.38** | **87,093.40** |
| **Amortisation:** | | | | | | | | | | | | | |
| Balance as at 1st April, 2018 | – | 6.86 | 1,473.27 | 9,309.72 | 1,418.13 | 1,083.21 | 191.86 | 922.33 | 24.03 | – | 14,429.41 | 249.46 | 14,678.87 |
| Amortisation for the year | – | 2.18 | 588.08 | 3,581.14 | 410.54 | 294.83 | 68.30 | 151.98 | 3.81 | – | 5,100.86 | 65.34 | 5,166.20 |
| Adjustments | | – | (0.68) | 9.24 | 2.91 | 7.80 | – | 0.68 | (19.95) | – | – | – | – |
| Disposal /Adjustments | – | – | 0.92 | 64.31 | 14.83 | 12.13 | 62.08 | 53.04 | 0.19 | – | 207.50 | (0.02) | 207.48 |
| Exchange Translation | – | – | (5.16) | (19.06) | 0.49 | (0.46) | 1.11 | – | – | – | (23.08) | (0.67) | (23.75) |
| Balance as at 31st March, 2019 | – | 9.04 | 2,054.59 | 12,816.73 | 1,817.24 | 1,373.25 | 199.19 | 1,021.95 | 7.70 | – | 19,299.69 | 314.15 | 19,613.84 |
| **Balance as at 1st April, 2019** | – | **9.04** | **2,054.59** | **12,816.73** | **1,817.24** | **1,373.25** | **199.19** | **1,021.95** | **7.70** | – | **19,299.69** | **314.15** | **19,613.84** |
| **Amortisation for the year** | – | **2.18** | **657.58** | **4,416.76** | **379.11** | **330.01** | **58.18** | **128.73** | **3.81** | **3,353.16** | **9,329.52** | **91.75** | **9,421.27** |
| **Adjustment** | – | – | – | **(40.25)** | **0.07** | **(6.01)** | – | – | – | – | **(46.19)** | – | **(46.19)** |
| **Disposal /Adjustments** | – | – | **18.20** | **242.67** | **32.66** | **47.13** | **44.78** | **40.56** | – | **40.98** | **466.98** | – | **466.98** |
| **Exchange Translation** | – | – | **0.50** | **1.95** | **1.13** | **1.06** | **5.08** | – | – | – | **9.72** | **0.13** | **9.85** |
| **Balance as at 31st March, 2020** | – | **11.22** | **2,694.47** | **16,952.52** | **2,164.89** | **1,651.18** | **217.67** | **1,110.12** | **11.51** | **3,312.18** | **28,125.76** | **406.03** | **28,531.79** |
| **NET BOOK VALUE** | | | | | | | | | | | | | |
| **As at 31st March 2020** | **1,472.04** | **156.05** | **15080.83** | **24,476.10** | **1,969.77** | **758.28** | **233.42** | **450.17** | **9.44** | **13,818.16** | **58,424.26** | **137.35** | **58,561.61** |
| As at 31st March 2019 | 1,233.14 | 158.23 | 12,596.88 | 22,168.70 | 2,002.19 | 688.21 | 297.94 | 583.81 | 13.25 | – | 39,742.35 | 110.90 | 39,853.25 |

Notes:-

a) Leasehold Land acquisition value includes ₹ 0.01 lakhs (previous year : ₹ 0.01 lakhs) 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 ₹ 228.00 lakhs (Previous year ₹ 255.87 lakhs) and Net block value ₹ 205.54 lakhs (Previous year ₹ 235.83 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 commitment with regards to property plant and equipment refer note 36 (b).

d) For Assets on hypothecation as security against borrowing refer note 39.

e) **Details of Right of Use**

(₹ in Lakhs)

| | Land & Building | Computer Server | Vehicles | Total |
|---|---|---|---|---|
| **Gross Block :** | | | | |
| **Balance as at 1st April, 2019** | – | – | – | – |
| **Additions On account of Transition to Ind As 116 – 1st April 2019** | **14,027.14** | **399.55** | **513.45** | **14,940.14** |
| **Addition on Acquisition of Additional Stake of Nilkamal Storage Systems Private Limited on 23rd August ,2020 (refer note 43)** | **119.03** | – | **3.20** | **122.23** |
| **Additions** | **1,815.78** | – | **149.74** | **1,965.52** |
| **Adjustments *** | *** 350.04** | – | – | **350.04** |
| **Disposals** | **247.59** | – | – | **247.59** |
| **Balance as at 31st March, 2020** | **16,064.40** | **399.55** | **666.39** | **17,130.34** |
| **Amortisation** | | | | |
| **Balance as at 1st April, 2019** | – | – | – | – |
| **Amortisation for the year** | **2,998.68** | **123.64** | **230.84** | **3,353.16** |
| **Disposals / Adjustments** | **40.98** | **0.00** | **0.00** | **40.98** |
| **Balance as at 31st March, 2020** | **2,957.70** | **123.64** | **230.84** | **3,312.18** |
| **Net Block :** | | | | |
| **As at 31st March, 2020** | **13,106.70** | **275.91** | **435.55** | **13,818.16** |

* In accordance with Ind As 116 prepaid lease rental is regrouped from Other Non current asset to Right of Use asset amounting to ₹ 350.04 Lakhs

**Notes :-**

a) The Group has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of ₹ 14,940.15 lakhs and a corresponding lease liability of ₹ 16,607.01 lakhs. The difference of ₹ 872.87 lakhs (net of deferred tax asset created of ₹ 469.89 lakhs and opening rent equalisation liability of ₹ 324.10 lakhs) has been adjusted to retained earnings as at 1st April 2019.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 8.5% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

b) The Group incurred ₹ 1,406.71 lakhs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 5,563.83 lakhs for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 1,360.34 lakhs for the year.

c) The Group's leases mainly comprise of land and buildings, Plant and equipment and Computer Server. The Group leases land and buildings for manufacturing and warehouse facilities.

d) Maturity analysis Undiscounted Contractual Future lease Outflow are as follows.

(₹ in Lakhs)

| Period | Amount |
|---|---|
| Within one year | 4,446.02 |
| One to Five years | 12,182.35 |
| More than Five years | 4,303.11 |

(₹ in Lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| 2 | **Investments in Joint Venture** | | |
| | **(Valued at cost unless stated otherwise)** | | |
| | **Trade Investment (Unquoted)** | | |
| | **(I) Investment in Equity instruments of Joint Ventures** | | |
| | (i) NIL (Previous year – 2,220,000) Equity Shares of ₹ 10 each of Nilkamal Bito Storage Systems Private Limited, fully paid up | – | 2,215.50 |
| | (ii) 105,000 (Previous year – 105,000) Equity Shares of ₹ 10 each of Cambro Nilkamal Private Limited, fully paid up | **200.50** | 200.50 |
| | Add : Shares of Profit in Joint Ventures | **1,514.87** | 2,567.12 |
| | **Total** | **1,715.37** | 4,983.12 |
| | **Aggregate amount of unquoted other investments** | **1,715.37** | 4,983.12 |
| 3 | **Other Non-Current investments (Refer Note 46)** | | |
| | **Unquoted** | | |
| | **(a) Investment – Others** | | |
| | 225,370 (Previous year – 225,370) Equity Shares of ₹ 10 each of Beta Wind Farm Private Limited fully paid up | **42.82** | 42.82 |
| | **(b) Investment in Government Securities** | | |
| | National Savings Certificates (Pledged with Government authorities) | **0.32** | 0.32 |
| | **Total** | **43.14** | 43.14 |
| | **Aggregate amount of unquoted other investments** | **43.14** | 43.14 |
| 4 | **Non-Current Loans** | | |
| | **Unsecured, Considered good** | | |
| | **(a) Employee Loans** | **342.84** | 364.76 |
| | **(b) Security Deposit** | | |
| | (i) With Other than related parties | **1,442.68** | 1,417.28 |
| | (ii) With related parties (Refer Note 42) | **720.00** | 720.00 |
| | **Total** | **2,505.52** | 2,502.04 |
| 5 | **Other Non-Current Financial Assets** | | |
| | **Unsecured, Considered good** | | |
| | (i) Bank Deposits with more than 12 months maturity | **93.39** | 110.57 |
| | (ii) Derivative Assets | **313.03** | – |
| | **Total** | **406.42** | 110.57 |
| 6 | **Other Non-Current assets** | | |
| | **Unsecured, Considered good** | | |
| | **To parties other than related parties :** | | |
| | (i) Capital Advances | **1,435.48** | 1,065.18 |
| | (ii) Deposit with Government Authorities | **1,101.83** | 1,134.71 |
| | (iii) Other Loans and Advances | | |
| | (a) Prepaid Lease Rental | – | 346.59 |
| | **Total** | **2,537.31** | 2,546.48 |

(₹ in Lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **7** | **Inventories** | | |
| | **(Valued at the lower of cost and net realisable value)** | | |
| | (a) Raw Material (including Goods in Transit ₹ 483.11 lakhs (Previous year ₹ 493.65 lakhs) | **7,654.84** | 6,933.56 |
| | (b) Work in Progress | **3,231.70** | 3,387.87 |
| | (c) Finished Goods | **10,794.72** | 10,357.59 |
| | (d) Stock in Trade (including Goods in Transit ₹ 695.39 lakhs (Previous year ₹ 750.20 lakhs) | **16,654.08** | 16,521.57 |
| | (e) Stores and Spares | **1,962.59** | 1,764.51 |
| | (f) Packing Material | **336.80** | 325.26 |
| | **Total** | **40,634.73** | 39,290.36 |
| | During the year an amount of ₹ 362.60 lakhs (Previous year ₹ 397.66 lakhs) was charges to the statement of Profit and loss on account of damage and Slow Moving Inventory. | | |
| | For inventories on hypothecation as security against borrowing refer note 39. | | |
| **8** | **Current Investments** | | |
| | **Investment in Mutual Funds** | | |
| | **Non Traded (Unquoted)** | | |
| | (a) Sri Lankan Government Treasury Investment | **154.50** | 96.16 |
| | **Investment in Mutual Funds** | | |
| | (a) 34,468.791 units (Previous year Nil) Kotak Liquid Fund-Growth Scheme | **1,383.88** | – |
| | (b) 44,051.544 units (Previous Year Nil) ICICI Prudential Liquid Fund-Growth Scheme | **129.42** | – |
| | **Total** | **1,667.80** | 96.16 |
| **9** | **Trade Receivables** | | |
| | (a) Considered good – Secured | **4,067.18** | 4,666.12 |
| | (b) Considered good – Unsecured | **28,433.40** | 26,236.19 |
| | (c) With significant increase in credit risk | – | – |
| | (d) Credit impaired | **1,173.61** | 866.84 |
| | | **33,674.19** | 31,769.15 |
| | Less: Provision for Loss allowance (Refer Note 46) | **(1,173.61)** | (866.84) |
| | **Total** | **32,500.58** | 30,902.31 |
| | For Trade receivable on hypothecation as security against borrowing (Refer Note 39) | | |
| | Trade receivables (unsecured considered good) included ₹ 315.55 lakhs (Previous year ₹ 519.99 lakhs) due from joint venture companies (Refer Note 42) | | |
| **10** | **Cash and Cash Equivalents** | | |
| | (a) Cash on Hand | **67.09** | 107.39 |
| | (b) Cheques on Hand | **136.10** | 92.60 |
| | (c) Balance with banks in Current Accounts | **1,251.23** | 540.24 |
| | (d) Bank Deposits with less than 3 months maturity | **387.02** | 576.42 |
| | **Total** | **1,841.44** | 1,316.65 |
| **11** | **Bank Balances other than Cash and Cash Equivalents** | | |
| | (a) Bank Deposits with 3 to 12 months maturity | **481.40** | 306.17 |
| | (b) Earmarked Balance with Banks (Unclaimed Dividend) | **79.94** | 42.66 |
| | **Total** | **561.34** | 348.83 |
| **12** | **Current Loans** | | |
| | **(a) Secured, Considered good** | – | – |
| | **(b) Unsecured, Considered good** | – | – |
| | **To parties other than related parties :** | | |
| | Security Deposit | **1,216.78** | 891.55 |
| | **(c) With significant increase in Credit Risk** | – | – |
| | **(d) Credit impaired** | | |
| | Security Deposits Considered Doubtful | **53.05** | 52.05 |
| | Less: Provision for Loss Allowance | **(53.05)** | (52.05) |
| | **Total** | **1,216.78** | 891.55 |

(₹ in Lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **13** | **Other Current Financial Assets** | | |
| | (a) Interest Receivable | **8.58** | 1.99 |
| | (b) Due from Related Parties (Refer Note 42) | **0.82** | 8.73 |
| | (c) Discount Receivable | **1,277.72** | 1,050.98 |
| | (d) Other Receivable | **64.68** | 4.28 |
| | **Total** | **1,351.80** | 1,065.98 |
| **14** | **Other Current Assets** | | |
| | **To parties other than related parties** | | |
| | (a) Advances to Vendors | **1,669.59** | 1,168.36 |
| | (b) Advances for Expenses | **175.43** | 93.60 |
| | (c) Balance with authorities | **2,549.85** | 1,589.15 |
| | (d) Prepaid Expenses | **434.69** | 370.91 |
| | (e) Staff Loans | **29.82** | – |
| | (g) Other than Related Parties | **420.14** | 335.94 |
| | (h) Deposit | **13.16** | 14.19 |
| | **Total** | **5,292.68** | 3,572.15 |
| **15** | **Equity Share Capital** | | |
| | **Authorised** | | |
| | 22,000,000 (Previous year – 22,000,000) Equity Shares of ₹ 10 each | **2,200.00** | 2,200.00 |
| | 3,000,000 (Previous year – 3,000,000) Preference Shares of ₹ 10 each | **300.00** | 300.00 |
| | **Total** | **2,500.00** | 2,500.00 |
| | **Issued, Subscribed and Fully Paid up** | | |
| | 1,49,22,525 Equity Shares of ₹ 10 each (Previous year – 1,49,22,525 Equity Shares of ₹ 10 each) (Refer Note 38) | **1,492.25** | 1,492.25 |
| | **Total** | **1,492.25** | 1,492.25 |
| **16** | **Other Equities** | | |
| **a.** | **Retained Earnings** | | |
| | At the Commencement of the year | **51,139.76** | 41,728.65 |
| | Less: Transition impact of INDAS 116 | **(872.87)** | – |
| | Less: Share of Joint Venture transition impact of INDAS 116 | **(10.98)** | – |
| | Add: Net Profit for the year | **14,208.45** | 11,733.31 |
| | Add : Other Comprehensive Income for the year | **(98.72)** | (38.03) |
| | Add : Other Comprehensive Income of Joint Venture | **(5.13)** | (5.09) |
| | Add: Adjustment of Previous Year * | **55.00** | – |
| | Add : Gain on Reduction of non-controlling interest on account of Buy back of shares | **126.07** | – |
| | **Less: Appropriations** | | |
| | Final Dividend 31st March, 2019 ₹ 9 per share (31st March 2018 ₹ 9 per share) | **1,343.03** | 1,343.03 |
| | Interim Dividend | **2,238.37** | 596.90 |
| | Tax on Final Dividend / Interim Dividend | **663.87** | 339.15 |
| | | **60,296.31** | 51,139.76 |
| | * Adjustment relates to opening reserve of Nilkamal Foundation and Nilkamal Storage System Private Limited (Previously known as Nilkamal Bito Storage System Private Limited) | | |
| **b.** | **Securities Premium** | | |
| | At the Commencement and at the end of the year | **6,448.96** | 6,448.96 |
| **c.** | **General Reserve** | | |
| | At the Commencement and at the end of the year | **35,032.04** | 35,032.04 |
| **d.** | **Foreign Currency Translation Reserve** | | |
| | At the Commencement of the year | **(321.07)** | (255.29) |
| | Add/(Less): Exchange Difference during the year | **47.45** | (65.78) |
| | At the end of the year | **(273.62)** | (321.07) |
| **e.** | **Share of Joint Venture** | | |
| | At the Commencement of the year | **418.24** | – |
| | Less: Share of joint venture transfer to retain earning on acquisition of 50% stake in Nilkamal Storage system private limited | **(52.29)** | 418.24 |
| | At the end of the year | **365.95** | 418.24 |
| **f.** | **Cash Flow Hedge Reserve** | | |
| | At the commencement of the year | **(92.15)** | (7.24) |
| | Add : Net gain / (loss) recognised on Cash Flow Hedge (Refer Note 40) | **(60.61)** | (84.91) |
| | At the end of the year | **(152.76)** | (92.15) |
| | **Total Other Equity** | **1,01,716.88** | 92,625.78 |

**16 Other Equity (Continued)**

**Nature and purpose of reserves**

**1) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**2) General reserve**

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

**3) Cash flow hedge reserve**

For hedging foreign currency exposure, the Group uses forward contract 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.

(₹ in Lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **17** | **Borrowings – Non-current Financial Liabilities** | | |
| | **Secured (For Security and terms of repayment : Refer Note 39)** | | |
| | Foreign Currency Loan | **4,790.08** | 4,441.81 |
| | **Total** | **4,790.08** | 4,441.81 |
| | * Current maturities of Long Term Borrowings disclosed under Other Current Liabilities: Refer Note 24) | *** 1844.52** | * 744.81 |
| **18** | **Other Non-current Financial Liabilities** | | |
| | (a) Security Deposit Received | **5,925.01** | 5,333.28 |
| | (b) Lease liabilities | **12,403.60** | – |
| | **Total** | **18,328.61** | 5,333.28 |
| **19** | **Non-current Provisions** | | |
| | **Provision For Employee Benefits** | | |
| | (a) Gratuity (Refer Note 48) | **195.31** | 196.32 |
| | (b) Compensated Absences | **514.75** | 538.73 |
| | **Total** | **710.06** | 735.05 |
| **20** | **Deferred Tax Liabilities (Net) (Refer Note 34)** | | |
| | Major components of deferred tax assest and liabilities on account of timing diffrences are: | | |
| | **Deferred Tax Liabilities :** | | |
| | Depreciation | **5,841.98** | 2,661.38 |
| | Allowances under Income Tax Act | – | 210.65 |
| | | **5,841.98** | 2,872.03 |
| | **Deferred Tax Assets:** | | |
| | Disallowances under Income Tax Act: | **330.35** | 535.83 |
| | Provision for Doubtful Debts | **289.02** | 294.14 |
| | Allowances under Income Tax Act | **3,878.96** | – |
| | | **4,498.33** | 829.97 |
| | **Deferred Tax Liabilities (Net)** | **1,343.65** | 2,042.06 |
| **21** | **Other Non-current Liabilities** | | |
| | Rent Equalisation | – | 377.02 |
| | **Total** | – | 377.02 |
| **22** | **Borrowings – Current Financial Liabilities** | | |
| | **Secured Loans (for securities and terms of prepayment (Refer Note 39)** | | |
| | Working Capital Loan from Banks | | |
| | Rupee Loans | **1.73** | 701.49 |
| | **Total** | **1.73** | 701.49 |
| **23** | **Trade Payables** | | |
| | (a) Total Outstanding dues of micro enterprises and small enterprises (Refer note 41) | **3.64** | – |
| | (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | **15,299.31** | 13,378.72 |
| | **Total** | **15,302.95** | 13,378.72 |

(₹ in Lakhs)

| | | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **24** | **Other Current Financial Liabilities** | | |
| | (a) Current maturities of Long-term debt | | |
| | (i) Foreign Currency Loan (Refer Note 39) | **1,844.52** | 744.81 |
| | (b) Book overdraft | **11.49** | – |
| | (c) Interest accrued but not due on borrowings | **49.36** | 31.57 |
| | (d) Derivative Liability | – | 223.73 |
| | (e) Lease Liabilities | **3,244.38** | – |
| | (f) Unclaimed Dividends | **79.94** | 42.66 |
| | (g) Payable for purchase of Property, Plant and Equipments | **861.85** | 635.75 |
| | (h) Employee Benefits | **974.75** | 1,045.18 |
| | **Total** | **7,066.29** | 2,723.70 |
| **25** | **Other Current Liabilites** | | |
| | (a) Advance received from customers | **2,002.59** | 1,802.67 |
| | (b) Advance received against Property, Plant and Equipments | **138.78** | 150.54 |
| | (c) Statutory Dues: | | |
| | (i) Sales Tax / Goods and Service Tax | **232.76** | 1,268.67 |
| | (ii) Tax Deducted at Source | **440.59** | 234.09 |
| | (iii) Employee Benefits | **146.63** | 104.17 |
| | (d) Other Payables | **182.80** | 136.54 |
| | **Total** | **3,136.15** | 3,696.68 |
| **26** | **Current Provisions** | | |
| | **(a) Provision For Employee Benefits (Refer Note 48)** | | |
| | (i) Gratuity | **68.70** | – |
| | (ii) Compansated Absences | **397.91** | 380.48 |
| | **(b) Others Provisions (Refer Note 37)** | | |
| | (i) Provision For Product Warranties | **579.39** | 606.62 |
| | (ii) Provision for Others | **40.00** | 100.00 |
| | **Total** | **1,086.00** | 1,087.10 |

(₹ in Lakhs)

| | | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|---|
| **27** | **Revenue from Operations (refer note 33)** | | |
| | **(a) Sale of Products** | | |
| | (i) Domestic | **2,17,264.12** | 2,28,787.14 |
| | (ii) Export [including Deemed Exports of ₹ Nil (Previous year ₹ 114.00 lakhs) | **4,780.17** | 5,076.98 |
| | | **2,22,044.29** | 2,33,864.12 |
| | **(b) Sale of Services** | **812.75** | 737.90 |
| | **(c ) Other Operating Revenue** | | |
| | (i) Sale of Scrap | **669.55** | 409.12 |
| | (ii) Technical and Management Fees | **556.62** | 740.04 |
| | (iii) Others | **1,635.97** | 485.19 |
| | **Revenue from Operations** | **2,25,719.18** | 2,36,236.37 |
| **28** | **Other Income** | | |
| | (a) Interest Income | **386.55** | 537.19 |
| | (b) Keymen Insurance Policy Refund | – | 662.00 |
| | (c) Gain on Sales of Investments | **224.64** | – |
| | (d) Gain on Cancellation/Modification of Lease | **36.16** | – |
| | (e) Gain on Revaluation of Investment (refer note 43) | **479.67** | – |
| | (f) Profit on Property, Plant and Equipments sold/discarded (net) | **287.51** | – |
| | (g) Foreign Exchange Gain (net) | – | 58.76 |
| | (h) Others | **27.36** | 41.46 |
| | **Total** | **1,441.89** | 1,299.41 |

(₹ in Lakhs)

| | | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|---|---|---|
| **29** | **Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress** | | |
| | **Opening Stock** | | |
| | Work-in-Progress | **3,387.87** | 3,754.78 |
| | Finished Goods | **10,357.59** | 9,291.79 |
| | Stock in Trade | **16,521.57** | 13,353.78 |
| | | **30,267.03** | 26,400.35 |
| | **Closing Stock** | | |
| | Work-in-Progress | **3,231.71** | 3,387.87 |
| | Finished Goods | **10,794.72** | 10,357.59 |
| | Stock in Trade | **16,654.09** | 16,521.57 |
| | | **30,680.52** | 30,267.03 |
| | **Total** | **(413.49)** | (3,866.68) |
| **30** | **Employee Benefits Expense** | | |
| | (a) Salary, Wages and Bonus (Net) | **17,042.41** | 16,617.69 |
| | (b) Contribution to Provident and Other funds (Refer Note 48) | **918.68** | 691.85 |
| | (c) Workmen and Staff Welfare Expenses | **1,107.65** | 1,356.71 |
| | **Total** | **19,068.74** | 18,666.25 |
| **31** | **Finance Costs** | | |
| | (a) Interest on Financial Liabilities | **1,130.17** | 1,507.81 |
| | (b) Interest Expense on Lease Liabilities | **1,367.85** | – |
| | (c) Other Borrowing Costs | **112.45** | 75.95 |
| | **Total** | **2,610.47** | 1,583.76 |
| **32** | **Other Expenses** | | |
| | (a) Stores, Spare Parts Consumed | **2,418.81** | 2,025.37 |
| | (b) Power and Fuel | **4,751.82** | 4,922.54 |
| | (c) **Repairs:** | | |
| | (i) Building | **243.72** | 191.37 |
| | (ii) Machinery | **264.94** | 346.45 |
| | (iii) Others | **1,074.31** | 1,229.08 |
| | (d) Erection Charges | **1,340.68** | – |
| | (e) Labour Charges | **11,284.33** | 12,263.39 |
| | (f) Rent | **1,406.71** | 5,547.41 |
| | (g) Rates and Taxes | **597.69** | 503.79 |
| | (h) Insurance | **371.46** | 268.39 |
| | (i) Postage and Telephone Expenses | **554.20** | 637.78 |
| | (j) Loss on Property, Plant and Equipments sold/discarded (net) | – | 42.96 |
| | (k) Packing Material Consumed | **2,292.02** | 2,506.85 |
| | (l) Travelling and Conveyance | **1,947.98** | 1,836.86 |
| | (m) Commission | **1,930.22** | 1,119.18 |
| | (n) Advertisements and Sales Promotion | **3,678.27** | 2,797.81 |
| | (o) Computer Expenses | **890.25** | 814.44 |
| | (p) Transportation and Forwarding Charges | **13,800.19** | 15,520.90 |
| | (q) Security and Gaurds | **536.69** | 513.63 |
| | (r) House Keeping Expenses | **478.08** | 396.24 |
| | (s) Legal and Professional Fees | **1,500.00** | 1,467.06 |
| | (t) Vehicle Expenses | **595.26** | 695.05 |
| | (u) Printing and Stationary | **141.90** | 182.61 |
| | (v) Board Meeting Fees | **52.60** | 28.00 |
| | (w) Bad Debts written off/(back) | **218.17** | 123.98 |
| | (x) Provision for Doubtful Debts and Advances | **186.96** | 199.28 |
| | (y) Corporate Social Responsibility Expenses (Refer note 45) | – | 37.45 |
| | (z) Foreign Exchange Loss (Net) | **26.94** | – |
| | (aa) Bank Charges | **273.93** | 249.41 |
| | (ab) Miscellaneous Expenses | **967.81** | 560.27 |
| | **Total** | **53,825.94** | 57,027.55 |

**33 Revenue from Contract from Customer**

**A. Revenue Streams**

The Group generates revenue primarily from the sale of Plastic articles and Life style furniture, Furnishings and Accessories to its customers. Other sources of revenue include Sale of services and Technical management fees.

(₹ in lakhs)

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| Sale of Goods | **2,22,044.29** | 2,33,864.12 |
| Sale of Services | **812.75** | 737.90 |
| **Other Operating revenue** | | |
| Sale of Scrap | **669.55** | 409.12 |
| Technical and Management Fees | **556.62** | 740.04 |
| Others | **1,635.97** | 485.19 |
| **Total revenue** | **2,25,719.18** | 2,36,236.37 |

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

(₹ in lakhs)

| For the year ended 31 March | Product Category | | | | Total | |
|---|---|---|---|---|---|---|
| | Plastics | | Life style Furniture, Furnishings and Accessories | | | |
| | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 |
| **Primary geographical markets** | | | | | | |
| Domestic Sales | **1,99,427.70** | 2,10,070.39 | **21,511.31** | 21,089.01 | **2,20,939.01** | 2,31,159.39 |
| Export sales | **4,780.17** | 5,076.97 | **–** | – | **4,780.17** | 5,076.98 |
| | **2,04,207.87** | 2,15,147.36 | **21,511.31** | 21,089.01 | **2,25,719.18** | 2,36,236.37 |
| **Revenue types** | | | | | | |
| Sale of products | **2,00,557.69** | 2,12,789.14 | **21,486.60** | 21,074.99 | **2,22,044.29** | 2,33,864.12 |
| Sale of Services | **812.75** | 737.89 | **–** | – | **812.75** | 737.90 |
| Sale of Scrap | **661.79** | 395.12 | **7.76** | 14.01 | **669.55** | 409.12 |
| Technical and Management Fees | **556.62** | 740.04 | **–** | – | **556.62** | 740.04 |
| Others | **1,619.02** | 485.18 | **16.95** | 0.01 | **1,635.97** | 485.19 |
| | **2,04,207.87** | 2,15,147.37 | **21,511.31** | 21,089.01 | **2,25,719.18** | 2,36,236.37 |
| **Timing of revenue recognition** | | | | | | |
| Products Transferred at a point in time | **2,04,207.87** | 2,15,147.37 | **21,511.31** | 21,089.01 | **2,25,719.18** | 2,36,236.37 |
| **Revenue from contracts with Customers** | **2,04,207.87** | 2,15,147.37 | **21,511.31** | 21,089.01 | **2,25,719.18** | 2,36,236.37 |
| **External revenue as reported** | **2,04,207.87** | 2,15,147.37 | **21,511.31** | 21,089.01 | **2,25,719.18** | 2,36,236.37 |

**C. Reconciliation of Revenue from operation with Contract price**

(₹ in lakhs)

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|---|---|
| Contract Price | **2,50,316.81** | 2,60,730.38 |
| Less: Sales Returns | **3,331.49** | 3,359.44 |
| Schemes and Discounts | **21,266.14** | 21,134.57 |
| **Total Revenue from Operation** | **2,25,719.18** | 2,36,236.37 |

**D. Contract balances**

The following table provides information about receivables from contracts with customers

(₹ in lakhs)

| | Note | 31st March, 2020 | 31st March, 2019 |
|---|---|---|---|
| Advance from Customer, which are included in 'other current liabilities' | 25 | **2,002.59** | 1,802.67 |
| Receivables, which are included in 'trade receivables' | 9 | **32,500.58** | 30,902.31 |

**34 Tax expense**

**(a) Amounts recognised in profit and loss**

(₹ in lakhs)

| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|---|---|
| **Current income tax** | 4,460.77 | 4,858.66 |
| **Adjustment in respect of current income tax of previous year** | – | (804.86) |
| **Deferred income tax liability / (asset), net** | | |
| Origination and reversal of temporary differences | (179.30) | 771.97 |
| Reduction in tax rate | (498.07) | – |
| Transition impact of IND AS116 | 131.46 | – |
| **Tax expense for the year** | **3,914.86** | 4,825.77 |
| **Effective tax rate for the year** | **22.33%** | 29.72% |

**(b) Amounts recognised in other comprehensive income**

(₹ in lakhs)

| Particulars | Year ended 31 March 2020 | | | Year ended 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | 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) | **(122.92)** | **24.17** | **(98.75)** | (58.15) | 20.12 | (38.03) |
| **Items that will be reclassified to profit or loss** | | | | | | |
| Effective portion of Gain/(Loss) on hedging instrument in a cash flow hedge | **(62.51)** | **1.90** | **(60.61)** | (141.13) | 56.22 | (84.91) |
| **Share of Comprehensive Income Jointly Controlled entity** | **(5.13)** | **-** | **(5.13)** | (5.09) | - | (5.09) |
| | **(190.56)** | **26.07** | **(164.49)** | (204.37) | 76.34 | (128.03) |

**(c) Reconciliation of effective tax rate**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| **Profit before tax (₹ in lakhs)** | **17,529.54** | 15,889.28 |
| Tax using the Company's domestic tax rate | **25.17%** | 34.94% |
| Reduction in tax rate | **(2.84%)** | |
| **Tax effect of:** | | |
| Tax impact of income not subject to tax | - | (0.29%) |
| Tax effects of amounts which are not deductible for taxable income | **0.02%** | 0.89% |
| Adjustment for current tax of prior period | - | - |
| Deferred tax assets not recognized because realization is not probable | - | - |
| Effect of different tax rate | **(0.35%)** | (0.42%) |
| Tax deduction Under Chapter VI | **(0.27%)** | (0.43%) |
| Tax deduction u/s 80G | **-** | - |
| Adjustment for current tax of prior period | **0.75%** | (5.07%) |
| Additional tax paid on book profits | - | - |
| Others | **(0.15%)** | 0.10% |
| | **22.33%** | 29.72% |

The applicable Indian corporate statutory rate for the year ended 31 March 2020 and 31 March 2019 is 25.17% and 34.94% respectively.

**(d) Movement in deferred tax balances**

(i)

(₹ in lakhs)

| | Net balance April 1, 2019 | Recognised in profit or loss | Recognised in OCI | Charge in respect of earlier years | 31st March, 2020 Net | Deferred tax asset | Deferred tax liability |
|---|---|---|---|---|---|---|---|
| **Deferred tax asset / (liabilities)** | | | | | | | |
| Property, plant and equipment | (2,661.38) | 2,047.55 | – | (5,228.15) | (5,841.98) | – | (5,841.98) |
| Employee benefits | 404.09 | (97.91) | 24.17 | – | 330.35 | 330.35 | – |
| Rent equilisation | 131.75 | (18.34) | – | (113.41) | – | – | – |
| Provision for Doubtful Debts / Advances | 294.13 | (7.01) | 1.90 | – | 289.02 | 289.02 | – |
| Other provisions | (210.65) | (1,721.83) | – | 5,811.44 | 3,878.96 | 3,878.96 | – |
| **Tax assets (Liabilities)** | **(2,042.06)** | **202.46** | **26.07** | **469.88** | **(1,343.65)** | **4,498.33** | **(5,841.98)** |
| **Set off tax** | | | | | | | |
| **Net tax assets / (liabilities)** | **(2,042.06)** | **202.46** | **26.07** | **469.88** | **(1,343.65)** | **4,498.33** | **(5,841.98)** |

**(ii)**

(₹ in lakhs)

| | Net balance April 1, 2018 | Recognised in profit or loss | Recognised in OCI | Charge in respect of earlier years | 31st March, 2019 Net | Deferred tax asset | Deferred tax liability |
|---|---|---|---|---|---|---|---|
| Deferred tax asset / (liabilities) | | | | | | | |
| Property, plant and equipment | (1,878.26) | (756.63) | – | (26.49) | (2,661.38) | – | (2,661.38) |
| Employee benefits | 451.25 | (57.11) | 20.12 | (10.17) | 404.09 | 404.09 | – |
| Rent equilisation | 95.06 | 36.69 | – | – | 131.75 | 131.75 | – |
| Provision for Doubtful Debts / Advances | 225.40 | 12.51 | 56.22 | – | 294.13 | 294.13 | – |
| Other provisions | (189.29) | (7.43) | – | (13.93) | (210.65) | – | (210.65) |
| Tax assets (Liabilities) | (1,295.84) | (771.97) | 76.34 | (50.59) | (2,042.06) | 829.97 | (2,872.03) |
| Set off tax | | | | | | | |
| Net tax assets / (liabilities) | (1,295.84) | (771.97) | 76.34 | (50.59) | (2,042.06) | 829.97 | (2,872.03) |

1. The Group 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. 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. The Group have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group have recognised provision for income tax for the year ended 31st March 2020 and re-measured its deferred tax balances basis the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of profit and loss account for the year ended 31st March 2020.
   The group has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Group's financial statements

35 **Significant accounting policies**

a) **Basis of preparation of consolidated 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") and the group's interest in joint ventures. 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 Act"), and read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Rules 2016. The financial statements were authorised for issue by the Holding Company's Board of Directors on $28^{th}$ June 2020.

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 the group's interest in joint ventures.

**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 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 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 joint ventures used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company, i.e. 31 March 2020.

The Subsidiary Companies and Joint ventures considered in the consolidated financial statements are:

| Name of the Company | Country of Incorporation | % of Ownership held as at 31st March, 2020 | % of Ownership held as at 31st March, 2019 |
|---|---|---|---|
| **Subsidiaries:** | | | |
| Nilkamal Eswaran Plastics Private Limited (after 15th January 2020) | Sri Lanka | 96.28% | 76% |
| Nilkamal Eswaran Marketing Private Limited (after 15th January, 2020) | Sri Lanka | 96.28% | 76% |
| Nilkamal Crates and Bins FZE | Ajman, UAE, | 100% | 100% |
| Nilkamal Foundation * (after 23rd August 2019) | India | 99% | 98% |
| Nilkamal Storage System Private Limited (formerly known as Nilkamal Storage System Private Limited) (On acquisition of additional 50% stake from 23rd August 2019 ) | India | 100% | 50% |
| **Joint Ventures:** | | | |
| Cambro Nilkamal Private Limited | India | 50% | 50% |

"Non-controlling interest" represents the amount of equity attributable to Non-controlling 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.

* These companies are private companies limited by shares formed under section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholder by these companies. In the event of winding up or dissolution of these companies, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of these companies, to be determined by the members of this company at or before the time of dissolution or in default thereof by the High Court. The carrying amount of the assets and liabilities included within the consolidated financial statements to which these restrictions apply is ₹ 401.08 lakhs (previous year ₹ 380.68 lakhs) and ₹ 117.14 lakhs (previous year ₹ 100.46 lakhs).

**Functional and presentation currency**

These consolidated 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.

**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:

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 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 and liabilities**

  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.

- **Segment reporting**

  Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated 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 value 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**

- Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

***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 consolidated 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.

**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 Property, plant and equipment 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 Fixed 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.

h) **Goodwill on Consolidation**

Goodwill on acquisition of subsidiaries is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

i) **Amortisation**

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

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

j) **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 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 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 consolidated 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.

k) **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. 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.

l) **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.

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.

m) **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 not translated using the exchange rate at the date of the transactions.

**Translation of financial statements of foreign entities**

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve. On disposal of a foreign operation, the component of Foreign Currency Translation Reserve relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

n) **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.

o) **Revenue Recognition:**

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established.



Export incentives receivable under various schemes are accounted on accrual basis.

Interest income is recognized using the effective interest rate method.

p) **Leases**

Effective 1 April, 2019, Company adopted IND AS 116 – Leases. Company applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

**Accounting policy applicable before 1st April 2019**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

***As a lessee***

Leases of assets where Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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.

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.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

***As lessor***

Leases in which Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

**Accounting policy applicable from 1st April 2019**

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, Company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when Company has the right to use the asset or Company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



<u>As a Lessee:</u>

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

**Right-of-use asset (ROU):**

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or the cost of the right-of-use asset reflects Company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

**Lease liability:**

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using Company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Property Plant and Equipment" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Lessor**

At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The Company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the Company as a lessor, in the comparative period, were not different from IND AS 116.

**Transitional impact:**



On transition to IND AS 116, Company elected to apply practical expedients given by the standard as follows:

(a) Company has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.

(b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.

(c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.

(d) For the leases which is previously classified as operating lease, under IND AS 17, Company recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.

(e) Company recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. Company also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.

(f) During transition, no adjustments is made for leases for which the underlying asset is of low value.

(g) Company has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.

(h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

q) **Business Combination:**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

r) **Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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 consolidated 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. An impairment loss in respect of goodwill is not subsequent reversed.

s) **Cash and cash equivalents**

Cash and cash equivalent in the consolidated 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 consolidated 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.

t) **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.



u) **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 consolidated 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.

v) **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 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 consolidated financial statements where an inflow of economic benefit is probable.

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

**a) Contingent liabilities :-**

**1)** (₹ in lakhs)

| Sr.no. | Particulars | **31st March, 2020** | 31st March, 2019 |
|---|---|---|---|
| i) | Excise and Service Tax matters | **292.71** | 550.88 |
| ii) | Sales Tax matters * | **1,117.23** | 1,114.03 |
| iii) | On account of Cross Subsidy Surcharge on electricity | **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.

2) In respect of Supreme Court Judgement on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution.

In view of the management, based on legal advice obtained, the liability for the period from the date of the SC order to 31 March 2019 is not significant and has not been given effect to in the books of account.

***b)*** **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,900.46 lakhs (Previous year ₹ 1,894.31 lakhs).

**37. Provision for warranty and other provisions:**

(₹ in lakhs)

| | **31st March, 2020** | **31st March, 2020** | 31st March, 2019 | 31st March, 2019 |
|---|---|---|---|---|
| | **Warranty Provision** | **Other Provisions** | Warranty Provision | Other Provisions |
| Opening Balance | **606.62** | **100.00** | 552.43 | 100.00 |
| Additions | **496.86** | **-** | 559.45 | - |
| Utilisations / Reversals | **524.09** | **60.00** | 505.26 | 0.00 |
| Closing Balance | **579.39** | **40.00** | 606.62 | 100.00 |

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.

**38. Share capital**

**a) Rights, preferences and restrictions attached to Equity Shares:** The Company has only one class of equity shares having a 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, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Hiten V. Parekh | **1,892,258** | **12.68%** | 1,937,258 | 12.98% |
| Manish V. Parekh | **1,551,563** | **10.40%** | 1,551,563 | 10.40% |
| Nayan S. Parekh | **2,189,704** | **14.67%** | 2,234,704 | 14.98% |
| Nilkamal Builders Private Limited | **1,464,000** | **9.81%** | 1,464,000 | 9.81% |
| Heirloom Finance Private Limited | **9,12,000** | **6.11%** | 912,000 | 6.11% |

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

| Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | 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 |
| 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 |

**39. Borrowings:**

**(A) Secured loans:**

**(a) Working Capital loans :**

Working capital facilities of ₹ NIL lakhs (Previous year ₹ 685.73 lakhs) from Banks are secured on first pari passu basis by way of hypothecation of current assets (inventories and trade receivables) of the Company, second pari passu charge by way of equitable mortgage on the Company's immoveable property. Working Capital Loans repayable on Demand having Interest Rate from 9.25 % to 9.60 % p.a. (Previous Year 9.25% p.a to 9.60% p.a).

**Subsidiary Companies**

**Working Capital loans:**

Working capital facilities of ₹ 1.73 lakhs (Previous year ₹ 13.53 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 immoveable property. Working Capital Loans repayable on Demand having Interest Rate 10.97% (Previous Year 14.75% p.a) .

Lease loans of ₹ NIL lakhs (Previous year ₹ 2.23 lakhs) is secured against the company specific assets.

**b) Foreign Currency Term Loans:**

Foreign currency term loans of ₹ 6,634.60 lakhs (Previous year ₹ 5,186.62 lakhs) from the Banks are secured on first pari passu basis by way of equitable mortgage created on Company's moveable properties. These loans are repayable in equal quarterly installment, last installments due on March 2023 and February 2024 as per repayment schedules, having interest rate from 3 month LIBOR +1.05% to 1.38% p.a. which are reset periodically.

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

**40 Derivative Instruments outstanding at the Balance Sheet date:**

**(a) Forward Contracts against imports:**

Forward contracts to buy USD 10.52 lakhs and CNY 5.00 lakhs (Previous Year USD 30 lakhs and Euro 15 lakhs) amounting to ₹ 852.54 lakhs (Previous Year ₹ 3,328.92 lakhs).

**(b) Option Contracts against imports:**

Option Contract to buy NIL (Previous Year EURO 15 lakhs) amounting to ₹ NIL (Previous Year ₹ 1,170 lakhs).

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

**(c) USD Floating rate/INR Floating rate cross-currency interest rate swap (CCIRS):**

Outstanding USD/INR Floating rate cross-currency interest rate swap USD 87.68 lakhs (Previous year USD 75 lakhs) amounting to ₹ 6,634.60 lakhs (Previous Year ₹ 5,186.62 lakhs).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from foreign currency loan and interest there on, resulting net loss recognised in Cash flow Hedge Reserve of ₹60.61 lakhs.

**41. Dues to micro and small suppliers**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 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, 2020** | **31st March, 2019** |
|---|---|---|
| Principal amount remaining unpaid to any supplier as at the year end | **3.64** | - |
| 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 | - | - |

**42. Related Party Disclosures:**

Names of related parties and description of relationship

| | | |
|---|---|---|
| I | Joint Ventures | Nilkamal Storage Systems Private Limited ceased to be joint venture effective from 22nd August 2019 (formerly known as Nilkamal BITO Storage Systems Private Limited)<br>Cambro Nilkamal Private Limited |
| II | Key Management Personnel | Mr. Vamanrai V. Parekh, Chairman<br>Mr. Sharad V. Parekh, Managing Director<br>Mr. Hiten V. Parekh, Joint Managing Director<br>Mr. Manish V. Parekh, President and Executive Director – Furniture<br>Mr. Nayan S. Parekh, President and Executive Director – Material Handling<br>Mr. Mihir H. Parekh, Executive Director(effective from 1st February, 2020)<br>**Independent Director**:<br>Mr. K. R. Ramamoorthy<br>Mr. Mahendra V. Doshi<br>Mr. Mufazzal S. Federal<br>Mr. S. K. Palekar<br>Ms. Hiroo Mirchandani<br>Mr. Krishnamurthi Venkataraman |
| III | Relatives of Key Management Personnel | Mr. Mihir H. Parekh(effective from 1st February, 2020 became Executive Director)<br>Ms. Priyanka H. Gandhi |
| IV | Enterprise owned or significantly influenced by key Management Personnel or their relatives, where transactions have taken place | Nilkamal Crates & Containers<br>M. Tech Industries<br>Raga Plast Private Limited |

42. **Related Party Disclosures *(Continued)*:**

(₹ in lakhs)

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019 – 20 | | | | | 2018 - 19 | | | | |
| Sales of Finished Goods / Others | 1,594.47 | - | - | 265.99 | 1,860.46 | 1,809.42 | - | - | 239.47 | 2,048.89 |
| Purchases of raw materials, intermediaries and finished goods | 270.68 | - | - | 2,778.70 | 3,049.38 | 546.87 | - | - | 2,463.01 | 3,009.88 |
| Paid for services and labour charges | - | - | - | 155.83 | 155.83 | - | - | - | 227.64 | 227.64 |
| Received for services & labour charges | 15.76 | - | - | - | 15.76 | 30.16 | - | - | - | 30.16 |
| Deputation Charges | 8.01 | - | - | - | 8.01 | 33.59 | - | - | - | 33.59 |
| Technical and Management Fees received | 656.05 | - | - | - | 656.05 | 873.83 | - | - | - | 873.83 |
| Dividend received | 42.00 | - | - | - | 42.00 | 130.80 | - | - | - | 130.80 |
| Purchase of fixed assets | 127.48 | - | | | 127.48 | 304.61 | - | - | - | 304.61 |
| Rent paid | - | - | - | 309.81 | 309.81 | - | - | - | 301.20 | 301.20 |
| Remuneration to Directors | - | 1,445.95 | - | - | 1445.95 | - | 1,468.65 | - | - | 1,468.65 |
| Salary Paid | - | - | 32.53 | - | 32.53 | - | - | 40.69 | - | 40.69 |
| Corporate Social Responsibility (CSR) Expenses | - | - | - | - | - | 36.20 | - | - | - | 36.20 |
| Board & Audit Committee sitting fees | - | 52.60 | - | - | 52.60 | - | 28.00 | - | - | 28.00 |
| Reimbursement of Expenses | 28.13 | - | - | - | 28.13 | 81.75 | - | - | 76.88 | 158.63 |
| Rent Received | 30.78 | - | - | - | 30.78 | 23.88 | - | - | - | 23.88 |
| Balances Outstanding at the year end: | | | | | | | | | | |
| Deposits Receivable | - | - | - | 720.00 | 720.00 | - | - | - | 720.00 | 720.00 |
| Trade and Other Receivables | 316.37 | - | - | 18.95 | 335.32 | 525.72 | - | - | 131.72 | 657.44 |
| Other Payables | 27.88 | - | - | 95.98 | 123.86 | 8.33 | - | - | 63.47 | 71.80 |

Note:

1. The remuneration paid to key managerial personal excludes gratuity and compensated absences as the provision is computed for the Holding Company as a whole and separate figures are not available.
2. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

**43. Acquisition of additional stake in Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited)**

a) During the year Company entered into agreement with Bito Lagertechnik Bittmann GmbH (Germany) to acquire balance 50% shareholding in Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited) , a Joint Venture Company in India. Post transfer of shares said Company became the wholly owned subsidiary of the Company. The agreement was effective from 23rd August, 2019 and a cash consideration of ₹ 5,097.10 lakhs was paid to Bito Lagertechnik Bittmann GmbH(Germany) under this agreement. Nilkamal Storage Systems Private Limited is in the business of Material handling storage systems of metal (racking and shelving).

b) **Acquired Receivables**

As on date of acquisition , gross contractual amount of the acquired Trade receivables was ₹ 2,014.19 lakhs against which no provisions had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

c) **50% Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below.**

| Particulars | Amount |
|---|---|
| Property, Plant and Equipment | 3,152.30 |
| Capital Work-In-Progress | 58.78 |
| Non Current Financial Assets | 14.93 |
| Current Tax Assets | 42.00 |
| Other Non Current Assets | 72.57 |
| Inventories | 3,081.83 |
| Trade Receivables | 4,028.38 |
| Cash & Cash Equivalents | 351.13 |
| Bank Balances other than above | 224.83 |
| Current Loans | 29.27 |
| Other Current Financial Assets | 12.06 |
| Other Current Assets | 1,165.23 |
| **Total Asset (A)** | **12,233.30** |
| Non-Current Provision | 36.53 |
| Deferred Tax Liabilities | 362.87 |
| Trade Payables | 1,883.19 |
| Other Current Financial Liabilities | 83.82 |
| Other Current Liabilities | 758.49 |
| Current Provisions | 37.48 |
| Current tax liabilities | 139.46 |
| Contingent liabilities | 96.42 |
| **Total Liabilities (B)** | 3,398.26 |
| **Total Fair Value of Net Assets (A – B)** | 8,835.04 |
| Less: Fair value of 50% Investment already held | 4,417.52 |
| **Fair Value of Balance 50% acquired** | **4,417.52** |
| **Less: Consideration Paid** | **5,097.10** |
| **Goodwill Recognised** | **675.60** |

d) Acquisition-related costs amounting to ₹ 18.53 lakhs on legal fees, valuation fees etc have been recognised as legal and professional expense in the consolidated Statement of Profit and Loss within other expenses.

e) The fair value of 50% equity interest already held before the acquisition date is ₹ 4,417.52 lakhs. The amount of gain ₹ 479.67 lakhs as a result of remeasuring already held 50% investment is recognised as other income in the consolidated Statement of Profit and Loss .

f) From the date of acquisition, Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Bito Storage Systems Private Limited) contributed ₹ 13,081.95 lakhs to revenue from operations and a profit of ₹ 398.85 lakhs to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had these business combination been effected at April 1, 2019, the revenue of the Group from continuing operations would have been higher by ₹ 8,293.59 lakhs and profit from continuing operations would have been higher by ₹ 347.65 lakhs on a pre-consolidation adjustments basis.

44. **Subsequent Events:**

In March 2020, World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic, consequent to this, Government of India declared lockdown on March 23, 2020 due to which Company temporarily suspended all its operations i.e. manufacturing facilities, retail stores, depots, warehouses, regional offices and corporate office. This has affected the normal business operations of the Company by way of interruption in production, supply chain disruption, closure/lock down of production facilities etc. Since June 2020, the Company has commenced most of the operations. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property plant and equipment, intangible assets, right of use assets, investments, inventory, trade receivables and other financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

45. **Corporate Social Responsibility**

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The Group 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 Group during the year 2019-20 ₹ 358.24 lakhs (Previous Year ` 335.81 lakhs).

(b) Amount spent during the year on:

(₹ in lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | * 358.50 | * 336.05 |

* Amount of ₹ 358.50 lakhs (Previous year ₹ 298.60 lakhs) paid to Nilkamal Foundation for CSR activities which has been eliminated on Consolidation.

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.

| March 31, 2020 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Unquoted Equity Shares * | 42.82 | – | 0.32 | 43.14 | – | – | – | – |
| Employee Loans | – | – | 342.84 | 342.84 | – | – | – | – |
| Security Deposits | – | – | 2,162.68 | 2,162.68 | – | – | – | – |
| Other financial assets | – | – | 93.39 | 93.39 | – | – | – | – |
| Derivative Asset | – | 313.03 | – | 313.03 | – | 313.03 | – | 313.03 |
| **Current** | | | | | | | | |
| Current Investments | 1,667.80 | – | – | 1,667.80 | 1,667.80 | – | – | 1,667.80 |
| Trade receivables | – | – | 32,500.58 | 32,500.58 | – | – | – | – |
| Cash and cash equivalents | – | – | 1,841.44 | 1,841.44 | – | – | – | – |
| Other bank balances | – | – | 561.34 | 561.34 | – | – | – | – |
| Loans | – | – | 1,216.78 | 1,216.78 | – | – | – | – |
| Other Current Financial Assets | – | – | 1,351.80 | 1,351.80 | – | – | – | – |
| | 1,710.62 | 313.03 | 40,071.17 | 42,094.82 | 1,667.80 | 313.03 | – | 1,980.83 |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowings | – | – | 4,790.08 | 4,790.08 | – | – | – | – |
| Current Borrowings | – | – | 1.73 | 1.73 | – | – | – | – |
| Trade and other payables | – | – | 15,302.95 | 15,302.95 | – | – | – | – |
| Other Non-Current financial liabilities | – | – | 18,328.61 | 18,328.61 | – | – | – | – |
| Other Current financial liabilities | – | – | 7,066.29 | 7,066.29 | – | – | – | – |
| | – | – | 45,489.66 | 45,489.66 | – | – | – | – |

**46 Financial instruments – Fair values and risk management *(Continued)***

**A. Accounting classification and fair values *(Continued)***

| March 31, 2019 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Unquoted Equity Shares * | 42.82 | – | 0.32 | 43.14 | – | – | – | – |
| Loans to Employees | – | – | 364.76 | 364.76 | – | – | – | – |
| Security Deposits | – | – | 2,137.28 | 2,137.28 | – | – | – | – |
| Other financial assets | – | – | 110.57 | 110.57 | – | – | – | – |
| **Current** | | | | | | | | |
| Trade receivables | – | – | 30,902.31 | 30,902.31 | – | – | – | – |
| Cash and cash equivalents | – | – | 1,316.65 | 1,316.65 | – | – | – | – |
| Current Investments | 96.16 | – | – | 96.16 | 96.16 | – | – | 96.16 |
| Other bank balances | – | – | 348.83 | 348.83 | – | – | – | – |
| Loans | – | – | 891.55 | 891.55 | – | – | – | – |
| Other Current Financial Assets | – | – | 1,065.98 | 1,065.98 | – | – | – | – |
| | 138.98 | – | 37,138.25 | 37,277.23 | 96.16 | – | – | 96.16 |
| **Financial liabilities** | | | | | | | | |
| Long term borrowings | – | – | 4,441.81 | 4,441.81 | – | – | – | – |
| Short term borrowings | – | – | 701.49 | 701.49 | – | – | – | – |
| Trade and other payables | – | – | 13,378.72 | 13,378.72 | – | – | – | – |
| Other Non-Current financial liabilities | – | – | 5,333.28 | 5,333.28 | – | – | – | – |
| Other Current financial liabilities | – | – | 2,723.70 | 2,723.70 | – | – | – | – |
| | – | – | 26,579.00 | 26,579.00 | – | – | – | – |

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

**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. |

**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 Group's Risk Management Policy framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Group, which identifies the risk and lays down the risk minimisation procedures. The Management reviews the Risk Management Policies and systems on a regular basis to reflect changes in market conditions and the Group'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 organisational 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 Group's Risk Management Policies and procedures, and reviews the adequacy of the Risk Management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by 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 group'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 distributor 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 31st March, 2020, the ageing of trade receivables was as follows

(₹ in lakhs)

| | **31 March, 2020** | 31 March, 2019 |
|---|---|---|
| Neither past due nor impaired | **10,313.82** | 15,094.80 |
| Past due 1–90 days | **15,798.79** | 11,741.21 |
| Past due 91–180 days | **3,983.27** | 2,415.40 |
| Past due 181–365 days | **1,920.03** | 1,471.59 |
| Past due 365 days | **1,658.28** | 1,046.15 |
| | **33,674.19** | 31,769.15 |

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

(₹ in lakhs)

| | **Trade receivables Impairments** | **Loans and advances** |
|---|---|---|
| Balance as at 1 April, 2018 | 667.50 | 52.05 |
| Impairment loss recognised | 618.66 | – |
| Balance written back | (297.87) | – |
| Amounts written off | (121.45) | – |
| **Balance as at 31 March, 2019** | **866.84** | **52.05** |
| **Impairment loss recognised** | **745.07** | 1.00 |
| **Balance written back** | **(314.86)** | – |
| **Amounts written off** | **(123.44)** | – |
| **Balance as at 31st March, 2020** | **1,173.61** | **53.05** |

**Cash and cash equivalents:**

The Group held Cash and Cash equivalents of ₹ 2402.78 lakhs (Previous year: ₹ 1,665.48 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 loan and advances of ₹ 5,480.52 lakhs as on 31st March 2020 (Previous year: ₹ 4,570.14 lakhs). The loans and advances are in nature of rent deposit paid to landloards, bank deposits with maturity more than twelve months and others, the same 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 31 March, 2020 and 31 March, 2019 the Group had unutilised credit limits from banks of ₹ 16,099.70 lakhs, ₹ 18,058.36 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)

| 31st March 2020 | Contractual cash flows | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Working Capital Borrowings | **1.73** | **1.73** | **1.73** | – | – | – | – |
| Trade and other payables | **14,450.41** | **14,450.41** | **14,450.41** | – | – | – | – |
| Lease Liabilities | **15,647.98** | **15,647.98** | **1,620.41** | **1,624.69** | **3,257.48** | **6,652.18** | **2,493.22** |
| Other financial liabilities | **5221.77** | **5221.77** | **5221.77** | – | – | – | – |
| **Derivative financial liabilities** | | | | | | | |
| Cross currency interest rate swaps | **6,634.60** | **6,634.60** | **917.99** | **917.99** | **1,835.99** | **2,962.62** | – |
| Forward exchange contracts used for hedging | | | | | | | |
| – Outflow | **852.54** | **852.54** | **852.54** | – | – | – | – |

(₹ in lakhs)

| 31st March 2019 | Contractual cash flows | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Working Capital Borrowings | 701.49 | 701.49 | 701.49 | – | – | – | – |
| Trade and other payables | 12,526.18 | 12,526.18 | 12,526.18 | – | – | – | – |
| Other financial liabilities | 2,723.70 | 2,723.70 | 2,723.70 | – | – | – | – |
| **Derivative financial liabilities** | | | | | | | |
| Cross currency interest rate swaps | 5,186.62 | 5,186.62 | 216.13 | 533.92 | 1,271.23 | 3,165.34 | – |
| Forward exchange contracts used for hedging | | | | | | | |
| – Outflow | 3,328.92 | 3,328.92 | 3,328.92 | – | – | – | – |

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 Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The currency profile of financial assets and financial liabilities as at March 31, 2020, March 31, 2019 are as below:

(₹ in lakhs)

| | **31st March, 2020** | | | |
|---|---|---|---|---|
| | **USD** | **EURO** | **GBP** | **CNY** |
| **Financial assets:** | | | | |
| Trade and Other Receivables | **1,615.85** | **226.86** | **3.73** | **9.17** |
| Cash and Cash Equivalents | **38.85** | – | – | – |
| | **1,654.70** | **226.86** | **3.73** | **9.17** |
| **Financial liabilities:** | – | – | – | – |
| Trade and Other Payables | **1,448.14** | **159.62** | **3.03** | **150.77** |
| Forecasted purchase | – | – | – | – |
| Less: Forward contracts | **(799.20)** | – | – | **(53.34)** |
| | **648.94** | **159.62** | **3.03** | **97.43** |
| **Net Exposure** | **1,005.76** | **67.24** | **0.70** | **(88.26)** |

(₹ in lakhs)

| | 31st March, 2019 | | | |
|---|---|---|---|---|
| | USD | EURO | GBP | CNY |
| Financial assets: | | | | |
| Trade and Other Receivables | 1,433.00 | 161.98 | 0.77 | 23.63 |
| | 2.33 | – | – | – |
| | 1,435.33 | 161.98 | 0.77 | 23.63 |
| Financial liabilities: | | | | |
| Trade and Other Payables | 1,710.50 | 36.98 | 27.15 | – |
| Forecasted Purchase | 454.00 | 1,127.92 | – | – |
| Less: Forward contracts | (2,164.02) | (1,164.90) | – | – |
| | – | – | 27.15 | – |
| Net Exposure | 1,435.33 | 161.98 | (26.38) | 23.63 |

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

| | **Year-end spot rate** | |
|---|---|---|
| Indian Rupee (₹) | **31st March, 2020** | 31st March, 2019 |
| USD 1 | **75.67** | 69.16 |
| EUR1 | **82.77** | 77.66 |
| CNY1 | **10.65** | 10.30 |
| GBP1 | **93.36** | 90.50 |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Foreign Currency against the Indian Rupee (₹) at 31st March 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, 2020** | | 31st March, 2019 | |
|---|---|---|---|---|
| | **Profit or (loss)** | | Profit or (loss) | |
| **Effect in INR** | **Strengthening** | **Weakening** | Strengthening | Weakening |
| USD – 3% Movement | **30.17** | **(30.17)** | 43.06 | (43.06) |
| EUR – 3% Movement | **2.02** | **(2.02)** | 4.86 | (4.86) |
| GBP – 3% Movement | **0.02** | **(0.02)** | (0.79) | 0.79 |
| CNY – 3% Movement | **(2.65)** | **2.65** | 0.71 | (0.71) |
| | **29.56** | **(29.56)** | 47.84 | (47.84) |

**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 Group is as follows:

(₹ in lakhs)

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| **Borrowings** | | |
| Fixed rate borrowings | – | – |
| Variable rate borrowings | **6,636.33** | 5,888.11 |
| Less: Interest rate swap | **(6,634.60)** | (5,186.62) |
| Total | **1.73** | 701.49 |

**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

**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)

| | **Profit or (loss)** | |
|---|---|---|
| **31st March, 2020** | **100 bp increase** | **100 bp decrease** |
| **Variable-rate instruments** | **(66.36)** | **66.36** |
| **Interest rate swaps** | **66.35** | **(66.35)** |
| **Cash flow sensitivity (net)** | **(0.01)** | **0.01** |
| 31st March, 2019 | | |
| Variable-rate instruments | (58.88) | 58.88 |
| Interst rate swaps | 51.87 | (51.87) |
| Cash flow sensitivity (net) | (7.01) | 7.01 |

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 Capital Management**

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 Group monitors capital using debt to equity ratio.

(₹ in lakhs)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Non-Current Borrowings | **4,790.08** | 4,441.81 |
| Current Borrowings | **1.73** | 701.49 |
| Book Overdraft | **11.49** | – |
| Current maturity of long term debt | **1,844.52** | 744.81 |
| **Gross Debt** | **6,647.82** | 5,888.11 |
| Total Equity | **1,03,209.13** | 94,118.03 |
| Adjusted Gross debt to equity ratio | **0.06** | 0.06 |

**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 Group recognised ₹ 918.68 lakhs (Previous year: ₹ 691.85 lakhs) Provident fund contributions in the Statement of Profit and Loss.

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

**(ii) Defined Benefit Plan:**

**A. Gratuity**

The Group 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 respective applicable Gratuity rules.

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, 2020. 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)

| | Gratuity | |
|---|---|---|
| | **31st March, 2020** | 31st March, 2019 |
| Defined benefit obligation | **2,169.17** | 1,943.15 |
| Fair value of Plan Assets at the end of the year | **(1,906.32)** | (1,748.97) |
| **Net Obligation at the end of the year** | **262.85** | 194.18 |

**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 :

| | Gratuity | | | | | |
|---|---|---|---|---|---|---|
| | **Defined benefit obligation** | | **Fair value of plan assets** | | **Net defined benefit (asset) liability** | |
| | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 | **31st March, 2020** | 31st March, 2019 |
| Opening balance | **1,943.15** | 1,772.70 | **1,748.97** | 1,485.88 | **194.18** | 286.82 |
| Addition on account of acquisition of additional stake of Nilkamal Storage Systems Private limited | **102.93** | – | **90.83** | – | **12.10** | – |
| Included in profit or loss | – | – | **127.16** | 121.34 | **(127.16)** | (121.34) |
| Current service cost | **232.65** | 221.71 | – | – | **232.65** | 221.71 |
| Past service cost | – | – | – | – | – | – |
| Interest cost (income) | **133.68** | 132.13 | – | – | **133.86** | 132.13 |
| | **2,412.41** | 2,126.54 | **1,966.96** | 1,607.22 | **445.45** | 519.32 |
| Included in OCI | | | | | | |
| Remeasurement loss (gain): | | | | | | |
| Actuarial loss (gain) arising from: | – | – | – | – | – | – |
| Demographic assumptions | – | – | – | – | – | – |
| Financial assumptions | **(18.85)** | – | – | – | **(18.85)** | – |
| Experience adjustment | **(64.94)** | 19.90 | – | – | **(64.94)** | 19.90 |
| Return on plan assets excluding interest income | – | – | **(200.64)** | (38.25) | **200.64** | 38.25 |
| | **2,328.62** | 2,146.44 | **1,766.32** | **1,568.97** | **562.30** | 577.47 |
| **Other** | | | | | | |
| Contributions paid by the employer | – | – | **140.00** | 180.00 | **(140.00)** | (180.00) |
| Benefits paid | **(159.45)** | (203.29) | – | – | **(159.45)** | (203.29) |
| Closing balance | **2,169.17** | 1,943.15 | **1,906.32** | 1,748.97 | **262.85** | 194.18 |
| **Represented by** | | | | | | |
| Net defined benefit asset | | | | | **(1,906.32)** | (1,748.97) |
| Net defined benefit liability | | | | | **2,169.17** | 1,943.15 |
| | | | | | **262.85** | 194.18 |

**C. Plan assets**

Plan assets comprise the following:

(₹in Lakhs)

| | **31 March 2020** | 31 March 2019 |
|---|---|---|
| Fund managed by Insurance Group | **1,906.32** | 1,748.97 |

**D. Defined benefit obligations**

**i. Actuarial assumptions**

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

| | **31 March 2020** | **31 March 2019** |
|---|---|---|
| Discount rate | **6.80% p.a. – 9.5% p.a.** | 7.70% p.a. – 11% p.a. |
| Expected Rate of Return on Plan Assets | **6.80%p.a.** | 7.70%p.a. |
| Salary escalation rate | **6.00%p.a. – 7.5% p.a.** | 7.00%p.a. – 10% p.a. |
| Employee Turnover | **10.00%p.a. – 1.00% p.a.** | 5.00%p.a. – 10% p.a. |
| Mortality rate | **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.

| | 31 March, 2020 | | 31 March, 2019 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (1% movement) | **1,798.94** | **2,177.68** | 1,594.67 | 1,923.92 |
| Future salary growth (1% movement) | **2,177.27** | **1,796.17** | 1,923.39 | 1,592.40 |
| Rate of employee turnover (1% movement) | **1,984.93** | **1,961.44** | 1,750.41 | 1,743.07 |

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 March 31, 2020 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 31 March, 2020: ₹ 145.69 lakhs

**Expected future benefit payments**

| | **(₹ in lakhs)** |
|---|---|
| March 31, 2021 | 148.29 |
| March 31, 2022 | 146.75 |
| March 31, 2023 | 140.88 |
| March 31, 2024 | 130.94 |
| Thereafter | 1,346.32 |

**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 ₹ 307.83 lakhs (Previous year: ₹ 297.59 lakhs) and is included in Note 30 – 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 514.76 lakhs (Previous year:₹ 538.73 lakhs) and current provision aggregates ₹ 397.91 lakhs (Previous year :₹ 380.43 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 Holding 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 Holding 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, 2020** (₹ in lakhs)

| Type of hedge and risks | Currency | Nominal Value | 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** | | | | | **Liabilities** | | | | | |
| Forward and Option contracts | **USD**<br>**CNY** | **10.52**<br>**5.00** | **–**<br>**0.04** | **0.62**<br>**–** | Other current financial liabilities | **Apr-20** | **1:1** | **74.74**<br>**10.67** | **(0.62)**<br>**0.04** | **0.62**<br>**(0.04)** |
| **Cross Currency Interest Rate Swap** | **USD** | **87.68** | **313.61** | **–** | Other current financial liabilities and Other non-current financial liabilities | **March 2023 to February 2024** | **1:1** | | **313.61** | **(313.61)** |

**31st March, 2019** (₹ in lakhs)

| Type of hedge and risks | Currency | Nominal Value | 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** | | | | | **Liabilities** | | | | | |
| Forward and Option contracts | USD<br>EURO | 29.95<br>30.00 | –<br>21.37 | 52.43<br>– | Other current financial liabilities | April 2019 to June 2019 | 1:1 | 71.13<br>78.88 | (52.43)<br>21.37 | 52.43<br>(21.37) |
| **Cross Currency Interest Rate Swap** | USD | 75.00 | | 192.68 | Other current financial liabilities and Other non-current financial liabilities | March 2023 to February 2024 | 1:1 | | (192.68) | 192.68 |

**b. Disclosure of effects of hedge accounting on financial performance**

(₹ in lakhs)

| **31st March, 2020** | **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 | **(60.61)** | **-** | **92.15** | **Foreign exchange loss** |
| 31st March, 2019 | 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 | (84.91) | - | 7.24 | Foreign exchange loss |

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 1 April 2018 | (7.24) |
| Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement) | (141.13) |
| Less : Amounts reclassified to profit or loss | – |
| Less: Deferred tax | 56.22 |
| **As at March 31, 2019** | **(92.15)** |
| Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement) | **(62.51)** |
| Less : Amounts reclassified to profit or loss | – |
| Less: Deferred tax | **1.90** |
| **As at March 31, 2020** | **(152.76)** |

**50 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding 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.

**i. Profit attributable to Equity holders of Company**

(₹ in lakhs)

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| Profit attributable to equity holders of the Company: | | |
| Continuing operations | **14,208.45** | 11,733.31 |
| Profit attributable to equity holders of the Company for basic earnings | **14,208.45** | 11,733.31 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | **14,208.45** | 11,733.31 |

**ii. Weighted average number of ordinary shares**

| | **31st March, 2020** | 31st March, 2019 |
|---|---|---|
| Issued ordinary shares at April 1 | **1,49,22,525** | 1,49,22,525 |
| **Weighted average number of shares at 31st March for basic and Diluted EPS** | **1,49,22,525** | 1,49,22,525 |

**Basic and Diluted earnings per share in ₹**

(Amount in ₹)

| | **31st March 2020** | 31st March 2019 |
|---|---|---|
| **Basic earnings per share** | **95.21** | 78.63 |
| **Diluted earnings per share** | **95.21** | 78.63 |

## 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 Group has reported its segmental results for these categories.

(₹ in lakhs)

| | Particulars | 2019-20 | | | 2018-19 | | |
|---|---|---|---|---|---|---|---|
| | | **Plastics** | **Lifestyle Furniture, Furnishings & Accessories** | **Total** | Plastics | Lifestyle Furniture, Furnishings & Accessories | Total |
| 1 | **Revenue from Operations** | **2,04,620.89** | **21,511.31** | **2,26,132.20** | 2,15,550.24 | 21,089.00 | 2,36,639.24 |
| | Less: Inter Segment Revenue | **413.02** | | **413.02** | 402.87 | | 402.87 |
| | Net Revenue from Operations | **2,04,207.87** | **21,511.31** | **2,25,719.18** | 2,15,147.37 | 21,089.00 | 2,36,236.37 |
| 2 | **Segment Result before Tax & interest** | **20,812.77** | **(152.36)** | **20,660.41** | 17,643.80 | 126.32 | 17,770.12 |
| | Less: Unallocated expense(Net of Unallocated Income) | | | **520.40** | | | 297.08 |
| | Operating Profit | | | **20,140.01** | | | 17,473.04 |
| | Less: Finance Costs | | | **2,610.47** | | | 1,583.76 |
| | Add/(Less): Exceptional Income / (Expenses) | | | – | | | – |
| | Add/(Less): Prior Period Adjustment | | | – | | | – |
| | Profit Before Tax | | | **17,529.54** | | | 15,889.28 |
| | Less: Provision for Taxes(Net) | | | **3,914.86** | | | 4,825.77 |
| | **Net Profit after Tax before share of profit of Joint ventures** | | | **13,614.68** | | | 11,063.51 |
| | **Share of net profit / (loss) from Joint venture accounted for using equity method** | | | **628.07** | | | 705.93 |
| | **Profit for the Year** | | | **14,242.75** | | | 11,769.44 |
| | **Less; Non Controlling Interests** | | | **34.30** | | | 36.13 |
| | **Profit for the Year** | | | **14,208.45** | | | 11,733.31 |
| 3 | **Other Information** | | | | | | |
| | Segment Assets | **1,31,689.55** | **16,240.96** | **1,47,930.51** | 1,11,474.13 | 10,625.71 | 1,22,099.84 |
| | Add: Unallocated Assets | | | **7,162.46** | | | 7,271.90 |
| | **Total Assets** | | | **1,55,092.97** | | | 1,29,371.74 |
| | Segment Liabilities | **33,002.73** | **10,523.01** | **43,525.74** | 22,503.30 | 3,658.40 | 26,161.70 |
| | Add: Minority Interest | **90.47** | – | **90.47** | 723.36 | – | 723.36 |
| | | **33,093.20** | **10,523.01** | **43,616.21** | 23,226.66 | 3,658.40 | 26,885.06 |
| | Add: Unallocated Liabilities | | | **8,267.62** | | | 8,368.65 |
| | **Total liabilities** | | | **51,883.83** | | | 35,253.71 |
| | Capital Expenditure | **9,922.07** | **41.12** | **9,963.19** | 11,275.91 | 127.41 | 11,403.32 |
| | Depreciation and Amortisation | **7,714.02** | **1,707.25** | **9,421.27** | 4,826.56 | 339.64 | 5,166.20 |
| | Significant Non Cash Expenses other than Depreciation and Amortisation | **1,772.98** | – | **1772.98** | 323.26 | – | 323.26 |

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.

| Sr. No. | Particulars | Year Ended 31st March, 2020 | | | Year Ended 31st March, 2019 | | |
|---|---|---|---|---|---|---|---|
| | | **India** | **Rest of The World** | **Total** | India | Rest of The World | Total |
| 1 | Segment Revenue (Net Sales) | **2,14,841.04** | **10,878.14** | **2,25,719.18** | 2,25,121.96 | 11,114.41 | 2,36,236.37 |
| 2 | Carrying cost of Segment Assets | **1,43,421.72** | **4,508.79** | **1,47,930.51** | 1,17,693.33 | 4,406.51 | 1,22,099.84 |

**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 Storage System Private Limited (formerly known as Nilkamal Bito Storage System Private Limited).* | India | 50 |
| Cambro Nilkamal Private Limited | India | 50 |

* Joint Venture untill 22 August 2019.

The Holding Company has no material Joint Ventures as at 31st March, 2020. The aggregate summarized financial information in respect of the Holding Company's immaterial Joint Ventures that is accounted for using the equity method is set forth below.

(₹ in lakhs)

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Carrying amount of the Company's interest in Joint Ventures | **1,715.37** | 4,983.12 |
| Company's share of profit/(loss) in Joint Ventures | **628.07** | 705.93 |
| Company's share of other comprehensive income in Joint Ventures | **(5.13)** | (5.09) |
| Company's share of total comprehensive income in Joint Ventures | **622.94** | 700.84 |

## 53 Additional Information to be given as required under Schedule III of to the 2013, of enterprises consolidated as Subsidiary and Joint Venture

(₹ in lakhs)

| Sr. No. | Name of the Entity | 31st March, 2020 | | | | | | | | 31st March, 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | AmountAs % of consolidated OCI | Amount | As % of consolidated Total Comprehensive income | Amount | As % of consolidated net assets | Amount | Amount As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated Total Comprehensive income | Amount |
| | **Parent** | | | | | | | | | | | | | | | | |
| | Nilkamal Limited | 90.65% | 93,643.32 | 81.26% | 11,573.11 | 94.80% | (155.94) | 81.10% | 11,417.17 | 87.99% | 83,455.37 | 88.52% | 10,418.31 | 96.02% | (122.94) | 88.44% | 10,295.37 |
| | **Foreign Subsidiaries** | | | | | | | | | | | | | | | | |
| 1 | Nilkamal Eswaran Plastics Private Limited | 2.14% | 2,208.26 | 1.02% | 145.73 | | | 1.04% | 145.73 | 2.33% | 2,210.77 | 0.80% | 93.90 | | | 0.81% | 93.90 |
| 2 | Nilkamal Eswaran Marketing Private Limited | 0.11% | 112.11 | 0.22% | 30.78 | | | 0.22% | 30.78 | 0.09% | 81.90 | 0.16% | 19.07 | | | 0.16% | 19.07 |
| 3 | Nilkamal Crates and Bins FZE | 0.88% | 905.84 | 1.32% | 187.81 | | | 1.33% | 187.81 | 0.72% | 681.06 | 1.86% | 218.36 | | | 1.88% | 218.36 |
| | **Indian Subsidiaries** | | | | | | | | | | | | | | | | |
| | Nilkamal Foundation | 0.27% | 281.10 | 0.03% | 3.69 | | | 0.03% | 3.69 | 0.29% | 274.6 | 0.71% 1 | 83.03 | | | 0.71% | 83.03 |
| | Nilkamal Storage Systems Private Limited (with effect from 23rd August 2019) | 9.33% | 9,636.18 | 5.60% | 797.70 | 2.08% | (3.42) | 5.64% | 794.28 | | | | | | | | |
| | **Minority Interest** | | | | | | | | | | | | | | | | |
| 1 | Nilkamal Eswaran Plastics Private Limited | 0.05% | 54.28 | 0.19% | 26.61 | | | 0.19% | 26.61 | 0.73% | 691.89 | 0.24% | 28.41 | | | 0.24% | 28.41 |
| 2 | Nilkamal Eswaran Marketing Private Limited | 0.03% | 33.35 | 0.05% | 7.65 | | | 0.05% | 7.65 | 0.03% | 25.86 | 0.05% | 6.02 | | | 0.05% | 6.02 |
| 3 | Nilkamal Foundation | 0.00% | 2.84 | 0.00% | 0.04 | | | 0.00% | 0.04 | 0.01% | 5.60 | 0.01% | 1.69 | | | 0.01% | 1.69 |
| | **Joint Venture** | | | | | | | | | | | | | | | | |
| | Nilkamal Bito Storage Systems Private Limited (upto 23rd August 2019) | | | 1.57% | 223.73 | | | 1.59% | 223.73 | 3.81% | 3,617.67 | 2.57% | 302.02 | | | 2.59% | 302.02 |
| | Cambro Nilkamal Private Limited | 1.66% | 1,715.37 | 2.84% | 404.34 | 1.75% | (2.88) | 2.85% | 401.46 | 1.44% | 1,365.45 | 3.43% | 403.91 | | | 3.47% | 403.91 |
| | Eliminations | -5.12% | (5,293.05) | 5.91% | 841.56 | 1.37% | (2.25) | 5.96% | 839.31 | 2.56% | 2,431.21 | 1.65% | 194.72 | 3.98% | -5.09 | 1.63% | 189.63 |
| | | 100.00% | 1,03,299.60 | 100.00% | 14,242.75 | 100.00% | (164.49) | 100.00% | 14,078.26 | 100.00% | 94,841.39 | 100.00% | 11,769.44 | 100.00% | (128.03) | 100.00% | 11,641.41 |

The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2020

**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**

**For and on behalf of the Board of Directors of**
**Nilkamal Limited**
**CIN: L25209DN1985PLC000162**

**Rishabh Kumar**
Partner
Membership No: 402877

**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
June 28, 2020

Mumbai
June 28, 2020

**Salient features of the financial statements of Subsidiaries / Joint Ventures**
**[Pursuant to the first proviso to sub-section (3) of Section 129 read with rules 5 of the Companies (Accounts) Rules, 2014 – AOC – 1]**

**Part "A" : Subsidiaries**

(₹ in lakhs)

| Sr. No. | Name of the Subsidiaries | Nilkamal Eswaran Plastics Private Limited, Sri Lanka | Nilkamal Eswaran Marketing Private Limited, Sri Lanka | Nilkamal Crates and Bins – FZE (Ajman – UAE) | Nilkamal Foundation | Nilkamal Storage System Private Limited * |
|---|---|---|---|---|---|---|
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1st April 2019 to 31st March 2020 | 1st April 2019 to 31st March 2020 | 1st April 2019 to 31st March 2020 | 1st April 2019 to 31st March 2020 | 23rd August 2019 to 31.03.2020 |
| 2 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | 1 SLR= ₹ 0.38625 | 1 SLR= ₹ 0.38625 | 1 AED= ₹ 20.43776 | INR | INR |
| 3 | Share Capital | 58.71 | 0.00 | 37.81 | 0.01 | 444.00 |
| 4 | Reserve and Surplus | 2,149.56 | 112.11 | 868.03 | 281.09 | 9,192.18 |
| 5 | Total Assets | 3,208.76 | 273.87 | 1,282.57 | 401.08 | 12,376.04 |
| 6 | Total Liabilities (Excluding Minority interest) | 815.08 | 128.40 | 376.74 | 117.14 | 2,719.01 |
| 7 | Investment other than investment in Subsidiary | – | – | – | – | – |
| 8 | Turnover, Income and Other Income | 3,580.79 | 305.84 | 2,362.03 | 387.96 | 13,083.78 |
| 9 | Profit Before Taxation | 240.45 | 61.16 | 187.81 | 3.72 | 1,000.84 |
| 10 | Provision for Taxation (incl Deferred Tax) | 69.29 | 22.73 | – | – | 203.13 |
| 11 | Profit after Tax | 171.16 | 38.44 | 187.81 | 3.72 | 797.70 |
| 12 | Dividend | 130.15 | – | – | – | – |
| 13 | % of shareholding (** change during the year) | ** 96.28% | ** 96.28% | 100.00% | * 99.00% | 100.00% |

* Subsidiary with effect from 23.08.2019

** Change in shareholding with effect from 15th January 2020

**Part "B" : Joint Ventures**

(₹ in lakhs)

| Sr. No. | Name of Joint Ventures | Cambro Nilkamal Private Limited, India |
|---|---|---|
| 1 | Latest audited Balance Sheet Date | 31st March 2020 |
| 2 | Shares of Associate/Joint Ventures held by the company on the year end | 50.00% |
| 3 | No. of Share fully paid up of ₹ 10 each | 2,10,000 |
| 4 | Amount of Investment in Associates/Joint Venture | 200.50 |
| 5 | Extend of Holding % | 50.00% |
| 6 | Description of how there is significant influence | Joint Venture |
| 7 | Reason why the Joint Venture is not consolidated | Consolidated |
| 8 | Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakhs) | 1,715.37 |
| 9 | Profit for the year | |
| | a Consider in Consolidation | 404.34 |
| | b Not consider in Consolidation | Nil |

**For and on Behalf of the Board of Directors of**
**Nilkamal Limited**
CIN : L25209DN1985PLC000162

**Sharad V. Parekh**
Managing Director
DIN : 00035747

**Hiten V. Parekh**
Executive Director
DIN : 00037550

**Paresh B. Mehta**
Chief Financial Officer
Membership No : 44670
Mumbai
June 28,2020

**Priti P. Dave**
Company Secretary
Membership No : 19469

## Performance at a glance

( ₹ In lakhs)

| Particulars | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| Net Sales | 1,85,759 | 1,95,665 | 2,10,796 | 2,30,418 | 2,08,147 |
| Profit Before Tax | 15,466 | 16,892 | 17,876 | 15,868 | 15,820 |
| Profit After Tax | 10,478 | 11,845 | 11,711 | 11,123 | 12,201 |
| Share Capital | 1,492 | 1,492 | 1,492 | 1,492 | 1,492 |
| Reserves and Surplus | 57,028 | 68,221 | 78,225 | 86,946 | 93,866 |
| Shareholder's Funds | 58,520 | 69,713 | 79,718 | 88,438 | 95,359 |
| Loan Funds | 7,445 | 8,281 | 9,291 | 5,872 | 6,635 |
| Total Capital Employed | 65,965 | 77,994 | 89,008 | 94,311 | 1,01,993 |
| Long Term Liabilities and Provisions | 4,506 | 5,472 | 5,874 | 6,242 | 18,704 |
| Deffered Tax Liability | 970 | 522 | 1,072 | 1,780 | 872 |
| Gross Block | 73,607 | 78,980 | 87,382 | 97,316 | 1,22,651 |
| Net Block | 26,544 | 28,841 | 33,547 | 39,703 | 56,995 |
| Investments | 2,562 | 2,568 | 2,568 | 2,572 | 7,688 |
| Long Term Loans and Advances and other Current non current Assets | 5,059 | 5,001 | 4,723 | 5,153 | 5,396 |
| Net Current Assets | 40,332 | 47,578 | 55,117 | 54,905 | 51,490 |
| **RATIO** | | | | | |
| **Financial Performance %** | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Domestic Turnover/Total Revenue | 94.96 | 94.98 | 96.35 | 97.05 | 96.98 |
| Exports/Total Revenue | 4.54 | 4.41 | 3.28 | 2.22 | 2.50 |
| Other Income/Total Revenue | 0.51 | 0.61 | 0.37 | 0.74 | 0.52 |
| Raw Material/Total Revenue | 57.55 | 57.45 | 55.05 | 58.50 | 54.60 |
| Overheads/Total Revenue | 23.12 | 23.50 | 25.85 | 24.18 | 23.90 |
| Interest/Total Revenue | 0.97 | 0.59 | 0.59 | 0.68 | 1.23 |
| Profit Before Tax/Total Revenue | 8.28 | 8.58 | 8.45 | 6.84 | 7.56 |
| Depreciation//Total Revenue | 2.84 | 2.48 | 2.29 | 2.14 | 4.33 |
| Net Profit After Tax /Total Revenue | 5.61 | 6.02 | 5.54 | 4.79 | 5.83 |
| Return on Capital Employed | 16.88 | 17.07 | 14.91 | 13.23 | 13.02 |
| Return on Net Worth | 19.32 | 18.47 | 15.67 | 13.23 | 13.28 |
| **Balance Sheet Ratios** | | | | | |
| Debtors Turnover (days) | 44 | 47 | 48 | 40 | 36 |
| Inventory Turnover | 58 | 61 | 64 | 60 | 65 |
| Current Ratio | 3.09 | 3.47 | 3.51 | 3.79 | 3.31 |
| Asset Turnover | 7.00 | 6.78 | 6.28 | 5.80 | 3.65 |
| Debt-Equity | 0.18 | 0.12 | 0.12 | 0.07 | 0.07 |
| **Per Share Data - ₹** | | | | | |
| EPS | 70.22 | 79.38 | 78.48 | 74.54 | 81.76 |
| CEPS | 105.78 | 112.09 | 110.96 | 107.80 | 142.42 |
| Book Value | 392.16 | 467.17 | 534.21 | 592.65 | 639.03 |
| **Shareholder Statitics** | | | | | |
| DPS | 7 | 11 | 13 | 13 | 15 |
| Dividend (%) | 70 | 110 | 130 | 130 | 150 |
| Dividend Payout (₹) | 1,141 | 1,812 | 2,247 | 2,279 | 4,245 |
| Dividend Payout (%) | 11 | 15 | 19 | 20 | 35 |

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