

**NILKAMAL
STORAGE SYSTEMS
PRIVATE LIMITED**

**BALANCE SHEET
F.Y. 2019-2020**

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Private and confidential

The Board of Directors
Nilkamal Storage Systems Private Limited
(formerly known as Nilkamal BITO Storage Systems Private Limited)
Nilkamal House, 77 & 78, Street No. 13/14,
MIDC, Andheri (East)
Mumbai 400 093

16 March 2020

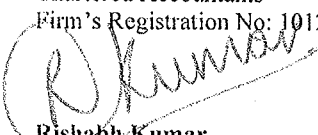
Dear Sirs

Re-appointment as the auditors of Nilkamal Storage Systems Private Limited

Thank you for your letter dated 3 October 2019. We are pleased to accept re-appointment as the auditors of Nilkamal Storage Systems Private Limited for the year ending 31 March 2020.

Yours sincerely

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



Rishabh Kumar
Partner
Membership No: 402877

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of
Nilkamal Storage Systems Private Limited
(formerly known as Nilkamal BITO Storage Systems Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nilkamal Storage Systems Private Limited *(Formerly known as Nilkamal BITO Storage Systems Private Limited)* ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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 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 financial statements.

Information Other than the 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
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400 011 - India

Independent Auditors' Report (Continued)

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

Information Other than the Financial Statements and Auditors' Report Thereon (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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.



Independent Auditors' Report (Continued)

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

- 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

KV

Independent Auditors' Report (Continued)

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

Report on Other Legal and Regulatory Requirements (Continued)

2. (A) As required by Section 143(3) of the Act, we report that: *(Continued)*

- d) In our opinion, the aforesaid 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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 financial statements - Refer Note 34a to the 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 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 Company is incorporated as a Private Company and thus the provisions of Section 197(16) of the Act are not applicable to the Company.

Mumbai
25 June 2020

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



Rishabh Kumar
Partner

Membership No: 402877
ICAI UDIN: 20402877AAAAABR6421

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

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 Nilkamal Storage Systems Private Limited (Formerly known as Nilkamal BITO storage Systems Private Limited) ('the Company') on the 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 3 to the financial statements, are held in the name of the Company.
- (ii) The inventory except goods in transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act') during the year. Accordingly, paragraphs 3 (iii) (a) and (b) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not given any loans, or made any investments or provided any guarantees or securities 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) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products of the Company.
- (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.

RK

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

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

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	
The Central Excise Act, 1944	Excise Duty (including penalty)	61.85	FY 2011-12 to 2015-16	Commissioner Appeals	-
Central Excise Act, 1944	Excise Duty (including penalty)	9.94	FY 2011-12 to 2015-16	Commissioner Appeals	-
The Central Excise Act, 1944	Excise Duty (including penalty)	15.91	FY 2016-17	Commissioner Appeals	-
The Central Excise Act, 1944	Excise Duty (including penalty)	7.93	FY 2016-17	Commissioner Appeals	-
Income Tax Act, 1961	Income Tax (including interest)	3.20	FY 2016-17	Commissioner Appeals	-

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government or dues to debenture holders during the year.
- (ix) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company.
- (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.

B S R & Co. LLP

Nilkamal Storage Systems Private Limited

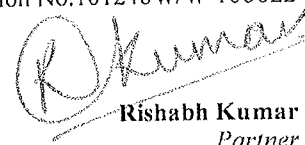
(formerly known as Nilkamal BITO Storage Systems Private Limited)

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

- (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 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 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Mumbai
25 June 2020

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


Rishabh Kumar
Partner

Membership No: 402877
ICAI UDIN: 20402877AAAAABR6421

Nilkamal Storage Systems Private Limited

(formerly known as Nilkamal BITO Storage Systems Private Limited)

Annexure B to the Independent Auditors' report on the financial statements of Nilkamal Storage Systems Private Limited for the period ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid 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 financial statements of Nilkamal Storage Systems Private Limited *(Formerly known as Nilkamal BITO Storage Systems Private Limited)* ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to 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")

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 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 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 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 financial statements were established and maintained and whether such controls operated effectively in all material respects.



B S R & Co. LLP

Nilkamal Storage Systems Private Limited
(formerly known as Nilkamal BITO Storage Systems Private Limited)

Annexure B to the Independent Auditors' report on the financial statements of Nilkamal Storage Systems Private Limited for the period ended 31 March 2020 (Continued)

Auditors' Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 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 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 Financial Statements

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

Mumbai
25 June 2020

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-10022


Rishabh Kumar
Partner

Membership No: 402877
ICAI UDIN: 20402877AAAAABR6421

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Balance Sheet

as at 31 March 2020

(Currency : Rupees in Lakhs)

	Note	31 March 2020	31 March 2019
ASSETS			
Non-Current assets :			
(a) Property, plant and equipment	3	1,975.37	1,986.95
(b) Capital work-in-Progress		34.48	11.52
(c) Financial Assets			
(i) Investments	4	0.00	0.00
(ii) Loans	5	14.69	22.11
(iii) Others	6	2.00	23.73
(d) Advance tax assets (net)	7	112.19	37.08
(e) Other non-current assets	8	-	29.11
Total Non-Current Assets		2,138.73	2,110.50
Current assets :			
(a) Inventories	9	2,546.58	2,418.01
(b) Financial Assets			
(i) Trade receivables	10	5,567.37	3,275.07
(ii) Cash and cash equivalents	11	155.50	417.54
(iii) Bank balance other than (ii) above	12	27.38	205.51
(iv) Loans	13	29.57	32.27
(v) Others	14	1.86	14.96
(c) Other current assets	15	868.16	1,129.08
Total Current Assets		9,196.42	7,492.44
Total		11,335.15	9,602.94
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	16	444.00	444.00
(b) Other equity	17	8,437.97	6,967.66
Total equity		8,881.97	7,411.66
Non-Current liabilities			
(a) Provisions	18	33.81	30.22
(b) Deferred tax liabilities (net)	19	37.13	57.24
(c) Financial Liabilities	20	98.69	-
Total Non-Current Liabilities		169.63	87.46
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	24.98
(ii) Trade payables	22	3.64	-
a) total outstanding dues of micro enterprises and small enterprises		1,921.93	1,474.12
b) total outstanding dues of creditors other than micro enterprises and small enterprises		109.62	59.18
(iii) Other financial liabilities	23	222.20	519.27
(b) Other current liabilities	24	20.84	22.86
(c) Provisions	25	5.32	3.41
(d) Current tax liabilities (net)			
Total Current Liabilities		2,283.55	2,103.82
Total		11,335.15	9,602.94

Significant accounting policies

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

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1 to 46

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022



Rishabh Kumar

Partner

Membership No: 402877

Mumbai

25 June 2020

For and on behalf of the Board of Directors of
Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal Storage Systems Private Limited)

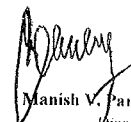
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Nayan S. Parekh

Director

DIN : 00037597



Manish V. Parekh

Director

DIN : 00037724

Mumbai

25 June 2020

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)


Statement of Profit and Loss
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

	Note	31 March 2020	31 March 2019
I Income			
Revenue from operations	26	21,375.54	19,008.92
Other Income	27	19.39	14.41
Total Income		21,394.93	19,023.33
II Expenses			
Cost of material consumed	28	10,324.59	10,049.66
Purchases of stock-in-trade		2,060.38	1,310.66
Changes in inventories of finished goods, work in progress and stock-in-trade	29	37.44	(264.21)
Employee benefits expense	30	1,199.70	1,264.85
Finance costs	31	44.41	65.94
Depreciation and amortisation expenses	3	248.77	186.63
Other expenses	32	5,487.07	5,524.25
Total expenses		19,402.36	18,137.78
III Profit before tax (I - II)		1,992.57	885.55
IV Tax expenses	34(a)		
Current tax	34(a)	(510.43)	(190.00)
Deferred tax (charge)/credit (incl. Minimum alternate tax credit entitlement)/(Utilisation))	34(b)	10.87	(63.70)
V Profit for the year (III - IV)		1,493.01	631.85
VI Other Comprehensive Income			
Items that will not be reclassified to profit and loss:			
- Remeasurement losses on post employment defined benefits plans		(1.45)	(14.73)
- Income tax effect on above		0.36	4.29
Other comprehensive income (net of tax)		(1.09)	(10.44)
VII Total comprehensive income for the year		1,491.92	621.41
VIII Earning per equity share	39		
Nominal Value of Rs. 10 (Previous Year Rs.10)			
Basic and diluted earnings per share (in Rs.)		33.63	14.23
Significant accounting policies	2		
The notes referred to above form an integral part of these financial statements	1 to 46		

As per our report of even date attached.

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


Rishabh Kumar
Partner
Membership No: 402877

Mumbai
25 June 2020

For and on behalf of the Board of Directors of
Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal Storage Systems Private Limited)
CIN: U63020MH2006PTC161327


Nayan S. Parekh
Director
DIN : 00037597


Manish V. Parekh
Director
DIN : 00037724

Mumbai
25 June 2020

Nilkamal Storage Systems Private Limited

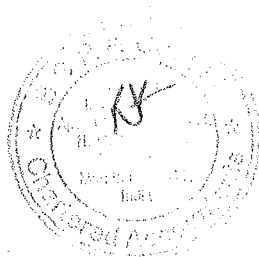
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Cash Flow Statement

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	1,992.57	885.55
Adjustments for :		
Depreciation and amortisation expense	248.77	186.63
Loss on sale of property, plant and equipment (Net)	20.01	0.18
Non-cash expenses adjustment for Gratuity	(1.45)	(14.73)
Finance Costs	44.41	65.94
Provision for doubtful trade receivables and advances	2.60	40.02
Bad Debts Written off / (Back)	70.82	27.43
Interest Income	(19.39)	(14.41)
Provision for Rent Equalisation	2.16	0.09
	<u>367.93</u>	<u>291.15</u>
Operating Profit before Working Capital changes	2,360.50	1,176.70
Working capital adjustments:		
(Increase) in inventories	(128.57)	(192.77)
(Increase) in trade receivables	(2,365.72)	937.04
Decrease / (Increase) in Other Receivables	272.81	(234.08)
Increase / (Decrease) in Trade Payables	451.42	(196.01)
(Decrease) / Increase in Other Liabilities & Provisions	(289.53)	184.80
	<u>(583.63)</u>	<u>(255.04)</u>
Cash generated from / (used in) operation	(2,059.59)	498.98
Taxes Paid (Net of Refund)	<u>(583.63)</u>	<u>(255.04)</u>
	<u>(583.63)</u>	<u>(255.04)</u>
Net cash from operating activities (A)	<u>(282.72)</u>	<u>1,420.64</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	19.50	14.48
Proceeds from sale of property, plant and equipment	20.75	0.11
Purchase of property, plant and equipment (net of Capital Advances and Capital Creditors)	(124.33)	(226.49)
Investment in Fixed Deposit (Net)	<u>199.86</u>	<u>(202.18)</u>
Net cash used in investing activities (B)	115.78	(414.08)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in Short Term borrowings (Net)	(24.98)	(342.31)
Interest on lease liabilities	(12.93)	-
Repayment of lease liabilities	(31.60)	-
Interest paid (net)	(25.59)	(60.30)
Dividends paid (including dividend distribution tax)	-	(214.11)
Net cash flow used in financing activities (C)	<u>(95.10)</u>	<u>(616.72)</u>
Net Increase/ (Decrease) in cash and cash equivalents (A + B + C)	<u>(262.04)</u>	<u>389.84</u>
Cash and Cash Equivalents at the beginning of the year	417.54	27.70
Cash and cash equivalents at the end of the year	<u>155.50</u>	<u>417.54</u>
Net (Decrease) / Increase in cash and cash equivalents	<u>(262.04)</u>	<u>389.84</u>



Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Cash Flow Statement (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

31 March 2020

31 March 2019

Notes to the cash flow statement

1. Components of cash and cash equivalents

(a) Balance in Current Accounts	143.20	169.23
(b) Cash on Hand	12.30	7.36
(c) Bank Deposits with less than 3 months maturity	0.00	240.95
Cash and cash equivalents	155.50	417.54

2. Debt reconciliation statement in accordance with Ind AS 7

Opening balances			
Short-term borrowing	24.98	367.29	
	24.98		367.29
Movements			
Short-term borrowing	(24.98)	(342.31)	
	(24.98)		(342.31)
Closing balances			
Short-term borrowing	-	24.98	
	-		24.98

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

As per our report of even date attached.

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



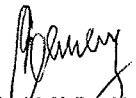
Rishabh Kumar
Partner
Membership No: 402877

Mumbai
25 June 2020



Nayan S. Parekh
Director
DIN : 00037597

For and on behalf of the Board of Directors of
Nilkamal Storage Systems Private Limited
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CIN: U63020MH2006PTC161327



Manish V. Parekh
Director
DIN : 00037724

Mumbai
25 June 2020

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

(a) Equity share capital

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	44,40,000	444.00	44,40,000	444.00
Balance at the end of the year	44,40,000	444.00	44,40,000	444.00

(b) Other equity

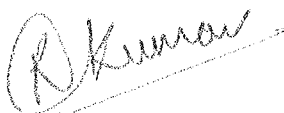
Particulars	Reserves & Surplus			Total other equity
	Retained Earnings	Securities Premium	General Reserve	
Balance as at 31 March 2018	2,543.36	3,987.00	30.00	6,560.36
Profit for the year	631.85	-	-	631.85
Other comprehensive income for the year	(10.44)	-	-	(10.44)
Total comprehensive income for the year	621.41	-	-	621.41
Dividend	(177.60)	-	-	(177.60)
Corporate tax on dividend	(36.51)	-	-	(36.51)
Balance as at 31 March 2019	2,950.66	3,987.00	30.00	6,967.66
Profit for the year	1,493.01	-	-	1,493.01
Other comprehensive income for the year	(1.09)	-	-	(1.09)
Transition impact of IND AS 116	(21.61)	-	-	(21.61)
Total comprehensive income for the year	1,470.31	-	-	1,470.31
Balance as at 31 March 2020	4,420.97	3,987.00	30.00	8,437.97

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rishabh Kumar

Partner

Membership No: 402877

Mumbai

25 June 2020

For and on behalf of the Board of Directors of

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal Storage Systems Private Limited)

CIN: U63020MH2006PTC161327



Nayan S. Parekh

Director

DIN : 00037597



Manish V. Parekh

Director

DIN : 00037724

Mumbai

25 June 2020

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

1 Background

Nilkamal Storage Systems Private Limited ("the Company") was incorporated on 24 April 2006 as a Private Limited Company. Previously it was a 50:50 Joint venture between Nilkamal Limited and Bito Lagertechnik Bittmann, Germany. On 22 August 2019, Nilkamal Limited acquired balance 50% stake in Nilkamal BITO Storage Systems Private Limited, and now it is a wholly owned subsidiary of Nilkamal Limited w.e.f. 23 August 2019. The Company has changed its name from Nilkamal BITO Storage Systems Private Limited to Nilkamal Storage Systems Private Limited w.e.f. 24 October 2019. The Company is engaged in the business of Material Handling Storage Systems.

2 Summary of 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 as amended from time to time. The financial statements were approved by the Company's board of directors on 25th June 2020.

Functional and presentation currency

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

Historical cost convention

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

- A) Certain financial assets and liabilities (including derivative instruments) that are measured at fair value
- B) Defined benefit plans-plan assets measured at fair value

Current/ non-current classification

The Schedule III of the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within twelve months after the balance sheet date; or
- d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in, the entity's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within twelve months after the balance sheet date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a

liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

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.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

b) Use of accounting estimates and judgments

Such estimates are reviewed at each reporting period and impact if any is given in current and future periods.

Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets 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, 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.

(ii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iii) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Based on the internal reporting viewed by CODM, the Company is considered to be a single segment company – engaged in the manufacture of 'Material Handling Storage Systems of metal'. Consequently, the Company has, in its primary segment, only one reportable business segment.

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

Measurement at recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus 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 and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

d) Property, plant and equipment (Continued)

Depreciation and amortisation

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 Act except for plant and machinery which is based on independent technical evaluation carried out by an external valuer and the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful life for plant and machinery of 10 years for continuous running is different from the useful life as prescribed under Part C of Schedule II of the Act.

Cost of Leasehold land is amortised over the period of lease.

Depreciation on additions / deletions is calculated on a pro-rata basis from the date of addition / upto the date of deletion.

Individual assets acquired for less than Rs. 15,000 are entirely depreciated in the year of acquisition.

Capital work in progress and Capital advances

Assets under Capital Work in Progress includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Other Non Current Assets. Assets under Capital Work in Progress are not depreciated as these assets are not yet available for use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the period the asset is derecognised.

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

Measurement at recognition

Intangible assets comprise primarily of computer software. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

e) Intangible assets

Amortisation

Software (intangible assets) is amortised on a straight-line basis over a period of 36 months from the date of its implementation or based on the management's estimate of useful life over which the economic benefits will be derived.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the period the asset is derecognised.

f) 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.

(i) Non-derivative financial assets

Initial recognition and measurement

The Company recognises a financial asset in its balance sheet when it become party to the contractual provisions of the instrument. 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

f) Financial Instruments (Continued)

(i) Non-derivative financial assets (Continued)

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- (i) The Company's business model for managing the financial asset and
- (ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (i) Financial assets measured at amortised cost.
- (ii) Financial assets measured at fair value through profit and loss (FVTPL).

(i) Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the conditions are met :

- (a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost of a financial asset is also adjusted for loss allowance, if any.

(ii) Financial assets measured at fair value through profit and loss (FVTPL).

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). Equity investments are measured at FVTPL unless the Company opts for an irrevocable option to measure them at FVOCI at inception. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

Derecognition:

A financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

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.

(ii) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Company comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

f) Financial Instruments (Continued)

(ii) Non-derivative financial liabilities (Continued)

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or 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 between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit and loss.

(iii) Offsetting

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.

g) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) in the principal market for the asset or liability or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or Indirectly

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

h) 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.

i) Statement of cash flows

The Company's statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature if any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

j) Foreign Currency 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.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

k) Employee benefits

(i) Short Term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees services up to the end of the reporting period and are measured at the amount expected to be paid when liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefits gratuity plans is the present value of the defined benefits obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost

Defined Contribution plans

The Company pays provident fund contributions to government administered provident funds as per local regulations. The company has no further payment obligations once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus Plan

The Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

l) 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 are netted off with the expense in the statement of Profit and Loss.

Government grants related to purchase of property plant and equipment are included 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.

m) Borrowing costs

Borrowing cost are interest and other cost incurred in connection with the borrowing of the funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised. Qualifying assets, are assets which necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

n) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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 and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income is recognized using the effective interest rate method.

o) Leases

Effective 1 April, 2019, the Company adopted IND AS 116 - Leases. The 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 fulfilment 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 the 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.

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, the 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.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The 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 the Company has the right to use the asset or the 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, the 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:

The 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.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

o) Leases (Continued)

Accounting policy applicable from 1st April 2019 (Continued)

As a Lessee: (Continued)

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 the Company at the end of the lease term or the cost of the right-of-use asset reflects the 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 the 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 the Company is reasonably certain to exercise, lease payments in an optional renewal period if the the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the 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 "Plant & Equipment" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

The 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.

Transitional impact:

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

- (a) The 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, the 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) The 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. The 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) The 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.

p) Taxes on Income

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

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

p) Taxes on Income (Continued)

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year/period as per the provisions of tax laws enacted in India and any adjustment to the tax payable or receivable in respect of previous years/periods. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and 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 on deductible temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income, the carry forward of unused tax losses and the carry forward of unused tax credits.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduce amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income/ Equity, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income/ Equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority.

q) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

r) Provisions, contingent liabilities and contingent assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and in respect of which reliable estimate can be made. At each Balance Sheet date, the carrying value of provisions is reviewed and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but disclosed in the financial statements.

s) Investment and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- a. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b. those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

t) 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.

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

2 Summary of significant accounting policies (Continued)

i) Impairment of non-financial assets (Continued)

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.

15/03/2020

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
as at 31 March 2020

(Currency : Rupees in Lakhs)

3 Property, plant and equipment

	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Right to Use Asset	Computers	Total
Gross Block :									
Balance as at 1st April 2018	65.01	867.70	1,595.58	53.81	15.51	26.26	-	16.32	2,640.19
Additions	-	59.72	84.16	86.74	6.59	7.89	-	2.61	247.71
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	1.64	-	-	-	-	-	1.64
Balance as at 31st March 2019	65.01	927.42	1,678.10	140.55	22.10	34.15	-	18.93	2,886.26
Balance as at 1st April 2019	65.01	927.42	1,678.10	140.55	22.10	34.15	-	18.93	2,886.26
Additions On account of Transition to Ind As 116 - 1st April 2019	-	-	-	-	-	-	132.71	-	132.71
Additions	-	14.99	63.58	19.84	1.37	36.45	6.23	0.16	142.62
Adjustment	-	-	-	-	-	-	2.61	-	2.61
Disposals	-	-	66.90	2.18	3.06	7.19	-	1.80	81.13
Balance as at 31 March 2020	65.01	942.41	1,674.78	158.21	20.41	63.41	141.55	17.29	3,083.07
Depreciation :									
Balance as at 1st April 2018	2.40	94.22	547.19	37.19	9.23	13.30	-	10.50	714.03
Depreciation for the year	0.80	35.58	132.52	5.78	2.88	4.57	-	4.50	186.63
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	1.35	-	-	-	-	-	1.35
Balance as at 31st March 2019	3.20	129.80	678.36	42.97	12.11	17.87	-	15.00	899.31
Balance as at 1st April 2019	3.20	129.80	678.36	42.97	12.11	17.87	-	15.00	899.31
Depreciation for the year	0.80	36.96	136.05	12.49	2.45	20.98	36.14	2.90	248.77
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	30.28	0.31	2.81	5.27	-	1.71	40.38
Balance as at 31 March 2020	4.00	166.76	784.13	55.15	11.75	33.58	36.14	16.19	1,107.70
Net Block :									
As at 31st March 2019	61.81	797.62	999.74	97.58	9.99	16.38	-	3.93	1,986.95
As at 31 March 2020	61.01	775.65	890.65	103.06	8.66	29.83	105.41	1.10	1,975.37

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
as at 31 March 2020

(Currency : Rupees in Lakhs)

3 Property, plant and equipment (Continued)

Details of Right of Use :

	Leasehold Land	Building	Vehicles	Total
Gross Block :				
Balance as at 1st April 2019	-	-	-	-
Additions on account of transition to Ind AS 116	17.24	112.27	3.20	132.71
Additions	-	6.23	-	6.23
Adjustment	-	2.61	-	2.61
Disposals	-	-	-	-
Balance as at 31 March 2020	17.24	121.11	3.20	141.55
Depreciation :				
Balance as at 1st April 2018	-	-	-	-
Depreciation for the year	-	-	-	-
Adjustments :	-	-	-	-
Disposals	-	-	-	-
Balance as at 31st March 2020	-	-	-	-
Balance as at 1st April 2019	-	-	-	-
Depreciation for the year	0.20	34.95	0.99	36.14
Adjustments :	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2019	0.20	34.95	0.99	36.14
Net Block :				
As at 31st March 2019	-	-	-	-
As at 31 March 2020	17.04	86.16	2.21	105.41

* - In accordance with Ind AS 116 prepaid lease rental is regrouped from Other Non current asset to Right of Use asset amounting to Rs.2.61 lakhs

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BTO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
as at 31 March 2020

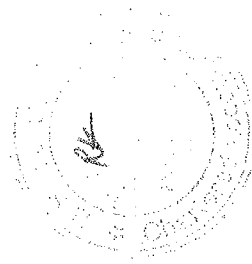
(Currency : Rupees in Lakhs)

3 Property, plant and equipment (Continued)

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.
- b) This has resulted in recognising a right-of-use asset of Rs.138.94 lakhs and a corresponding lease liability of Rs.169.42 lakhs. The difference of Rs.21.61 lakhs (net of deferred tax asset created of Rs.8.87 lakhs) has been adjusted to retained earnings as at 1st April 2019.
- c) 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.
- The Company incurred Rs.49.19 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 Rs.93.72 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 Rs.12.93 lakhs for the year.
- The Company's leases comprise of land, buildings and vehicles. The Company leases land and buildings for manufacturing and warehouse facilities.
- d) Maturity analysis of Undiscounted Contractual Future lease Outflow are as follows.

Period	Amount
Within one year	47.65
One to Five years	73.44
More than Five years	1,083.24



Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

as at 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
4 Investments (at cost)		
Investment in Nilkamal Foundation*	0.00	0.00
(March 31, 2020 : 1 Share of Rs. 10/-, March 31, 2019 : 1 Share of Rs. 10/-)		
	<u>0.00</u>	<u>0.00</u>
All Investment in shares are fully paid up		
Aggregate amount of unquoted Investments *	0.00	0.00
* The amount represent below Rs. 1000		
5 Non-current loans		
Unsecured, considered good, unless otherwise stated		
a Security deposits	14.69	22.11
	<u>14.69</u>	<u>22.11</u>
6 Other non-current financial assets		
Bank Deposit (Maturity after 12 months from reporting date)*	2.00	23.73
	<u>2.00</u>	<u>23.73</u>
*Deposits earmarked with electricity board as earnest money deposit	-	23.73
*Deposits earmarked as earnest money deposits.	1.00	-
7 Advance tax assets (net)		
Taxes paid in advance (net of provision of Rs 931.70 lakhs)	112.19	37.08
	<u>112.19</u>	<u>37.08</u>
8 Other non current assets		
Capital advances	-	26.95
Prepaid lease rent	-	2.16
	<u>-</u>	<u>29.11</u>
9 Inventories		
(valued at lower of cost and net realisable value)		
a Raw materials and components	1,455.57	1,289.30
Goods in transit	1.22	0.84
	<u>1,456.79</u>	<u>1,290.14</u>
b Work -in-progress	112.86	114.60
c Finished goods (material handling storage systems of metal)	911.50	947.70
d Stock in Trade (lean lifts and others)	26.76	26.26
e Stores, consumables and packing material	38.67	39.31
	<u>2,546.58</u>	<u>2,418.01</u>

For inventories on hypothecation as security against borrowing (refer note 21)

During the year an amount of Rs.117.79 lakhs (Previous year - Rs.52.75 lakhs) was charged to the statement of profit and loss on account of Damage and Slow Moving Inventory.

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
as at 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
10 Trade receivables		
(a) Considered good - Secured	-	-
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Considered good - Unsecured	5,567.37	3,275.07
(c) With significant increase in credit risk	-	-
(d) Credit impaired	107.39	98.69
	<u>5,674.76</u>	<u>3,373.75</u>
	(107.39)	(98.69)
Less: Provision for loss allowance	<u>5,567.37</u>	<u>3,275.07</u>
For trade receivables on hypothecation as security against borrowing (refer note 21)		
Trade receivables (unsecured, considered good) includes Rs. 50.57 Lakhs (31 March 2019 Rs. 15.39 Lakhs)		
due from related parties (refer note 45)		
11 Cash and cash equivalents		
Cash and cash equivalents	12.30	7.36
a Cash on hand		
b Balances with banks	3.58	16.26
- in current accounts	139.62	152.97
- in cash credit accounts	-	240.95
- in deposit accounts with original maturity of 3 months or less		
	<u>155.50</u>	<u>417.54</u>
12 Bank balance other than those included in cash and cash equivalents		
(ii) Other bank balances	27.38	205.51
Other bank deposits with 3 to 12 months maturity*	<u>27.38</u>	<u>205.51</u>
*Deposits earmarked as earnest money deposits.	-	1.47
*Deposits earmarked with electricity board as earnest money deposit	25.62	-
13 Current loans (Unsecured, considered good)		
a Employee Loans	29.57	32.27
	<u>29.57</u>	<u>32.27</u>
14 Other current financial assets (Unsecured, considered good)		
Interest subsidy receivable	1.82	7.71
Interest accrued on fixed deposits	0.04	0.15
Insurance subsidy receivable	-	7.10
	<u>1.86</u>	<u>14.96</u>

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)

as at 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
15 Other Current Assets		
To parties other than related parties		
a Earnest money deposits considered good	3.45	16.26
Earnest money deposits considered doubtful	1.00	7.11
Less: Provision for earnest money deposits considered doubtful	(1.00)	(7.11)
	<u>3.45</u>	<u>16.26</u>
b Balance with Government authorities	582.66	834.94
c Advances to vendors	141.58	143.12
d Prepaid lease rent	-	0.99
e Advance for expenses	100.74	89.97
f Others	39.73	43.80
	<u>868.16</u>	<u>1,129.08</u>

16 Equity Share Capital

Authorised

5,000,000 (Previous year - 5,000,000) equity shares of Rs.10 each	500.00	500.00
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Equity share capital

Issued, subscribed and paid up

4,440,000 (Previous year - 4,440,000) equity shares of Rs.10 each, fully paid up	444.00	444.00
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	<u>444.00</u>	<u>444.00</u>
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Reconciliation of shares outstanding at the beginning and at the end of reporting year

	31 March 2020		31 March 2019	
Equity shares	No. of Shares held	No. of Shares held	No. of Shares held	No. of Shares held
At the commencement and at the end of the year	44,40,000	44,40,000	44,40,000	44,40,000

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. The dividend, if Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are remaining assets of the Company in proportion to their shareholding.

Shares held by holding / ultimate holding company (i.e. parent of the group) and/or their subsidiaries/associates

Name of shareholder	31 March 2020		31 March 2019	
	No. of shares held	Amount	No. of shares held	Amount
Nilkamal Limited (Holding Company)	44,39,999	4,43,99,990	22,20,000	2,22,00,000
Bito Lagertechnik Bittmann, GmbH	-	-	22,20,000	2,22,00,000
	<u>44,39,999</u>	<u>4,43,99,990</u>	<u>44,40,000</u>	<u>4,44,00,000</u>

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	31 March 2020		31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Nilkamal Limited	44,39,999	99.99	22,20,000	50
Bito Lagertechnik Bittmann, GmbH	-	-	22,20,000	50

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BTO Storage Systems Private Limited)

Notes to the financial statements (Continued)
as at 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
17 Other equity		
(a) Securities Premium		
At the commencement and end of the year	3,987.00	3,987.00
	<u>3,987.00</u>	<u>3,987.00</u>
(b) General Reserve		
At the commencement and end of the year	30.00	30.00
	<u>30.00</u>	<u>30.00</u>
(c) Retained Earnings		
At the commencement of the year	2,950.66	2,543.36
Profit during the year	1,493.01	631.85
Items of other comprehensive Income recognised directly in retained earnings		
- Remeasurement losses on post employment defined benefits plans, net of tax	(1.09)	(10.44)
Equity dividend (dividend for March 31, 2018 Rs. 4.00 per share)	-	(177.60)
Transition impact of IND AS 116	(21.61)	-
Corporate tax on dividend	-	(36.51)
	<u>4,420.97</u>	<u>2,950.66</u>
	<u>8,437.97</u>	<u>6,967.66</u>
18 Non-Current Provisions		
Provision for employee benefits :		
Compensated absences	33.81	30.22
	<u>33.81</u>	<u>30.22</u>
19 Deferred liabilities (net)		
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income tax law over depreciation / amortisation provided in books of account.	88.52	108.49
	<u>88.52</u>	<u>108.49</u>
Deferred tax assets		
Gratuity	-	0.59
Compensated absences	11.94	11.95
Provision for doubtful debts	27.28	30.81
Transition impact of IND AS 116	8.16	-
Bonus payable	3.44	3.98
Minimum alternate tax credit entitlement	-	3.65
Others	0.57	0.27
	<u>51.39</u>	<u>51.25</u>
Deferred tax liabilities (net)	<u>(37.13)</u>	<u>(57.24)</u>
20 Other Non-Current Financial Liabilities		
a Lease liabilities	98.69	-
	<u>98.69</u>	<u>-</u>

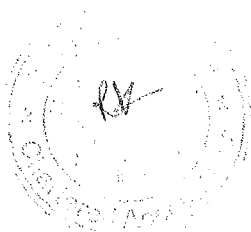
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Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
as at 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
21 Borrowings - Non Current Financial Liabilities		
<u>Secured Loans</u>		
Cash credit facility from banks *	-	24.98
	<u>-</u>	<u>24.98</u>
(Cash credit facility from banks carries interest rates computed on daily basis based on utilization)	8.25% - 10.00%	9.50% - 10.55%
	p.a.	p.a.
*Security		
Cash credit facility from bank are secured by a first charge on entire current assets of the Company and second charge (residual) on pari passu basis on the Company's fixed assets.		
22 Trade payables		
a due to micro and small enterprises (refer note 36)	3.64	-
b due to others	1,921.93	1,474.12
	<u>1,925.57</u>	<u>1,474.12</u>
23 Other financial liabilities		
a. Capital creditors	38.18	30.10
b. Employee benefits payable	32.32	29.08
c. Lease Liabilities	39.12	-
	<u>109.62</u>	<u>59.18</u>
24 Other current liabilities		
a Advance from customers	174.76	482.07
b. Statutory dues payable		
i Tax deducted at source	30.76	28.90
ii Provident fund, ESIC, profession tax	9.80	8.30
iii GST	3.76	-
d Others	3.12	-
	<u>222.20</u>	<u>519.27</u>
25 Current Provisions		
a Provision for employee benefits (refer note 44)		
Gratuity	-	2.04
Compensated absences	20.84	20.82
	<u>20.84</u>	<u>22.86</u>



Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
26 Revenue from operations (refer note 33)		
Sale of products		
(i) Manufactured goods (material handling storage systems of metal)		
Local	16,907.43	15,322.59
Export	4.85	82.92
(ii) Traded goods (lean lifts and others)	2,680.11	1,678.71
Sale of services		
Erection charges	1,337.80	1,331.12
Commission	29.53	79.80
Other operating revenues		
Process waste sale	106.51	111.44
Others	309.31	402.34
	21,375.54	19,008.92
27 Other Income		
Interest income on fixed deposits	15.25	7.84
Interest income others	3.47	5.39
Unwinding of discount on security deposit	0.67	1.18
	19.39	14.41
28 Cost of materials consumed		
Raw materials and components	10,324.59	10,049.66
Opening stock	1,290.14	1,376.62
Add Purchases	10,491.24	9,963.18
	11,781.38	11,339.80
Less Closing stock	1,456.79	1,290.14
	10,324.59	10,049.66
29 Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening stock		
Finished goods (material handling storage systems of metal)	947.70	727.98
Work in progress	114.60	78.50
Stock in trade (lean lifts and others)	26.26	17.87
	1,088.56	824.35
Closing Stock		
Finished goods (material handling storage systems of metal)	911.50	947.70
Work in progress	112.86	114.60
Stock in trade (lean lifts and others)	26.76	26.26
	1,051.12	1,088.56
	37.44	(264.21)

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

	31 March 2020	31 March 2019
30 Employee benefits expense		
Salaries, wages and bonus	1,087.86	1,116.87
Contribution to provident and other funds (refer note 44)	62.10	54.49
Staff welfare expenses	49.74	93.49
	<u>1,199.70</u>	<u>1,264.85</u>
31 Finance costs		
Interest on Financial Liabilities	4.15	21.04
Interest on working capital loan	-	16.94
Other interest	4.45	6.85
Interest Expense on Lease Liabilities	12.93	-
Other borrowing cost	22.88	21.11
	<u>44.41</u>	<u>65.94</u>
32 Other expenses		
(a) Consumption of stores and spares, etc.	943.84	887.74
(b) Power and fuel	106.51	99.32
(c) Labour charges	411.41	304.82
(d) Erection charges	2,073.92	1,813.74
(e) Carriage outward	446.62	799.06
(f) Technical and management fees	521.33	579.52
(g) Rent	47.70	54.55
(h) Repairs and maintenance		
(i) Machinery	-	2.34
(ii) Buildings	1.26	16.15
(iii) Others	54.20	67.03
(i) Insurance	23.36	26.54
(j) Rates and taxes	2.89	1.91
(k) Travelling and conveyance	428.26	472.34
(l) Lease rent	1.49	1.35
(m) Payment to auditors		
-Audit fees	8.00	8.00
-In other capacity	0.21	0.58
-Reimbursement of expenses	0.60	0.58
(n) Bank charges	42.91	61.51
(o) Legal and professional fees	69.91	45.74
(p) Bad debts written off	70.82	27.43
(q) Provision for doubtful trade receivables and advances	2.60	40.02
(r) Net loss on account of foreign exchange fluctuations	9.09	9.93
(s) Deputation charges	17.45	28.47
(t) Loss on sale of fixed assets (net)	20.01	0.18
(u) Corporate social responsibility expenses	20.50	24.60
(v) Miscellaneous expenses	162.18	150.80
	<u>5,487.07</u>	<u>5,524.25</u>

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

33 Revenue from Contract from Customer

A. Revenue Streams

The Company generates revenue primarily from the sale of Storage Systems of Metal and Accessories to its customers. Other sources of revenue include Sale of services.

	Note	31 March 2020	31 March 2019
Revenue from Contracts with Customers	26		
Sale of Products		19,592.39	17,084.22
Sale of Services		1,367.33	1,410.92
Other Operating revenue			
Sale of Scrap		106.51	111.44
Others		309.31	402.34
Total revenue		21,375.54	19,008.92

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.

For the year ended 31 March	Product Category		Total	
	Storage Systems of Metal and Accessories, Related Trading & Services & Commission Services			
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Primary geographical markets				
Domestic Sales	19,587.54	17,001.30	19,587.54	17,001.30
Export sales	4.85	82.92	4.85	82.92
	19,592.39	17,084.22	19,592.39	17,084.22
Revenue types				
Sale of products	19,592.39	17,084.22	19,592.39	17,084.22
Sale of Services	1,367.33	1,410.92	1,367.33	1,410.92
Sale of Scrap	106.51	111.44	106.51	111.44
Others	309.31	402.34	309.31	402.34
	21,375.54	19,008.92	21,375.54	19,008.92
Timing of revenue recognition				
Products Transferred at a point in time	21,375.54	19,008.92	21,375.54	19,008.92
Revenue from contracts with customers	21,375.54	19,008.92	21,375.54	19,008.92
External revenue as reported	21,375.54	19,008.92	21,375.54	19,008.92

C. Reconciliation of Revenue from operation with Contract price

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract Price	21,410.85	19,103.40
Less: Discounts	35.31	94.48
Total Revenue from Operation	21,375.54	19,008.92

D. Contract balances

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

	Note	31st March, 2020	31st March, 2019
Advance from customer, which are included in 'Other Current Liabilities'	24	174.76	482.07
Receivables, which are included in 'trade receivables'	10	5,567.37	3,275.07

Nilkamal Storage Systems Private
(Formerly known as Nilkamal BITD Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

34 (a) Tax expense

(a) Amounts recognised in profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current Year		
Adjustment in respect of current income tax of previous year	510.43	190.00
Current income tax (net)	-	-
	510.43	190.00
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(5.01)	63.70
Reduction in tax rate	(7.06)	-
Transition impact of IND AS116	1.20	-
Deferred tax expense/ (credit)	(10.87)	63.70
Tax expense for the year	499.56	253.70
Effective tax rate for the year	25.07%	28.64%

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2020			For the 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)	(1.45)	0.36	(1.09)	(14.73)	4.29	(10.44)
	(1.45)	0.36	(1.09)	(14.73)	4.29	(10.44)

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	1,992.57	885.55
Tax using the Company's domestic tax rate	25.17%	27.82%
Reduction in tax rate	-0.35%	0.00%
Tax effect of:		
Tax impact of income not subject to tax	0.00%	0.00%
Tax effects of amounts which are not deductible for taxable	1.03%	0.00%
Adjustment for current tax of prior period	0.00%	0.00%
Deferred tax assets not recognized because realization is not	0.00%	0.77%
Effect of different tax rate	0.00%	0.30%
Tax deduction Under Chapter VIA	-0.22%	-0.65%
Excess Provision for tax in respect of previous years written	0.00%	0.00%
Transition impact of IND AS116	0.06%	0.00%
Others	-0.61%	0.40%
	25.07%	28.64%

The applicable Indian corporate statutory tax rate for the year ended 31 March, 2020 is 25.168% and March, 2019 is 27.82%.

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Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

34 (b)

(a) Movement in deferred tax balances

	Net balance April 1, 2019	Recognised in profit or loss	Recognised in Other Comprehensive Income	31 March 2020	
				Net	Deferred tax asset
Deferred tax asset / (liabilities)					
Property, plant and equipment	(108.49)	19.97	-	(88.52)	-
Employee benefits	16.52	(1.52)	0.36	15.37	15.37
Provision for Doubtful Debts / Advances	30.81	(3.53)	-	27.28	27.28
MAT credit entitlement **	3.65	(3.65)	-	0.00	0.00
Other provisions	0.27	8.46	-	8.74	8.74
Tax assets (Liabilities)	(57.24)	19.73	0.36	(37.13)	51.39
Set off tax					
Net tax assets / (liabilities)	(57.24)	19.73	0.36	(37.13)	51.39

(b) Movement in deferred tax balances

	Net balance 1 April 2019	Recognised in profit or loss	Recognised in Other Comprehensive Income	31 March 2019	
				Net	Deferred tax asset
Deferred tax asset / (liabilities)					
Property, plant and equipment	(94.51)	(13.99)	-	(108.49)	-
Employee benefits	19.73	(7.50)	4.29	16.52	16.52
Provision for Doubtful Debts / Advances	19.15	11.66	-	30.81	30.81
MAT credit entitlement **	57.73	(54.08)	-	3.65	3.65
Other provisions	0.06	0.21	-	0.27	0.27
Tax assets (Liabilities)	2.16	(63.70)	4.29	(57.24)	51.25
Set off tax					
Net tax assets / (liabilities)	2.16	(63.70)	4.29	(57.24)	51.25

** Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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.

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.

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

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

35 Contingent liabilities and commitments

a) Contingent liabilities

	31 March 2020	31 March 2019
Income Tax Matters	3.20	-
Excise matters	95.62	71.78

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

b) Note on Provident Fund

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. In view of the management, the liability for the period from date of the SC to 31 March 2019 is not significant and has not been provided in the books of accounts. The Company will continue to assess any further developments in this matter for the implications on financial statement, if any.

c) Commitments

	31 March 2020	31 March 2019
Estimated net amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	126.64

36 Dues Micro and Small Enterprises

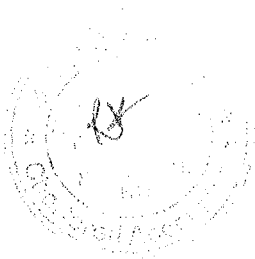
Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no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

Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31 st March, 2020	31 st 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	-	-

37 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Based on the internal reporting viewed by CODM, the Company is considered to be a single segment company – engaged in the manufacture of 'Material Handling Storage Systems of metal'. Consequently, the Company has, in its primary segment, only one reportable business segment. Revenue from One customers is Rs.4,683.93 Lakhs (previous year revenue from One customer: Rs. 2,045.18 Lakhs) which is more than 10% of the company's total revenue.



Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

38 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all 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.

	31 March 2020	31 March 2019
Total Debt	-	24.98
Total equity	8,881.97	7,411.66
Debt to equity ratio	0%	0%

39 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.

	31 March 2020	31 March 2019
i. Profit attributable to Equity holders of Company		
Face value per share	10	10
Profit attributable to equity holders of the Company:	1,493.01	631.85
ii. Weighted average number of ordinary shares		
Weighted average number of shares at March 31 for basic EPS	44.40	44.40
Basic and Diluted earnings per share	33.63	14.23

40 Operating Lease :

Operating Lease in respect of property and other assets taken on Lease:

Particulars	31 March 2020	31 March 2019
Lease payments recognised in the Statement of Profit and Loss	49.19	55.90

The Company's leasing arrangements are in respect of operating leases for premises, offices, warehouses and vehicles. Most of these leasing arrangements are cancellable and are usually renewable by mutual consent on mutually agreeable terms. Cancellable lease rentals are accounted for on accrual basis over the term of the lease and charged to statement of Profit and Loss.

41 Transfer pricing regulations

Transactions with overseas related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2019. Management believes that the Company's international and domestic transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

42 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 amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

	31 March 2020	31 March 2019
(a) Gross amount required to be spent by the Company	20.31	24.57
(b) Amount spent by the Company on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	20.50	24.60

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

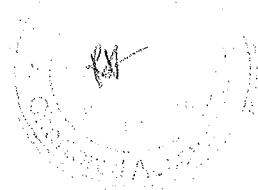
(Currency : Rupees in Lakhs)

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								
	FVTPL	Carrying amount		Total	Level 1	Fair value		Total
		FVTOCI	Amortised Cost			Level 2	Level 3	
Financial assets								
Non Current								
Investments								
Equity Shares	0.00	-	-	0.00	-	-	-	-
Loans								
Security Deposits	-	-	14.69	14.69	-	14.69	-	14.69
Other Non current financial assets	-	-	2.00	2.00	-	-	-	-
Current								
Trade receivables	-	-	5,567.37	5,567.37	-	-	-	-
Cash and cash equivalents	-	-	155.50	155.50	-	-	-	-
Other bank balances	-	-	27.38	27.38	-	-	-	-
Loans								
Loans to Employees	-	-	29.57	29.57	-	-	-	-
Other current financial assets	-	-	1.86	1.86	-	-	-	-
	0.00	-	5,798.37	5,798.37		14.69		14.69
Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,925.56	1,925.56	-	-	-	-
Other financial liabilities	-	-	109.62	109.62	-	-	-	-
	-	-	2,035.18	2,035.18	-	-	-	-

March 31, 2019								
	FVTPL	Carrying amount		Total	Level 1	Fair value		Total
		FVTOCI	Amortised Cost			Level 2	Level 3	
Financial assets								
Non Current								
Investments								
Equity Shares	0.00	-	-	0.00	-	-	-	-
Loans								
Security Deposits	-	-	22.11	22.11	-	22.11	-	22.11
Other Non current financial assets	-	-	23.73	23.73	-	-	-	-
Current								
Trade receivables	-	-	3,275.07	3,275.07	-	-	-	-
Cash and cash equivalents	-	-	417.54	417.54	-	-	-	-
Other bank balances	-	-	205.51	205.51	-	-	-	-
Loans								
Loans to Employees	-	-	32.27	32.27	-	-	-	-
Other current financial assets	-	-	14.96	14.96	-	-	-	-
	0.00	-	3,991.19	3,991.19		22.11		22.11
Financial liabilities								
Borrowings	-	-	24.98	24.98	-	-	-	-
Trade payables	-	-	1,474.12	1,474.12	-	-	-	-
Other financial liabilities	-	-	59.18	59.18	-	-	-	-
	-	-	1,558.28	1,558.28	-	-	-	-



Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

43 Financial instruments – Fair values and risk management

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values

Financial instruments measured at fair value

Type	Valuation technique
Security Deposits	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

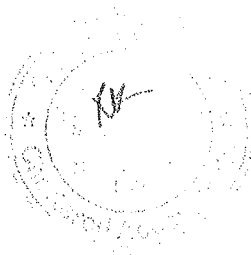
The Company has exposure to the following risks arising from financial instruments:

- 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 is responsible for developing and monitoring the Company's risk management policies.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

43 Financial instruments – Fair values and risk management (Continued)

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 and the geography 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.

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Company's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Company does not expect to incur material credit

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

Impairment

The ageing of trade receivables was as follows.

	Carrying amount	
	31 March 2020	31 March 2019
Neither past due nor impaired		
Past due 1-90 days	1,772.45	673.32
Past due 91-180 days	2,148.05	1,407.60
Past due 181-270 days	981.02	261.23
Past due 271-360 days	401.17	144.78
More than 361 days	85.63	402.01
	286.44	484.82
	<u>5,674.76</u>	<u>3,373.76</u>

The loans and advances consist of mainly Security deposits with landlords and employee loans and are fully recoverable

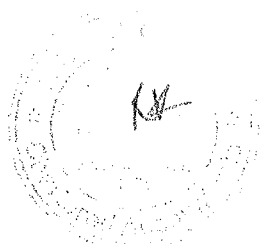
Credit risk exposure

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

	Trade receivables Impairments
Balance as at 31 March 2018	
Impairment loss recognised	65.77
Balance written back	77.98
Amounts written off	(10.09)
Balance as at 31 March 2019	(27.87)
Impairment loss recognised	105.79
Balance written back	86.58
Amounts written off	(8.27)
Balance as at 31 March 2020	(75.71)
	<u>108.39</u>

Cash and cash equivalents and other bank balances:

The Company held cash and cash equivalents and other bank balances of Rs.182.88 Lakhs as on 31 March 2020 (31 March 2019: Rs. 623.05 Lakhs). The cash and cash equivalents and other bank balances are held with bank with good credit ratings.



Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

43 Financial instruments – Fair values and risk management (Continued)

iii. Liquidity risk

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

As of 31 March 2020 and 31 March 2019 the Company had unutilized credit limits from banks of Rs. 765 Lakhs and Rs.765 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.

31 March 2020	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working Capital loans from banks	-	-	-	-	-	-	-
Trade and other payables	1,921.93	1,921.93	1,921.93	-	-	-	-
Lease liabilities	137.82	137.82	18.03	19.33	31.76	14.03	54.67
Other financial liabilities	70.50	70.50	70.50	-	-	-	-

31 March 2019	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working Capital loans from banks	24.98	24.98	24.98	-	-	-	-
Trade and other payables	1,474.12	1,474.12	1,474.12	-	-	-	-
Other financial liabilities	59.18	59.18	59.18	-	-	-	-

The gross outflows / (inflows) 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.

RS

Nilkamal Storage Systems Private
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

43 Financial instruments – Fair values and risk management (Continued)

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 trade payables in foreign currency. The functional currency of the Company is Indian Rupee.

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

The currency profile of financial assets and financial liabilities as at 31 March 2020, 31 March 2019 are as below:

	31 March 2020 EURO	31 March 2020 USD	31 March 2020 GBP
Financial assets			
Trade and other receivables	-	-	-
	-	-	-
Financial liabilities			
Trade payables	99.67	10.96	-
	99.67	10.96	-

	31 March 2019 EURO	31 March 2019 USD	31 March 2019 GBP
Financial assets			
Trade and other receivables	35.99	-	-
	35.99	-	-
Financial liabilities			
Trade payables	23.54	(41.94)	0.27
	23.54	(41.94)	0.27

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

	Year-end spot rate	
	31-Mar-20	31-Mar-19
INR		
USD 1	75.67	69.160
EUR 1	82.77	77.660
GBP 1	93.36	90.500

Sensitivity analysis

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

Effect in Rupees	31 March 2020 Profit or loss		31 March 2019 Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 3% Movement	(0.33)	0.33	1.26	(1.26)
EUR - 3% Movement	(2.99)	2.99	0.37	(0.37)
GBP - 3% Movement	-	-	(0.01)	0.01

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

43 Financial instruments – Fair values and risk management (Continued)

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.

	31 March 2020	31 March 2019
Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	-	24.98
Total	<u>-</u>	<u>24.98</u>

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or (loss)	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	<u>-</u>	<u>-</u>
31 March 2019		
Variable-rate instruments	(0.25)	0.25
Cash flow sensitivity (net)	<u>(0.25)</u>	<u>0.25</u>

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.

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

44 Employment benefits obligation

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 Rs.62.10 Lakhs (Previous Year Rs. 54.49 Lakhs) for provident and other 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 (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

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.

	Gratuity	
	31 March 2020	31 March 2019
Defined benefit obligation	97.91	93.15
Fair value of Plan Assets at the end of the year	99.06	91.11
Net Obligation at the end of the year	(1.15)	2.04

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

	Defined benefit obligation		Gratuity		Net defined benefit (asset) liability	
	31 March 2020	31 March 2019	Fair value of plan assets			
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	93.15	79.50	91.11	73.78	2.04	5.73
Included in statement of profit or loss	-	-	6.71	6.25	(6.71)	(6.25)
Current service cost	15.90	14.31	-	-	15.90	14.31
Interest cost	6.34	6.12	-	-	6.34	6.12
	115.39	99.93	97.82	80.03	17.57	19.91
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss (gain) arising from:	-	-	-	-	-	-
Financial assumptions	-	-	-	-	-	-
Experience adjustment	(12.31)	10.81	-	-	(12.31)	10.81
Return on plan assets excluding interest income	-	-	(13.76)	(3.92)	13.76	3.92
	(12.31)	10.81	(13.76)	(3.92)	1.45	14.73
Other						
Contributions paid by the employer	-	-	15.00	15.00	15.00	15.00
Benefits paid	5.17	17.59	-	-	5.17	17.59
Closing balance	5.17	17.59	15.00	15.00	20.17	32.59
Represented by						
Net defined benefit liability	97.91	93.15	99.06	91.11	(1.15)	2.04

Nilkamal Storage Systems Private Limited
(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)
for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

44 Employment benefits obligation

(ii) **Defined Benefit Plan: (Continued)**

C. Plan assets

Plan assets comprise the following:

	31 March 2020	31 March 2019
Fund managed by Insurance Company	99.06	91.11
	99.06	91.11

D. Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2020	31 March 2019
Discount rate	6.80%	7.70%
Expected Rate of Return on Plan Assets	6.80%	7.70%
Salary escalation rate	6.00%	7.00%
Employee Turnover	5.00%	5.00%
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)	86.02	112.19	82.38	106.10
Future salary growth (1% movement)	112.16	85.84	106.06	82.23
Rate of employee turnover (1% movement)	98.85	96.84	93.51	92.77

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 31 March 2020 were as follows

Expected contribution

The expected (undiscounted) contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended 31 March 2019.

Expected future benefit payments

	(₹ in lakhs)
31st March, 2021	2.60
31st March, 2022	3.67
31st March, 2023	3.63
31st March, 2024	3.42
Thereafter	84.59

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 Rs.15.21 Lakhs (Previous Year Rs.19.01 Lakhs) and is included in Note 30 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates Rs.33.81 Lakhs (Previous Year: Rs.30.22 Lakhs) and current provision aggregates Rs. 20.84 Lakhs (Previous Year: Rs.20.82 Lakhs).

Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal BITO Storage Systems Private Limited)

Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Currency : Rupees in Lakhs)

45 Related Party Disclosures:

Names of related parties and description of relationship

- | | |
|--|--|
| I Holding Company w.e.f. 23.08.2019 | Nilkamal Limited |
| Joint Venture till 22.08.2019 | 50:50 Between Nilkamal LTD & Bito Lagertechnik Bittmann |
| II Enterprises owned or significantly influenced by the Joint Venture Partners, Nilkamal Foundation where transactions have taken place. | Cambro Nilkamal Private Limited |
| III Key Management Personnel | Mr. Amol Pradhan
Mr. Hiten V. Parekh
Mr. Manish V. Parekh
Mr. Nayan S. Parekh |
| IV Enterprise owned or significantly influenced by directors, where transactions have taken place | Nilkamal Crates & Container
Raga Plast Private Limited |

Particulars	31 March 2020			31 March 2019		
	Holding Company	Others Related Party	Total	Joint Venture	Others Related Party	Total
1 Purchase of Capital Assets	-	-	-	13.43	-	13.43
2 Purchase of Raw Material, Component etc.	36.79	-	36.79	69.89	3.84	73.73
3 Technical and Management Fees	614.38	-	614.38	664.66	-	664.66
4 Deputation Charges	20.60	-	20.60	33.59	-	33.59
5 Reimbursement of Expenses incurred	42.06	0.07	42.13	53.25	1.36	54.61
6 Contribution towards CSR Expenses	-	20.50	20.50	-	24.60	24.60
7 Dividend Paid	-	-	-	177.60	-	177.60
8 Investment in Equity Share	-	-	-	-	0.00	0.00
9 Erection Charges	37.91	-	37.91	30.16	-	30.16
10 Rent Expense	11.33	-	11.33	4.72	-	4.72
1 Sale of Finished Goods	759.26	-	759.26	552.61	26.89	579.50
2 Sale of Assets	148.45	2.74	151.19	-	-	-
3 Erection Charges Received	29.76	10.83	40.59	-	11.04	11.04
Balances Outstanding at the year end:						
a) Other Receivable	50.50	0.07	50.57	4.55	10.84	15.39
b) Other Payables	282.84	-	282.84	236.36	1.14	237.50
c) Investment in Equity Share	-	-	-	-	-	-

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. There have been no guarantees provided or received for any related party receivables or payables.

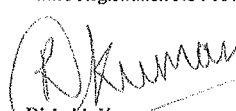
46 Subsequent Events:

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 and the Company temporarily suspended all its operations at manufacturing facilities, 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. during the lock-down period. 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.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No : 101248W/W-100022


Rishabh Kumar
Partner

Membership No: 402877

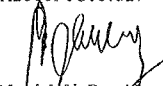
Mumbai
25 June 2020

For and on behalf of the Board of Directors of
Nilkamal Storage Systems Private Limited

(Formerly known as Nilkamal Storage Systems Private Limited)

CIN: U63020MH2006PTC161327


Nayan S. Parekh
Director
DIN : 00037597


Manish V. Parekh
Director
DIN : 00037724

Mumbai
25 June 2020

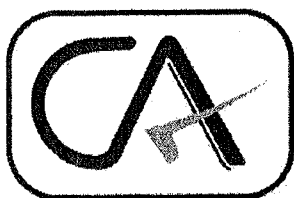
NILKAMAL FOUNDATION

BALANCE SHEET

F. Y. 2019 - 2020

A.Y. 2020 - 2021

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SHETH DOCTOR & ASSOCIATES

CHARTERED ACCOUNTANTS

B 401, Shree Ramdev Apartments
Dr. Dalvi Road, Near Bank Of India,
Kandivali (W) Mumbai 400067

Telephone : (022) 28058438

Mob: 9819748438

E-mail: doctor_paresh@yahoo.co.in

INDEPENDENT AUDITORS' REPORT

The Members of
NILKAMAL FOUNDATION

Report on the Financial Statements

* We have audited the accompanying financial statements of NILKAMAL FOUNDATION (a Company not for Profit and Limited by Shares registered under Section 8 of the Companies Act 2013), which comprises Balance Sheet as at 31st March, 2020, the Statement of Income and Expenditure Account and Cash Flow statement for the year ended 31st March 2020, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2020
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- (c) In the case of Cash Flow Statement, of its Cash flow during 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.

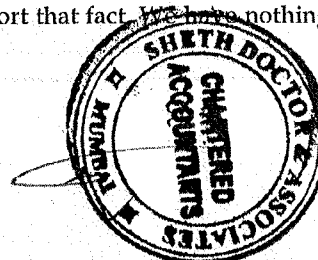
Information other than the financial statements and Auditors report thereon ('Other information')

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 auditor's report thereon.

Our Opinion on the financial statements does not cover the information and we do not express any form of assurance or conclusions thereon.

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

Managements' Responsibility for the Financial Statements



The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the financial statements

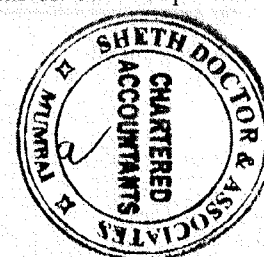
Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement 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 decision of users taken on the basis of the 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during an 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.

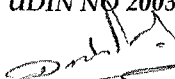


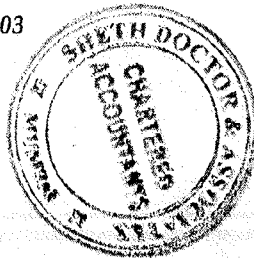
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public communication 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. The Companies (Auditor's Report) Order,2016 ("the CARO 2016 Order") issued by the Central Government in terms of the Section 143(11) of the Act, is not applicable to the Company in terms of Clause 1(2)(iii) of the CARO 2016 Order.
2. As required by Section 143(3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit .
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books .
 - c. The Balance Sheet, Statement of Income and Expenditure Account, Cash Flow Statement and other notes thereon dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the accounting standards referred to in the Section 133 of the Companies Act,2013 and read with Rule No 7 of the Companies Accounting Rules 2014.
 - e. On the basis of representations received from the directors as on Mar 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on Mar 31,2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per the information and explanations given to us there are no pending litigations other than those disclosed in the financial statements.
 - ii In the opinion of the company no provision is required under any law or accounting standards, for material foreseeable losses, if any , on long term contracts including derivative contracts.
 - iii There are no amounts to be transferred to Investor Education & Protection Fund during the year.

For M/s Sheth Doctor and Associates
Chartered Accountants
(Firm Regn No. 124822W)
UDIN NO 20036056AAAABA2803


Paresh S Doctor
Proprietor
Membership No. 036056



Mumbai.
Date : 25/5/2020

NILKAMAL FOUNDATION

BALANCE SHEET

As AT 31st MARCH, 2020

(All amounts are stated in
Rupees, Unless otherwise
stated)

	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Current Assets			
Cash & Cash Equivalents	1	14,757,508	27,397,256
Other Current Assets	2	25,350,623	10,670,471
TOTAL ASSETS		40,108,131	38,067,727
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	3	1,000	1,000
Other Equity	4	28,393,107	28,020,687
LIABILITIES			
CURRENT LIABILITIES			
Other Payables	5	1,699,024	17,700
Other current Liabilities	6	10,015,000	10,028,340
TOTAL EQUITY AND LIABILITIES		40,108,131	38,067,727

Basis of Preparation, measurement
and significant accounting policies

11

The accompanying notes are an integral part of these financial statements

As per our report of even date

FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants

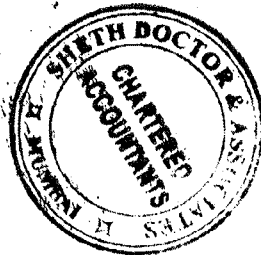
Paresh S. Doctor
Proprietor
Membership No. 36056

Place : Mumbai
Date: 25th May, 2020
UDIN NO : 20036056AAAABA2803

For and on behalf of Board of Directors of
Nilkamal Foundation
CIN : U74999MH2016NPL284394

V.V.P.
Vamanrai V. Parekh
Director
DIN : 00037519

S.V.P.
Sharad V. Parekh
Director
DIN : 00035747



NILKAMAL FOUNDATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2020


(All Amounts in Rupees, unless otherwise stated)			
	Note	Year Ended 31st March, 2020	Year Ended 31st March, 2019
INCOME			
Donation received	7	37,450,000	33,480,000
Other Income	8	1,345,664	1,449,135
TOTAL INCOME		38,795,664	34,929,135
EXPENDITURE			
Program Expense	9	38,383,013	26,417,756
Other Expense	10	38,607	38,449
Finance Expenses	11	1625	-
TOTAL EXPENSES		38,423,245	26,456,205
Excess / (Shortfall) of income over expenditure [A]		372,419	8,472,930
OTHER COMPREHENSIVE INCOME FOR THE YEAR [B]			-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [A-B]		372,419	8,472,930
Earnings/ (Loss) per equity share			
Basic & Diluted		3,724.19	84,729.30
(Face Value of Rs. 10 each)			
Basis of preparation, measurement and significant accounting policies	12		

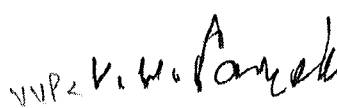
The accompanying notes are an integral part of these financial statements

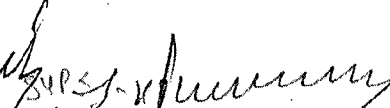
As per our report of even date

FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants

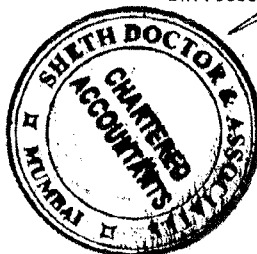
For and on behalf of Board of Directors of
Nilkamal Foundation
CIN : U74999MH2016NPL284394


Pares S. Doctor
Proprietor
Membership No. 36056


Vamanrai V. Parekh
Director
DIN : 00037519


Sharad V. Parekh
Director
DIN : 00035747

Place : Mumbai
Date : 25th May, 2020
UDIN NO : 20036056AAAA2803



NILKAMAL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts in Rupees, unless otherwise stated)		
	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess/ (Shortfall) of income over expenditure	372,419	8,472,930
Adjustments for:		
Interest Income	-1,345,664	-1,449,135
Interest on Delayed payment	1,625	
Changes in Working Capital		
Increase/ (Decrease) in current assets	-14,688,672	-2,714,284
Increase/ (Decrease) in current liabilities	1,667,984	40,140
Direct Taxes Paid	-127,107	-102,151
Net cash generated from/ (used in) operating activities - [A]	-14,119,415	4,247,500
B. CASH FLOWS FROM INVESTING ACTIVITIES - [B]		
Interest Received	1,481,292	1,217,437
	1,481,292	1,217,437
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-1,625	
Net cash (used in)/ generated from financing activities - [C]	-1,625	-
Net Increase/ (Decrease) in Cash And Cash equivalents - [A + B + C]	-12,639,748	5,464,937
ADD: Cash and Cash equivalents at the beginning of the year	27,397,256	21,932,319
Cash And Cash equivalents at the end of the year	14,757,508	27,397,256

Note: The above Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7. 'Statement of Cash Flows'

The accompanying notes are an integral part of these financial statements

As per our report of even date

FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants

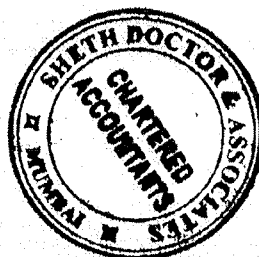
For and on behalf of Board of Directors of
Nilkamal Foundation
CIN : U74999MH2016NPL284394

(Signature)
Paresh S. Doctor
Proprietor
Membership No. 36056

(Signature)
Director
Vamanrai V. Parekh
DIN : 00037519

(Signature)
Director
Sharad V. Parekh
DIN : 00035747

Place : Mumbai
Date: 25th May, 2020
UDIN NO : 20036056AAAABA2803



NILKAMAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1] CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
Balances with banks	3,741,123	1,378,465
Cash On hand	16,385	18,791
Bank Deposits of less than 3 months maturity	11,000,000	26,000,000
	14,757,508	27,397,256

2] OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Interest Receivable	96,070	231,698
Income Tax Paid	245,206	118,099
Bank Deposit with 3-12 month	25,000,000	10,285,327
Advance recoverable in csh or in Kind	9,347	35,347
	25,350,623	10,670,471

3] EQUITY SHARE CAPITAL

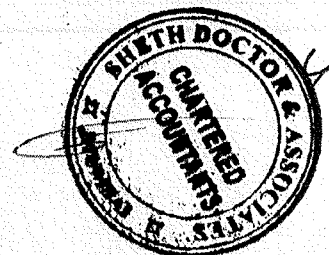
	As at 31st March, 2020	As at 31st March, 2019
Authorised 100 equity shares of Rs. 10 each	1,000	1,000
Issued, subscribed and fully paid up 100 equity shares of Rs. 10 each	1,000	1,000
	1,000	1,000

a) Reconciliation of the number of shares

	As at 31st March, 2020		As at 31st March, 2019	
Equity shares	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	-	-	-	-
Add / (Less):	100	1,000	100	1,000
Balance at the end of the year	100	1,000	100	1,000

b) Rights, preference and restrictions attached to the shares

The company has only one class of equity shares having a par value Rs. 10 per share. Each shareholder is eligible for one vote per share held. As the Company is a private company limited by shares of formed under section 8 of the Companies Act, 2013 , no dividend is to be proposed and paid to the shareholders. In the event of winding up or dissolution of the company , after the satisfaction of all its debts and liabilities , any property whatsoever shall be given or transferred to some other institution(s) having obect similar to the objects of the Company, to be determined by the members of the company at or before the time of dissolution or In default thereof by the High Court .



c) Shares held by holding company and subsidiary of holding company in aggregate

	As at 31st March, 2020	As at 31st March, 2019
Equity shares of Rs.10 each held by:		
98 shares are held by Nilkamal Limited, the holding company	980	980
1 share is held by Nilkamal Bitos Storage System Private Limited	10	10
1 share is held by Cambro Nilkamal Private Limited	10	10

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at 31st March, 2020	As at 31st March, 2019
Number of shares of Rs. 10 each held by:		
Nilkamal Limited, the holding company	980	980
% of holding	98%	98%

4) OTHER EQUITY

	Retained Earnings	Retained Earnings
As at 1st April, 2018	28,020,687	19,547,757
Excess of Income over expenditure for the year	372,419	8,472,930
As at 31st March, 2019	28,393,107	28,020,687

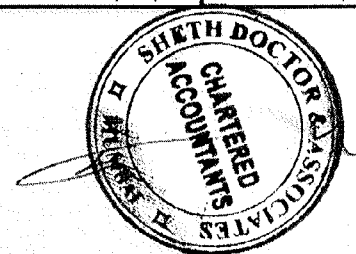
5) OTHER PAYABLES

	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	1,699,024	17,700
	1,699,024	17,700

	As at 31st March, 2020	As at 31st March, 2019
Principal outstanding of amount payable as on 31st March 2016 relating to suppliers registered as Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest due thereon	-	-
Amount of interest paid alongwith the amount of payments made beyond the amount day	-	-
Amount of interest due and payable (where the principal is already paid but interest has not been paid)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	-	-

6) OTHER CURRENT LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
Fund held in corpus donation	10,000,000	10,000,000
Statutory Dues	15,000	28,340
	10,015,000	10,028,340



7] DONATIONS RECEIVED

	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Voluntary Contributions (From holding Company & Associates - Note No. 3(b))	37,450,000	33,480,000
	37,450,000	33,480,000

8] OTHER INCOME

	For the period ended 31st March, 2020	For the period ended 31st March, 2019
INTEREST RECEIVED - FD	1,271,072	1,004,506
INTEREST RECEIVED - SB	74,592	444,629
	1,345,664	1,449,135

9] PROGRAM EXPENSES

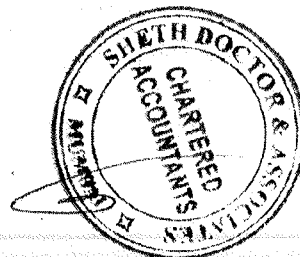
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Donations Paid	5,027,000	7,939,773
Program Expenses	33,356,013	18,477,983
	38,383,013	26,417,756

10] OTHER EXPENSES

	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Bank Charges	590	-
ROC Fees	18,817	16,802
Audit Fees	17,700	17,700
Other expense		697
Professional Fees	1,500	3,250
	38,607	38,449

11) FINANCE EXPENSES

	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Interest on Delayed payment	1,625	-
	1,625	-



7

NILKAMAL FOUNDATION

12. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. COMPANY OVERVIEW

Nilkamal Foundation ("The Company"), a not for profit company, within the meaning of section 8 of the Companies Act, 2013 was incorporated in India on August 3, 2016. Pursuant to the enactment of Companies Act, 2013 and section 135 of The Companies Act, 2013, the Company as an implementing agency, would carry out Corporate Social Responsibility ('CSR') activities as per CSR policy adopted by Nilkamal Limited and its group companies in line with schedule VII of The Companies Act, 2013. The Company would primarily focus on CSR activities in undertaking programs/projects majority in the field of education, health, and environmental sustainability, Relief and Rehabilitation. However, the company shall also undertake any the activities as suggested under section 135 of the Companies Act, 2013, and which are also mentioned in the main object clause of the Memorandum of Association of the company, as and when the Company feels it necessary to expand.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

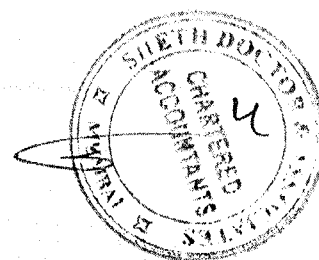
a) BASIS OF PREPARATION

These financial statements have been in accordance with the Indian Accounting Standard [hereinafter referred to as the 'Ind AS'] as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies [Indian Accounting Standards] Rules, 2015 that are notified and other relevant provisions of the Act.

The financial statements have been prepared on the accrual and going concern basis. All 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 the division II-Ind AS Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities.

b) BASIS OF MEASUREMENT

These financial statements are prepared under the historical cost convention unless otherwise indicated.



2.2 SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

I) Voluntary Contribution:

Contributions received other than for corpus donations are recognized as income in the year of receipt.

Contributions received as corpus donations with future commitment for CSR expenses, are credited to 'Fund held in corpus donation' in the Balance sheet under the head of other current liabilities, and will be disbursed as per the direction of the donar for carrying out the CSR activities of the Company.

II) Interest Income on Fixed Deposits are accounted on accrual basis.

b. Expenses

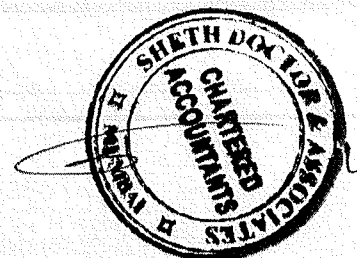
All expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

c. Program Expenses

The said expenses represents various expenditure incurred by the company on activities and projects covered by "Corporate Social Responsibility " (CSR) as specified under Section 135 of the Companies Act 2013. Expenditure on projects are written off in the respective year of it's spending irrespective of it's stage of completion. The same is accounted for as & when paid.

d. Earnings Per Share

Basic earnings per share is computed by dividing the net excess/ (shortfall) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



e. Cash And Cash Equivalents

Cash and cash equivalents comprises cash on hand, cash in bank and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertibles into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Income Tax

The company has been granted exemption from Income tax under section 12A read with section 12AA of the Income Tax Act , 1961 .

3. CONTINGENT LIABILITY AT YEAR END : NIL

4. RELATED PARTY DISCLOSURES

Enterprises exercising control

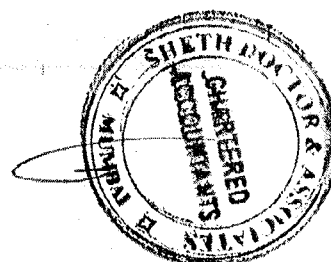
a. Holding Company: Nilkamal Limited

b. Other related parties with whom transactions have taken place during the year:

Associates:	a. Nilkamal Storage System Private Limited
	b. Cambro Nilkamal Private Limited

Disclosure of transactions between the company and related parties and the status of outstanding balance as in 31st March, 2020

Name of The Party	Year ended 31 st March, 2020	Year ended 31 st March, 2019
a. Holding Company		
Nilkamal Limited		
Subscription to shares	Rs. 980/-	Rs. 980/-
Donations received	Rs. 3,38,00,000/-	Rs. 2,98,60,000/-
Fund Held in Corpus Donation	Rs. 1,00,00,000/-	Rs. 1,00,00,000/-
Purchase for Project	Rs.16,81,324/-	--
b. Associates		
i) Nilkamal Storage Systems Private Limited		
Subscription to shares	Rs. 10/-	Rs. 10/-
Donations Received	Rs. 20,50,000/-	Rs. 24,60,000/-
ii) Cambro Nilkamal Private Limited		
Subscription to Shares	Rs. 10/-	Rs. 10/-
Donations Received	Rs. 16,00,000/-	Rs.11,60,000/-



5. EARNINGS PER SHARE HAS BEEN COMPUTED AS UNDER

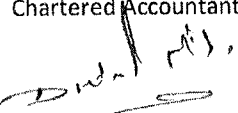
	Year Ended 31 st March, 2020 (Rs.)	Year Ended 31 st March, 2019 (Rs.)
Excess/ (Shortfall) of income over expenditure for the year	3,72,419	84,72,930
Weighted average number of equity share outstanding	100	100
Earnings per share (Rs.) – basic and diluted (face value of Rs 10 per share)	3724.19	84,729.30

6. The company has incurred further expenditure on renovation of old school building at Shri Prabhudas Ramji Parekh Prathmik Shala situated at Mota Khuntwada Mahuva Bhavnagar amounting to Rs 3,33,56,013/-and the same is handed over to concerned local authority upon it's completion .

As per our report of even date

FOR SHETH DOCTOR & ASSOCIATES

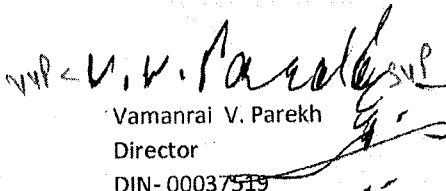
Firm Registration No. 0124822W
Chartered Accountants

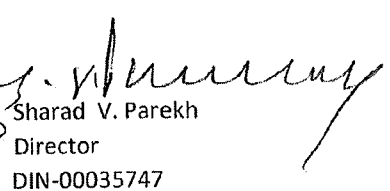

Paresh S. Doctor
Proprietor
Membership No. 36056

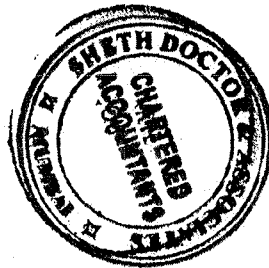
Place : Mumbai
Date: 25th May, 2020
UDIN NO :0036056AAAABA2803

For and on behalf of Board of Directors of
Nilkamal Foundation

CIN - U74999MH2016NPL284394


Vamanrai V. Parekh
Director
DIN- 00037519


Sharad V. Parekh
Director
DIN-00035747



**NILKAMAL CRATES
& BINS FZE**

Financial Statements

31 March 2020

Registered office:

Warehouses C-15 to 17,
Ajman Free Zone,
P. O. Box 21008,
Ajman, U.A.E.

NILKAMAL CRATES & BINS FZE

Financial Statements 31 March 2020

<i>CONTENTS</i>	<i>PAGE</i>
Manager's Report	1
Independent Auditors' Report	2 – 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 23

NILKAMAL CRATES & BINS FZE

Manager's Report

The manager submits his report and accounts for the year ended 31 March 2020.

Results and dividend

The profit for the year amounted to AED 794,460/-.

To conserve the financial resources of the establishment, no dividend is proposed by the directors for the year 31st March 2020.

Review of the business

The company is registered to carry out activity of general trading / import and export. During the year, the company has mainly traded in various plastic crates, pallets, material handling equipment, racking systems, bins and related products.

Events since the end of the year

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent of its duration and its economic impact on the business of the company. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time.

Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements. However, these developments could impact our future financial results, cash flows and financial condition.

Shareholder and its interest

The sole shareholder, at 31 March 2020 and its interest, as of that date, in the share capital of the company, was as follows:

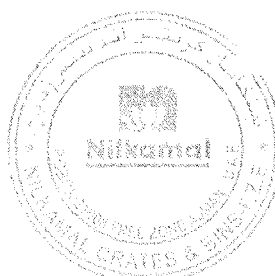
<i>Name of the shareholder</i>	<i>Country of incorporation</i>	<i>No. of share</i>	<i>AED</i>
Nilkamal Limited (Represented by Mr. Saumil Mukund Mehta)	India	1	185,000

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board of directors at the annual general meeting.

S. M. Mehta

Mr. Saumil Mukund Mehta
Manager



PAGE 2

Independent Auditors' Report to the Shareholder of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NILKAMAL CRATES & BINS FZE** (the "Company"), which comprises of the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

Without qualifying our audit opinion, we draw attention to notes 7a to the financial statement which states, inventories as on the reporting date were verified by the management. We were unable to observe physical stock count process at the end of the year due to restrictions on movement as result of Covid-19. However, we have performed alternative tests to satisfy ourselves concerning the inventory quantities held at 31 March 2020, the valuation of which is stated in note 7a to the financial statements at AED 2,125,263. Our opinion is not modified with respect to this matter.

Other Information

Management is responsible for the other information. Other information comprises the manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the Shareholder of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements (contd.)

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

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report to the Shareholder of NILKAMAL CRATES & BINS FZE

Report on the Audit of the Financial Statements (contd.):

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

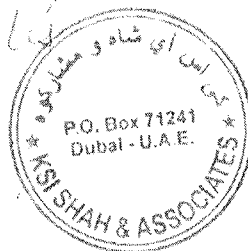
We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


For KSI Shah & Associates
Dubai, U.A.E.

Signed by:

Sonal P. Shah (Registration No. 123)

12 May 2020



NILKAMAL CRATES & BINS FZE

Statement of Financial Position

At 31 March 2020

	Notes	2020 AED	2019 AED
ASSETS			
Non-current assets			
Fixed assets	6	<u>163,657</u>	<u>296,626</u>
Current assets			
Inventories	7	2,125,263	1,427,619
Trade and other receivables	8	2,961,127	2,117,972
Prepayments		46,623	66,978
Cash and cash equivalents	9	<u>978,836</u>	<u>1,253,891</u>
		<u>6,111,849</u>	<u>4,866,460</u>
TOTAL ASSETS		<u>6,275,506</u>	<u>5,163,086</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	185,000	185,000
Statutory reserve	11	92,500	92,500
Accumulated profits		<u>4,154,672</u>	<u>3,360,212</u>
Total equity		<u>4,432,172</u>	<u>3,637,712</u>
Non-current liability			
Staff end of service gratuity		<u>322,744</u>	<u>288,690</u>
Current liabilities			
Trade and other payables	12	<u>1,520,590</u>	<u>1,236,684</u>
TOTAL EQUITY AND LIABILITIES		<u>6,275,506</u>	<u>5,163,086</u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 to 4.

Approved by the board of directors on 12th May 2020 and signed on its behalf by:

For NILKAMAL CRATES & BINS FZE


Mr. Saumil Mukund Mehta
 Manager



NILKAMAL CRATES & BINS FZE

Statement of Comprehensive Income
for the year ended 31 March 2020

	<i>Notes</i>	<i>2020</i> <i>AED</i>	<i>2019</i> <i>AED</i>
Sales		12,251,220	14,513,479
Cost of sales	13	(9,089,137)	(11,055,618)
Gross profit		3,162,083	3,457,861
Expenses	14	(2,423,067)	(2,452,544)
Profit from operating activities for the year		739,016	1,005,317
Other income	15	55,444	65,380
Profit for the year		794,460	1,070,697
Other comprehensive income		-	-
Total comprehensive income		<u>794,460</u>	<u>1,070,697</u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Changes in Equity
for the year ended 31 March 2020

	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Accumulated profits AED</i>	<i>Total AED</i>
As at 31 March 2018	185,000	92,500	4,289,515	4,567,015
Interim dividend	-	-	(2,000,000)	(2,000,000)
Profit for the year	-	-	1,070,697	1,070,697
As at 31 March 2019	185,000	92,500	3,360,212	3,637,712
Profit for the year	-	-	794,460	794,460
As at 31 March 2020	<u>185,000</u>	<u>92,500</u>	<u>4,154,672</u>	<u>4,432,172</u>

The accompanying notes 1 to 20 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Cash Flows
for the year ended 31 March 2020

	2020	2019
Notes	AED	AED
<u>Cash flows from operating activities</u>		
Profit for the year	794,460	1,070,697
Adjustment for:		
Provision for staff end of service gratuity	34,054	(4,918)
Interest income	(1,650)	(15,281)
Loss on disposal of assets	31,095	-
Depreciation	73,635	90,735
Operating profit before working capital changes	931,594	1,141,233
Changes in inventories	(697,644)	46,000
Changes in trade and other receivables	(843,155)	290,190
Changes in prepayments	20,354	7,956
Changes in trade and other payables	283,908	(985,275)
Net cash (used in)/ from operating activities	<u>(304,943)</u>	<u>500,104</u>
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(28,349)	(28,948)
Proceeds on sale of fixed assets	56,587	-
Changes in margin and time deposit accounts	-	1,000,000
Interest income	1,650	15,281
Net cash from investing activities	<u>29,888</u>	<u>986,333</u>
<u>Cash flow from financing activities</u>		
Interim dividend paid	-	(2,000,000)
Net cash (used in) financing activities	<u>-</u>	<u>(2,000,000)</u>
Net changes in cash and cash equivalents	(275,055)	(513,563)
Cash and cash equivalents at beginning of the year	<u>1,253,891</u>	<u>1,767,454</u>
Cash and cash equivalents at end of the year	<u>978,836</u>	<u>1,253,891</u>

9

The accompanying notes 1 to 20 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

(Incorporated in the Ajman Free Zone, Emirate of Ajman, U.A.E.)

(Registration No. 26166)

Notes to the Financial Statements

for the year ended 31 March 2020

1. Legal status and business activity

- a) **NILKAMAL CRATES & BINS FZE** ("The Company") is a Free Zone Establishment registered with the Ajman Free Zone, Ajman, U.A.E. on 09 August 2003 under the commercial license No. 1252.
- b) The company is registered to carry out activity of general trading / import and export. During the year, the company has mainly traded in various plastic crates, pallets, material handling equipment, racking systems, bins and related products.

2. Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2019 and the implementing rules and regulations of Ajman Free Zone.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2020

As a result of the COVID-19 and the resulting disruptions to the social and economic activities, the Company continues to assess regularly the impact of COVID-19 on its business, in particular the reduction of sales and the estimation of expected credit loss/fair value and collectability of trade receivables. The management considered several foreseeable areas of operational risk and implemented various measures to ensure the continuity of the operations and the ability of the organization to cope with the lock-down situation.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Revenue from contracts with customers

Sale of goods- local and export

■ Timing for transfer of control of goods:

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of the goods to the agreed location has occurred, as a result, the company has a present right to payment and retains none of the significant risks and rewards of the goods.

■ Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

■ Determining the transaction price:

The company's revenue from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the company, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume rebates.

■ Allocating the transaction prices:

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the company is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

■ Provision of rights to return goods, volume rebates and other similar obligations:

The company reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements**
*for the year ended 31 March 2020****Impairment of non-financial assets***

At each reporting date, management conducts an assessment of fixed assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Financial assets at amortized cost

The company classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of fixed assets

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2020

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4a. Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards and amendments

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period:

- IFRS 16 - Leases
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation.
- Amendment to IAS 19- Employee Benefits Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 -Investment in Associates and Joint Ventures: Relating to long term interests in Associates and Joint Ventures.
- IFRIC 23-Uncertainty over Income Tax Treatments
- Annual improvements to IFRSs 2015-2017 Cycle -Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing costs

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting year commencing on or after 1 April 2019.

The significant impacts of IFRS 16 and other amendments as listed above on the amounts reported and their presentation are disclosed wherever applicable.

b) International Financial Reporting Standards issued but not effective

IFRS17 -Insurance Contracts- The effective date of the standard is set for annual periods beginning on or after 1 January 2021 (likely to be extended to 1 January 2022).

Amendments to IAS 1 and IAS 8-Definition of Material- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 3-Definition of a Business- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

Revised Conceptual Framework for Financial Reporting- The effective date of the revised framework is set for annual periods beginning on or after 1 January 2020.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2020

4b. Significant Changes in the current reporting period

IFRS 16 Leases:

The Company has adopted IFRS 16 Leases issued in January 2016 with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lease to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

Lessee accounting

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Company recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Company has assessed that the impact of IFRS 16 is not material on the financial statements of the company as at the adoption date and the reporting date.

5. Significant accounting policies:

a) Depreciation of fixed assets

The cost of fixed assets is depreciated by equal annual instalments over their estimated useful lives as under:

Furniture and office equipment	3 - 10 years
Vehicles	8 years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on disposal to and including the month of disposal of the asset.

b) Financial instruments

i. Recognition and Initial measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements**
*for the year ended 31 March 2020***ii. Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortized cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets at amortised cost include trade and other receivables, and cash and bank balances. Due to the short term nature of these financial assets, their carrying amounts are considered to be the same as their fair value.

Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)

Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)

The investments in equity instruments, which are strategic in nature and held on a long-term basis are initially measured at fair value. Accordingly, the Company has elected irrevocable option to measure such investments at FVOCI. The Company makes such election on an instrument-by-instrument basis. Pursuant to such irrevocable option, changes in fair value are recognised in the OCI and is subsequently not reclassified to the statement of profit and loss.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2020

Financial assets at fair value through profit or loss (contd.):

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

iii. Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include trade and other payables. The carrying amounts of these financial liabilities are considered as to be the same as their fair values, due to their short term nature.

iv. Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire 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.

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.

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements**
*for the year ended 31 March 2020***v. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date.

c) Inventories

Inventories are valued at lower of cost using the weighted average method or net realizable value.

Cost comprises invoice value plus applicable direct costs such as freight and custom duty.

Net realizable value is based on estimated selling price less further cost expected to be incurred for disposal.

d) Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the balance sheet date. Resulting gain or loss is taken to the Statement of comprehensive income.

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements***for the year ended 31 March 2020***e) Impairment of non-financial assets**

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of comprehensive income.

f) Value Added Tax (VAT)

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to FTA is disclosed as other payable or other receivable under current liabilities or current assets respectively in the statement of financial position.

g) Provision

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

h) Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements**
*for the year ended 31 March 2020***i) Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

j) Short term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and staff accommodations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases assets are recognized as expense on a straight-line basis over the lease term.

k) Revenue recognition**Sales of goods**

The company has mainly traded in plastic crates, pallets, material handling equipment, racking systems, bins and related products.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer or the company has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

Interest income

Interest income from a financial asset at FVPL is included in the net fair value gains or loss on these assets. Interest income on financial assets at amortized cost and at FVOCI calculated using the effective interest method is recognized in statement of profit or loss as other income.

Interest income is presented as financial income where it is earned from financial asset that are held for cash management purposes.

l) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2020

m) Dividend

Dividend is paid out of accumulated profits, when declared.

6. Fixed assets	<i>Furniture and office equipment</i>	<i>Vehicles</i>	<i>Total</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>
Cost			
As at 01.04.2019	344,483	672,278	1,016,761
Additions during the year	28,349	-	28,349
Disposal/ sold during the year	(53,464)	(421,144)	(474,608)
As at 31.03.2020	<u>319,368</u>	<u>251,134</u>	<u>570,502</u>
Depreciation			
As at 01.04.2019	234,173	485,962	720,135
Charge for the year	25,179	48,456	73,635
Related to disposal/ sales	(51,178)	(335,747)	(386,925)
As at 31.03.2020	<u>208,174</u>	<u>198,671</u>	<u>406,845</u>
Net book value			
As at 31.03.2020	<u>111,194</u>	<u>52,463</u>	<u>163,657</u>
As at 31.03.2019	<u>110,310</u>	<u>186,316</u>	<u>296,626</u>

In the opinion of the management, there was no impairment in respect of the above fixed assets. Hence the carrying values of the fixed assets as at 31 March 2020 approximates to their net book values.

	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
7. Inventories		
Inventories	* 2,325,263	1,225,610
Provision for slow moving inventories	<u>(200,000)</u>	<u>(200,000)</u>
	<u>2,125,263</u>	<u>1,025,610</u>
Goods in transit	-	402,009
	<u>2,125,263</u>	<u>1,427,619</u>

** The inventories as of the reporting date is valued, verified and certified by the management due to restrictions of movement as result of COVID-19.*

8. Trade and other receivables

Trade receivables	2,793,372	1,941,915
Advance to suppliers	56,216	56,268
Staff advance	1,250	-
Deposits	110,289	119,789
	<u>2,961,127</u>	<u>2,117,972</u>

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2020

	2020 AED	2019 AED
9. Cash and cash equivalents		
Cash on hand	5,562	15,364
Bank balances in:		
Current accounts	973,274	1,238,527
	<u>978,836</u>	<u>1,253,891</u>
10. Share capital		
Authorized, issued and paid up:		
1 share of AED 185,000/-	<u>185,000</u>	<u>185,000</u>
11. Statutory reserve		
As required by Article 103 of the U.A.E. Commercial Companies Law No. 2 of 2015, statutory reserve is created by allocating 10% of the net profit of the company. The company has discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.		
	2020 AED	2019 AED
12. Trade and other payables		
Trade payables (refer note 16)	1,432,520	1,112,515
Advance from customers	4,581	91,414
Accruals	41,238	24,579
Other payable	42,251	8,176
	<u>1,520,590</u>	<u>1,236,684</u>
13. Cost of sales		
Inventories at beginning of the year	1,225,610	1,233,756
Purchases (refer note 16)	9,151,029	10,219,579
Other direct costs	1,037,761	827,893
Inventories at the end of the year	(2,325,263)	(1,225,610)
	<u>9,089,137</u>	<u>11,055,618</u>
14. Expenses		
Manager's remuneration (refer note 16)	298,033	286,572
Staff salaries and benefits	892,655	909,059
Rent	297,460	318,226
Other administration expenses	861,284	847,952
Depreciation (refer note 6)	73,635	90,735
	<u>2,423,067</u>	<u>2,452,544</u>

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2020

	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
15. Other income		
Interest income	1,650	15,281
Miscellaneous income	<u>53,794</u>	<u>50,099</u>
	<u>55,444</u>	<u>65,380</u>

16. Related party transactions

For the purpose of this financial statement, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making that party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

The nature and amount of significant transactions during the year are as under:

	<i>Key Managerial Personnel 2020 AED</i>	<i>Parent company 2020 AED</i>	<i>Common management control 2020 AED</i>	<i>Total 2020 AED</i>	<i>Total 2019 AED</i>
Purchases (refer note 13)	-	3,349,650	1,124,993	4,474,643	5,137,697
Manager's remuneration (refer note 14)	298,033	-	-	298,033	286,572

At the reporting date, balances with related parties were as follows:

	<i>Common management control 2020 AED</i>	<i>Parent company 2020 AED</i>	<i>Total 2020 AED</i>	<i>Total 2019 AED</i>
Included in current liabilities:				
Trade payables (refer note 12)	259,404	891,961	1,151,365	769,356

17. Financial instruments: Credit, interest rate, liquidity risk and exchange rate risk exposures

The company has exposure to the following risks from its use financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2020

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables and bank balances.

Trade receivables

As at 31 March 2020, the company's maximum exposure to credit risk from trade receivables situated within U.A.E. amounted to AED 688,493/- due from five customers (*previous year AED 288,846/- due from one customer*) and situated outside U.A.E. amounted to AED 145,161/- due from one customer (*previous year AED NIL*).

There are no significant concentrations of credit risk from trade receivables situated outside the industry in which the company operates.

Bank balances

The company's bank balances in current accounts are placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

Since the company does not have any deposits or borrowings, interest rate risk is minimum.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham is fixed.

c) Liquidity risk

The following are the contractual maturities of the company's financial liabilities as of 31 March 2020.

	<i>Carrying amounts AED</i>	<i>Payable within next 12 months AED</i>	<i>Payable after 12 months AED</i>
<i>Non-derivative financial liabilities</i>			
Staff end of service gratuity	322,744	-	322,744
Trade and other payables:			
Trade payables	1,432,520	1,432,520	-
Advance from customers	4,581	4,581	-
Accruals	41,238	41,238	-
Other payable	42,251	42,251	-

NILKAMAL CRATES & BINS FZE**Notes to the Financial Statements**
*for the year ended 31 March 2020***18. Financial instruments: Fair values**

The fair values of the company's financial assets, comprising of trade and other receivables and bank balances and financial liabilities comprising of staff end of service gratuity and trade and other payables approximate to their carrying values.

19. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

20. Comparative figures

Previous years figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

**NILKAMAL ESWARAN MARKETING (PVT) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



KPMG
(Chartered Accountants)
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Colombo 00300, Sri Lanka.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NILKAMAL ESWARAN MARKETING (PVT) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nilkamal Eswaran Marketing (Pvt) Ltd ("the Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These financial statements do not comprise other information.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

MR. Mihilar FCA	P.Y.S. Perera FCA	CP. Jayatilake FCA
T.J.S. Rajakavoor FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyratne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan FCA	M.N.M. Shameel ACA	Ms. C.T.K.N. Perera ACA
A.M.R.P. Alahakoon ACA		

Principals - S.R.I. Perera FCMA(UK), LL.B. Attorney-at-Law, H.S. Goonewardene ACA
Ms. P.M.K. Sumanasekara FCA



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

A handwritten signature in black ink, appearing to be 'KMP' or similar, written in a cursive style.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

12 June 2020

NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the year ended 31 March,</i>	Notes	2020 Rs.	2019 Rs.
Revenue	5	79,360,157	62,913,319
Cost of sales		(55,485,252)	(42,793,256)
Gross profit		23,874,905	20,120,063
Administrative expenses		(890,297)	(1,217,952)
Distribution expenses		(7,690,456)	(5,073,201)
Profit from operations	6	15,294,152	13,828,910
Net finance income/(expenses)	7	204,787	(148,487)
Profit before taxation		15,498,939	13,680,423
Income tax expense	8	(5,852,572)	(4,915,134)
Profit for the year		9,646,367	8,765,289
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,646,367	8,765,289
Basic earnings per share	9	96,464	87,653

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.



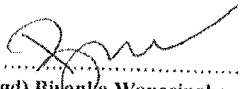
NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF FINANCIAL POSITION

As at 31 March,

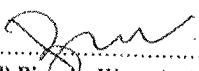
	Notes	2020 Rs.	2019 Rs.
ASSETS			
Current assets			
Inventories			
Trade and other receivables	10	46,670,341	50,932,074
Related party receivables	11	23,182,606	24,823,218
Cash and cash equivalents	12	45,512	56,974
Total current assets	13	1,006,486	188,493
		<u>70,904,945</u>	<u>76,000,759</u>
TOTAL ASSETS		<u>70,904,945</u>	<u>76,000,759</u>
EQUITY			
Stated capital			
Retained earnings	14	1,000	1,000
Total equity		<u>37,659,818</u>	<u>28,013,451</u>
		<u>37,660,818</u>	<u>28,014,451</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	15	12,878,813	13,974,420
Related party payables	16	18,107,581	27,000,180
Current taxation	17	2,257,733	3,494,861
Bank overdraft	13	-	3,516,847
Total current Liabilities		<u>33,244,127</u>	<u>47,986,308</u>
TOTAL EQUITY AND LIABILITIES		<u>70,904,945</u>	<u>76,000,759</u>

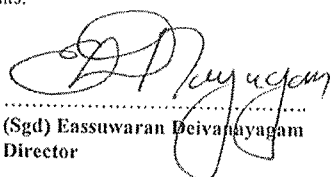
The annexed notes to the Financial Statements form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of Companies Act No 7 of 2007.

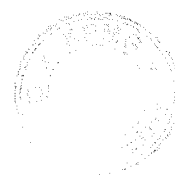

 (Sgd) Biyanika Wanasinghe
 Deputy General Manager - Finance

The Board of Directors are responsible for the preparation of these Financial Statements.
 Approved and signed for and on behalf of the Board:


 (Sgd) Biyanika Wanasinghe
 Director


 (Sgd) Eassuwaran Deivanayagam
 Director

12 June 2020
 Colombo



NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2018	1,000	21,248,162	21,249,162
Total comprehensive income for the year			
Profit for the year		8,765,289	8,765,289
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	8,765,289	8,765,289
Transactions with owners, recorded directly in equity			
Final dividend for 2018/19	-	(2,000,000)	(2,000,000)
Total transactions with owners of the Company	-	(2,000,000)	(2,000,000)
Balance as at 31 March 2019	1,000	28,013,451	28,014,451
Balance as at 1 April 2019	1,000	28,013,451	28,014,451
Total comprehensive income for the year			
Profit for the year		9,646,367	9,646,367
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,646,367	9,646,367
Balance as at 31 March 2020	1,000	37,659,818	37,660,818

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.



NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF CASH FLOWS

<i>For the year ended 31 March,</i>	2020	2019
	Rs.	Rs.
Cash flows from operating activities		
Profit before taxation	15,498,939	13,680,423
Adjustment for:		
Provision for slow moving inventories	5,780,312	4,163,880
(Reversal)/ provision for impairment of trade debtors	(228,860)	335,892
Interest expense	107,111	61,858
Operating profit before working capital changes	21,157,502	18,242,053
Increase in inventories	(1,518,579)	(15,738,461)
Decrease/ (increase) in trade and other receivables	1,206,732	(3,222,676)
Decrease in related party receivables	11,462	60,256
Increase/(Decrease) in trade and other payables	(1,095,607)	8,885,762
Decrease in related party payables	(8,892,599)	(3,009,674)
Cash generated from operations	10,868,911	5,217,260
Current tax paid	(6,426,960)	(2,379,250)
Interest paid	(107,111)	(61,858)
Net cash from operating activities	4,334,840	2,776,152
Cash flows from financing activities		
Dividend paid	-	(2,000,000)
Net cash used in financing activities	-	(2,000,000)
Cash flows from investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	4,334,840	776,152
Cash & cash equivalents at the beginning of the year	(3,328,354)	(4,104,506)
Cash & cash equivalents at the end of the year (Note 13)	1,006,486	(3,328,354)

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in bracket indicate deductions.



NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Nilkamal Eswaran Marketing (Private) Limited ('the Company') is a limited liability company incorporated in and domiciled in Sri Lanka. The registered office of the Company and the principal place of business are located at 328, Madapatha Road, Batakettera, Piliyandala.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company is buying and selling of all kinds of furniture's and crates.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity and ultimate parent entity are Nilkamal Eswaran Plastics (Pvt) Limited and Nilkamal Limited - India respectively.

1.4 Number of Employees

The number of employees of the Company as at 31 March 2020 are as follow:

Company	Nil (2019- Nil)
---------	-----------------

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with accounting policies and Notes to the Financial Statements.

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium Sized – Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of Companies Act, No. 7 of 2007 and amendments thereto.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

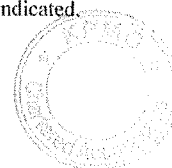
These Financial Statements have been prepared on the basis that the Company would continue as a going concern for the foreseeable future.

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees (Rs.) unless otherwise indicated.



2.5 Use of Estimate and Judgment

The preparation of the Financial Statements are in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Current taxation (Note 3.2.a)
- Deferred taxation (Note 3.2.b)
- Impairment of financial assets (Note 3.5.3)
- Impairment of Non-financial assets (Note 3.6)
- Provisions and contingencies (Note 3.8 and Note 3.9)

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.1. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2. Income Tax Expense

Income tax expenses comprise of current & deferred tax expenses recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(a) Current Taxation

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent gazette notifications.



NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(b) Deferred Taxation

Deferred tax is provided on the liability method for all temporary differences as at the reporting date between the tax bases of assets and liabilities and their carrying amounts of assets and liabilities for financial reporting purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purpose of the assets on which tax depreciation has been claimed and the net book value of such asset, offset by the provision for employee benefit which is deductible for tax purpose only on payment.

Currently the Company does not hold any deferred tax assets nor liabilities as at reporting date due to availability of assets or liabilities arising in temporary differences.

3.3. Events occurring after the reporting date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments or disclosures have been made in the Financial Statements where necessary.

ASSETS AND BASES OF THEIR VALUATION

3.4. Inventories

Inventories are valued at lower of cost or net realizable value, after making due allowance for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

Finished Goods - At purchase cost on first-in-first-out (FIFO) basis
Goods in Transit - At purchase cost

3.5. Financial Assets

An entity shall recognise a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument.

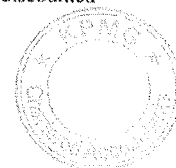
3.5.1. Initial measurement

When a financial asset or financial liability is recognised initially, an entity shall measure it at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the entity shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

3.5.2. Subsequent measurement

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

Debt instruments shall be measured at amortised cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.



NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Trade and other receivables

Trade and other receivables and due from Related Parties are initially recognized at costs. Trade receivable and other receivables are stated at the amounts they are estimated to realize net of impairment for bad and doubtful receivables.

If receivables extend beyond the normal credit terms, those receivables are measured at amortized cost using the effective interest rate at the end of each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.5.3. Impairment of financial assets measured at cost or amortised cost

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately. Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the entity about the loss events.

3.5.3.1. Measurement

An entity shall measure an impairment loss on financial assets measured at cost or amortised cost as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3.5.4. Derecognition of a financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all risks and rewards of ownership and it does not retain control of the financial asset.

3.6. Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets such as deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets. Impairment losses are recognized in profit or loss.

NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities on the Statement of Financial Position are those obligations payable on demand or within one year from the Statement of Financial Position. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.7. Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The non – derivative financial liabilities comprises only with trade and other payables

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.8. Provisions and liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount rate is recognised as a finance cost.

3.9. Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

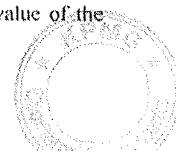
3.10. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.



NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Revenue is recognized when significant risks and rewards of ownership have been transferred to the customers, usually on dispatch of the goods.

(b) Other Income

Other income is recognized on an accrual basis.

Net gains and losses of a revenue nature on the disposal of non-current assets are accounted for in the Statement of Profit or Loss and Other Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

3.11. Expenditure Recognition

(a) Operating Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on the basis of a direct association between the cost incurred and the earning specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

(b) Finance Income and Expense

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments throughout the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(c) Borrowing cost

All borrowing costs are recognised as an expense in the period in which they are incurred.

3.12 Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a price being charged.

4. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using the Indirect Method.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.



NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March,

	2020	2019
	Rs.	Rs.
5. Revenue		
Sale of goods	79,360,157	62,913,319
	<u>79,360,157</u>	<u>62,913,319</u>

Revenue comprises the invoiced value of goods dispatched and accepted by the customers outside the group during the year and there were no sales within the group.

Following Coronavirus "COVID-19" outbreak in Sri Lanka, the Government announced a lockdown position with curfew since 20 March 2020. Therefore the business operations and activities of the Company were impacted. The operations of the Company were temporarily suspended due to the lockdown since 20 March 2020. The Company has resumed its operation with a limited number of staff from 17 April 2020

6. Profit from operations

Profit from operations is stated after charging all the expenses including the following.

Directors' emoluments	Nil	Nil
Auditors fees and expenses	223,000	210,000
Secretarial Fees	72,655	74,570
Provision for impairment of slow moving stock (Note 10.1)	5,780,312	4,163,880
Sales Incentives-Institutional (Note 6.1)	1,164,306	-

6.1 Provision for Sales Incentives-Institutional

This has been given as an incentive in relation to sales made with the Ministry of Education of Sri Lanka during the year ended 31 March 2020.

7. Net finance income/(expense)

Finance income

Exchange gain	418,322	25,334
	<u>418,322</u>	<u>25,334</u>

Finance expense

Interest expense	(107,111)	(61,858)
Bank charges	(106,424)	(111,963)
	<u>(213,535)</u>	<u>(173,821)</u>
	<u>204,787</u>	<u>(148,487)</u>

8. Income tax expense

Current tax (Note 8.1)	5,853,676	5,090,455
Over provision in relation to prior years	(1,104)	(175,321)
	<u>5,852,572</u>	<u>4,915,134</u>

8.1 Reconciliation of the accounting profit and the income tax expense

Profit before taxation	15,498,939	13,680,423
Disallowable expenses	5,407,047	4,499,772
Taxable income	<u>20,905,986</u>	<u>18,180,195</u>

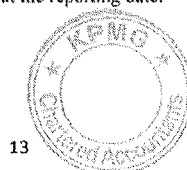
Income liable at 28%	5,853,676	5,090,455
Current tax expense	<u>5,853,676</u>	<u>5,090,455</u>

8.2 As instructed by the Ministry of Finance on 31 January 2020 and on 5 March 2020, a change in the income tax rate of a company from 28% to 24% has been proposed to the Inland Revenue Act No. 24 of 2007 (IRA), pending formal amendments being made to the Act and to be implemented with effect from 1 January 2020. Since the new tax rate of 24% has not been published through a gazette by the Parliament as at the date these Financial Statements have been approved, the new tax rate has not been considered to be substantially enacted as at that date. Accordingly, the prevailing income tax rate of 28% has been used for the current tax computation for the year ended 31 March 2020.

9. Basic earnings per share

Calculation of basic earning per share is based on the net profit attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.

	2020	2019
Profit for the year (Rs.)	9,646,367	8,765,289
Weighted average number of ordinary shares	100	100
Basic earnings per share (Rs.)	<u>96,464</u>	<u>87,653</u>



NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,

	2020 Rs.	2019 Rs.
10. Inventories		
Finished goods - Furniture	5,319,786	9,190,448
- Crates	55,023,880	49,325,411
Local Outsourcing Products	1,727,521	2,036,749
	62,071,187	60,552,608
Less : Provision for slow moving inventories (Note 10.1)	(15,400,846)	(9,620,534)
	46,670,341	50,932,074
10.1. Movement in Provision for Slow Moving Inventories		
Balance as at the beginning of the year	9,620,534	5,456,654
Provision for the year	5,780,312	4,163,880
Balance as at the end of the year	15,400,846	9,620,534

Although the Company had not made sales at its usual capacity post COVID-19 due to the lockdown condition, the Board of Directors were confident that the Selling price will not be reduced and the cost to complete may not show a significant increase. Accordingly, the computation of Net Realisable Value was not modified as at Reporting date.

The Company has assessed the potential impairment loss of inventory as at 31 March 2020. Based on the assessment, no further impairment provision was required to be made in the financial statements as at the reporting date.

11. Trade and other receivables

Financial

Trade receivables (Note 11.1)	13,988,426	15,495,603
Refundable Deposits	32,273	70,119
	14,020,699	15,565,722

Non-Financial

Prepayments	45,782	45,079
VAT receivables	9,116,125	8,995,314
ESC Receivables	-	217,103
	9,161,907	9,257,496

Trade and Other Receivables

	23,182,606	24,823,218
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11.1. Trade Receivables

Trade receivables - Eswaran Brothers Export Pvt Ltd	112,066	-
Trade receivables - others	14,570,319	16,562,827
Provision for impairment of trade receivables (Note 11.1.1)	(693,959)	(1,067,224)
	13,988,426	15,495,603

11.1.1. Provision for Impairment of Trade Receivables

Balance as at the beginning of the year	1,067,224	735,273
Provision/(Reversal) during the year	(228,860)	335,892
Write-off during the year	(144,405)	(3,941)
Balance as at the end of the year	693,959	1,067,224

The Company has specific criteria which have been used for the assessment of specific debtors who are not covered by Bank guarantees. No additional provisions over and above the existing provisioning approach was required due to COVID 19 implication, based on the internal assessment.

12. Related party receivables

Good Value Eswaran (Pvt) Ltd	45,512	56,974
	45,512	56,974

13. Cash and cash equivalents

Cash in hand	3,679	85,723
Cash at bank	1,002,807	102,770
	1,006,486	188,493
Bank overdraft	-	(3,516,847)
Cash & cash equivalents as per the statement of cash flows	1,006,486	(3,328,354)

NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31 March,</i>	2020	2019
	Rs.	Rs.
14. Stated capital		
Issued and fully paid		
100 ordinary shares	<u>1,000</u>	<u>1,000</u>
15. Trade and other payables		
Financial		
Trade payables - (Note 15.1)	<u>2,280,254</u>	<u>13,298,205</u>
	<u>2,280,254</u>	<u>13,298,205</u>
Non-Financial		
Other payables	2,324	1,527
NBT payable	-	117,392
Advances from customers (Note 15.2)	9,216,251	148,290
Accrued expenses (Note 15.3)	<u>1,379,984</u>	<u>409,006</u>
	<u>10,598,559</u>	<u>676,215</u>
Trade and other payables	<u>12,878,813</u>	<u>13,974,420</u>
15.1. Trade payables		
Trade payables - Nilkamal Limited - India	2,008,754	4,103,110
Trade payables - Cambro Nilkamal (Pvt) Ltd	-	3,877,346
Trade payables - Other	<u>271,500</u>	<u>5,317,749</u>
	<u>2,280,254</u>	<u>13,298,205</u>
15.2 Advances from customers of the Company as at 31 March 2020 include an advance received from Distilleries Company of Sri Lanka PLC amounting to Rs.8,909,676/-.		
15.3 Accrued expense		
Provision for Audit Fee	240,000	325,718
Provision for Sales Institutional	<u>1,139,984</u>	<u>83,288</u>
	<u>1,379,984</u>	<u>409,006</u>
16. Related party payables		
Nilkamal Eswaran Plastics (Pvt) Ltd	<u>18,107,581</u>	<u>27,000,180</u>
	<u>18,107,581</u>	<u>27,000,180</u>
17. Current taxation		
Balance as at the beginning of the year	3,494,861	1,356,167
Over provision in relation to prior years	(1,104)	(175,321)
Provision for current year	5,853,676	5,090,455
Payment made during the year	(6,426,960)	(2,379,250)
ESC set-off against current tax liability	<u>(662,740)</u>	<u>(397,190)</u>
Balance as at the end of the year	<u>2,257,733</u>	<u>3,494,861</u>

18. Related party disclosures

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per the section 33 of Sri Lanka Accounting Standards for SME - 'Related Party Disclosures', the details of

18.1 Parent and Ultimate Parent Party

The Company's parent entity is Nilkamal Eswaran Plastics (Pvt) Ltd. In the opinion of Directors, the ultimate parent party is Nilkamal Limited which is incorporated in India.

18.2 Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard for SMEs, Key Management Personnel are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Company, Directors of Nilkamal Eswaran Plastics (Pvt) Ltd ("the Parent") ultimate parent entity's Directors and other members of the management team who hold significant authority and responsibility for planning, directing and controlling the entity's activities have been classified as KMP of the Company.

NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

Compensation paid to Key Management Personnel

	2020	2019
	Rs.	Rs.
Short Term Benefits	Nil	Nil
Post Employee Benefits	Nil	Nil

18. Related party disclosures

18.3. Transactions with Related Entities

Name of the Related Party	Relationship	Nature of the Transaction	Transaction Amount 2019/20	Transaction Amount 2018/19
			Rs.	Rs.
Nilkamal Limited - India	Ultimate Parent	Purchase of goods from Nilkamal Limited	26,888,256	17,374,984
Nilkamal Eswaran Plastics (Pvt) Ltd	Immediate Parent	Net fund transfers to/(from) Plastics	(14,811,771)	(10,200,000)
		Net customer deposits	-	7,190,336
		Sale of furniture	(108,820)	-
		Dues the Company settled to NEPPL	(21,260,851)	-
		Dues NEPPL settled to the Company	27,288,838	-
Cambro Nilkamal (Pvt) Ltd	Affiliate Company	Purchase of goods	-	7,183,805
Good Value Eswaran (Pvt) Ltd	Companies	Purchases	168,376	673,242
	significantly	Settlements	(179,838)	(733,498)
Eswaran Brothers Export Pvt Ltd	influenced by KMP and their	Purchases	223,856	55,262
		Settlements	(236,850)	(55,262)
Eswaran Brothers Export Pvt Ltd-Trading	close family members	Purchases	225,867	(26,634)
		Settlements	(100,803)	(30,484)

Amounts receivable from and due to related entities as at 31 March 2020 are disclosed in the Note 12 and 16 respectively. Trade receivables and payables to related entities are disclosed in Note 11 and Note 15 respectively.

19. Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

19.1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, related parties, short term investments and cash and cash equivalents.

The Company trades with own distributors with bank guarantee and trades maximum up to the guarantee value. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Cash and cash equivalents are held with banks which have good ratings based on Fitch ratings.

19. Financial risk management (Cont.)

19.1. Credit risk (Cont.)

19.1.1 Credit risk exposure and managing the risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

As at 31 March,

	2020 Rs.	2019 Rs.
Trade and other receivables	14,020,699	15,565,722
Related party receivables	45,512	56,974
Cash & cash equivalents	1,006,486	188,493
	<u>15,072,697</u>	<u>15,811,189</u>

19.2 Liquidity Risk

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

Maturity

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2020

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade payables	2,280,254	-	-	2,280,254
Related party payables	18,107,581	-	-	18,107,581
	<u>20,387,835</u>	<u>-</u>	<u>-</u>	<u>20,387,835</u>

As at 31 March 2019

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade payables	13,298,205	-	-	13,298,205
Related party payables	27,000,180	-	-	27,000,180
Bank overdraft	3,516,847	-	-	3,516,847
	<u>43,815,232</u>	<u>-</u>	<u>-</u>	<u>43,815,232</u>

19.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

19.3.1 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk arising mainly from foreign currency denominated in a currency other than the respective functional currencies of Company. The currencies in which these transactions primarily are denominated in USD.

NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

19. Financial risk management (Cont.)

19.3 Market Risk (Cont)

19.3.1 Currency Risk (Cont.)

The Company's exposure to foreign currency risk is as follows:

	<i>As at 31 March 2020</i>		<i>As at 31 March 2019</i>	
	USD	Converted to Rs.	USD	Converted to Rs.
Trade payables-related party	10,864	2,008,754	44,571	8,062,888
	<u>10,864</u>	<u>2,008,754</u>	<u>44,571</u>	<u>8,062,888</u>

In respect of monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

19.3.2 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

Management of Interest Rate Risk

The Company's investment decisions in interest bearing assets are controlled by the higher level authorities appointed

by the Board of Directors and they are advised and guided only to invest in secured and regulated investment sources.

19.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.
- Compliance with regulatory and other legal requirements.

20. Fair values of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	<i>As at 31 March,</i>			
	2020		2019	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial assets at amortised cost				
Trade and other receivables	14,020,699	14,020,699	15,565,722	15,565,722
Related party receivables	45,512	45,512	56,974	56,974
Cash and cash equivalents	1,006,486	1,006,486	188,493	188,493
	<u>15,072,697</u>	<u>15,072,697</u>	<u>15,811,189</u>	<u>15,811,189</u>

NILKAMAL ESWARAN MARKETING (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

20. Fair values of financial instruments (Cont.)

<i>As at 31 March,</i>	2020		2019	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial liabilities at amortised cost				
Trade payables	2,280,254	2,280,254	13,298,205	13,298,205
Related party payables	18,107,581	18,107,581	27,000,180	27,000,180
Bank overdraft	-	-	3,516,847	3,516,847
	<u>20,387,835</u>	<u>20,387,835</u>	<u>43,815,232</u>	<u>43,815,232</u>

The methods and assumptions used to estimate the fair values of the financial instruments are as follows:

- a) Cash and cash equivalents – The carrying amount of cash and cash equivalents approximate its fair value due to the relatively short maturity of the financial instruments.
- b) Trade and other receivables, Related party receivables, Trade payables, Related party payables and Bank overdraft – The carrying amount of these financial assets and liabilities approximate its fair value due to the relatively short maturity of the financial instruments.

21. Capital Commitments and Contingent Liabilities

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date. There have been no material Contingent Liabilities outstanding as at the reporting date.

21.1. Litigation and claim

There were no pending litigation or claims as at the reporting date.

22. Comparative figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

23. Events Occurring after the Reporting date

There were no material events occurring after the reporting date as at 31 March 2020 that require adjustments to or disclosure in the Financial Statements, other than the following:

- a). On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. Businesses may be negatively impacted due to the overall negative economic conditions caused by the pandemic. The financial reporting effects of the COVID-19 outbreak have been considered as adjusting events.

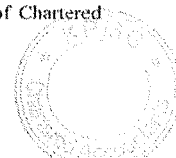
In light of the COVID-19 outbreak, the Company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company had suspended operations on 20 March 2020 and restarted in a limited manner from 17 April 2020 with skeleton staff. The Company is regularly monitoring the situation and operations are being increased up to full capacity level in a phased manner.

On the 30 April 2020, the Board of Directors of the Company approved revised forecasts for the year ending 31 March 2021. These new forecasts incorporated the potential impact of COVID 19 outbreak on the business. Although these forecasts do reflect a decrease in profitability compared to pre COVID 19 budgets, the management is confident that such a decrease will not affect the going concern ability of the Company. The Company will continue to monitor any material changes on future economic conditions and amend the forecasts accordingly.

The Directors are unable to fully estimate the potential impact the outbreak could have on the Company's financial position, as of date of authorising these financial statements.

24. Board of Director's responsibility for financial reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards for small and medium-sized entities laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.



NILKAMAL ESWARAN MARKETING (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March,

	2020 Rs.	2019 Rs.
Revenue	79,360,157	62,913,319
Cost of sales	(55,485,252)	(42,793,256)
Gross profit	23,874,905	20,120,063
Administrative expenses	(890,297)	(1,217,952)
Distribution expenses	(7,690,456)	(5,073,201)
Profit from operations	15,294,152	13,828,910



NILKAMAL ESWARAN MARKETING (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March,

	2020	2019
	Rs.	Rs.
<u>COST OF SALES</u>		
Purchases - Furniture	4,470,038	11,642,788
Purchase - Crates & bins	33,619,488	25,084,472
Purchase - Local furniture	1,408,810	2,760,865
Import related expenses	64,510	94,283
Purchase - Local furniture - sofa	-	150,400
Purchases - Cambro products	8,713,006	10,730,757
Purchases - Cambro products - china	8,478,920	7,841,483
Increase of inventory	(1,518,579)	(15,738,462)
Purchase - Crates - Bubble Guard	-	173,659
Purchases - GS Products	-	(40,989)
Purchase Sofa Import	249,059	-
Purchases - Local	-	94,000
	<u>55,485,252</u>	<u>42,793,256</u>
<u>ADMINISTRATIVE EXPENSES</u>		
Legal & Consultance Fees	6,900	6,900
Audit fees	167,984	458,405
Container washing & cleaning charges	44,815	34,321
Insurance charges	93,262	77,795
Licence fees	3,500	6,900
Maintenance-Office	-	300
NBT on Revenue A/C	436,363	543,982
Postage, Stamp & Courier	55,343	3,326
Secretarial fees	72,655	74,570
Stamp duty	9,475	9,350
Miscellaneous Expenses	-	2,103
	<u>890,297</u>	<u>1,217,952</u>



NILKAMAL ESWARAN MARKETING (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March,

	2020 Rs.	2019 Rs.
<u>DISTRIBUTION EXPENSES</u>		
Settlement discounts	12,322	-
Field Sales expenses - crate	63,730	81,980
Promotion & events	72,960	244,500
Transport charges-crate	543,254	-
VAT on free issues & sample issues	2,304	4,763
Distributor sales incentives	17,013	65,586
Tender expenses	108,136	65,454
Provision for slow moving inventory	5,780,312	4,163,880
Sales incentives	-	24,600
Written off unclaimed VAT 11%	-	(10,294)
Written off unclaimed VAT 15%	5,191	23,282
Bad debts	(228,860)	-
Bad Debts Account - Crate	-	132
Bad Debts Account - Furniture	-	335,760
Settlement discounts (2 to 30 Days)-1.5%	-	3,790
Settlement discounts (Immediately)-2.5%	-	17,744
Sales Incentives - Cambro	61,000	15,000
Sales Incentives - Crate - Institutional	-	19,702
Sales Incentives- Institutional	-	10,122
Bad Debts Account	(1,952)	-
Travelling Expenses - Crate	180	-
Sales Incentives-Institutional	1,164,306	-
Transport Charges-Furniture	90,560	7,200
	<u>7,690,456</u>	<u>5,073,201</u>

Note 6.1



**NILKAMAL ESWARAN PLASTICS (PVT) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NILKAMAL ESWARAN PLASTICS (PVT) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nilkamal Eswaran Plastics (Pvt) Ltd ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These financial statements do not comprise other information.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's and Group's financial reporting process.

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

MR. Mahulal FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyratne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapaksa FCA	Ms. B.K.D.I.M. Rodrigo FCA
R.H. Rajan FCA	M.N.M. Shanmugan ACA	Ms. C.T.K.N. Perera ACA
A.M.R.P. Atahakoon ACA		

Principals - S.R.I. Perera FCA(UK), LL.B., Attorney-at-Law, H.S. Gnanawardene ACA
Ms. P.M.K. Sumanasekara FCA

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

A handwritten signature in dark ink, appearing to be 'K. R. R.' or similar, written in a cursive style.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

12 June 2020

NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

<i>For the year ended 31st March,</i>	Notes	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Revenue	5	996,444,327	1,035,799,907	917,084,170	972,886,588
Cost of sales		(706,307,579)	(751,393,466)	(650,822,327)	(708,600,210)
Gross Profit		290,136,748	284,406,441	266,261,843	264,286,378
Other income	6	7,989,040	5,724,112	7,989,040	7,444,112
Administrative expenses		(78,470,247)	(81,840,727)	(77,579,951)	(80,622,820)
Distribution expenses		(159,819,502)	(168,478,787)	(152,129,045)	(163,405,586)
Profit from Operations	7	59,836,039	39,811,039	44,541,887	27,702,084
Net finance income	8	13,427,692	10,075,404	13,222,905	10,223,891
Profit Before Taxation		73,263,731	49,886,443	57,764,792	37,925,975
Income tax expense	9	(22,588,246)	(14,829,608)	(16,735,674)	(9,634,474)
Profit for the Year		50,675,485	35,056,835	41,029,118	28,291,501
Other Comprehensive Income for the Year		-	-	-	-
Total Comprehensive Income for the Year		50,675,485	35,056,835	41,029,118	28,291,501
Basic Earnings per Share (Rs.)	10	26.51	17.53	21.47	14.15

Figures in brackets indicate deductions.

The notes to the Financial Statements form an integral part of these Financial Statements.

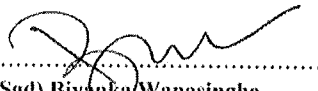


NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF FINANCIAL POSITION

As at 31 March,		Group		Company	
	Notes	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	286,050,792	332,234,378	286,050,792	332,234,378
Intangible assets	12	2,754,008	4,905,379	2,754,008	4,905,379
Investment in subsidiary	13	-	-	1,000	1,000
Total Non-Current Assets		288,804,800	337,139,757	288,805,800	337,140,757
Current Assets					
Inventories	14	203,103,045	229,524,360	156,432,703	178,592,286
Trade and other receivables	15	197,565,142	246,078,563	174,382,539	220,298,337
Current taxation	24	-	2,873,843	-	2,873,843
Related party receivables	16	2,495,612	56,974	20,557,681	27,000,185
Cash and cash equivalents	17	119,064,455	110,432,673	118,057,968	110,244,180
Total Current Assets		522,228,254	588,966,413	469,430,891	539,008,831
Total Assets		811,033,054	926,106,170	758,236,691	876,149,588
EQUITY & LIABILITIES					
Equity					
Stated capital	18	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings		583,988,187	714,742,952	546,328,372	686,729,504
Total Equity		603,988,187	734,742,952	566,328,372	706,729,504
Non-Current Liabilities					
Deferred taxation	19	45,141,238	43,939,269	45,141,238	43,939,269
Employee benefits	20	33,488,230	36,987,302	33,488,230	36,987,302
Total Non Current Liabilities		78,629,468	80,926,571	78,629,468	80,926,571
Current Liabilities					
Trade and other payables	21	85,381,850	100,228,711	72,503,035	85,297,285
Related party payables	22	36,753,728	2,615,392	36,753,728	2,615,392
Lease creditors	23	-	580,836	-	580,836
Current taxation	24	5,833,211	3,494,861	3,575,478	-
Bank overdraft	17	446,610	3,516,847	446,610	-
Total Current Liabilities		128,415,399	110,436,647	113,278,851	88,493,513
Total Liabilities		207,044,867	191,363,218	191,908,319	169,420,084
Total Equity and Liabilities		811,033,054	926,106,170	758,236,691	876,149,588

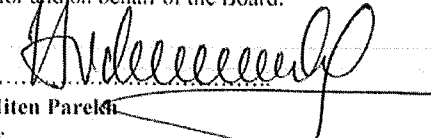
The notes to the Financial Statements form an integral part of these Financial Statements.

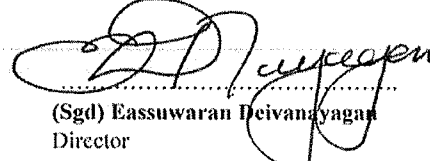
These Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.


 (Sgd) Biyanka Wanasinghe
 Deputy General Manager - Finance

The Board of Directors are responsible for the preparation and presentation of the Financial Statements.

Signed for and on behalf of the Board:


 (Sgd) Hiten Parekh
 Director


 (Sgd) Eassuwaran Deivanayagam
 Director

12 June 2020
 Colombo

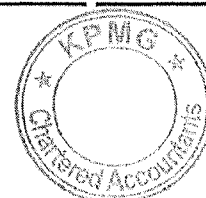


NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

Group	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2018	20,000,000	679,686,117	699,686,117
Total Comprehensive Income for the Year			
Profit for the year	-	35,056,835	35,056,835
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	35,056,835	35,056,835
Balance as at 31 March 2019	20,000,000	714,742,952	734,742,952
Balance as at 1 April 2019	20,000,000	714,742,952	734,742,952
Total Comprehensive Income for the Year			
Profit for the year	-	50,675,485	50,675,485
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	50,675,485	50,675,485
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2018/19	-	(10,000,000)	(10,000,000)
Interim dividend for 2019/20	-	(35,000,000)	(35,000,000)
Share re-purchase (Note 18.1)	-	(136,012,500)	(136,012,500)
Share re-purchase cost (Note 18.1.1)	-	(417,750)	(417,750)
Total Transactions with Owners, Recorded Directly in Equity	-	(181,430,250)	(181,430,250)
Balance as at 31 March 2020	20,000,000	583,988,187	603,988,187

Company	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2018	20,000,000	658,438,003	678,438,003
Total Comprehensive Income for the Year			
Profit for the year	-	28,291,501	28,291,501
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	28,291,501	28,291,501
Balance as at 31 March 2019	20,000,000	686,729,504	706,729,504
Balance as at 1 April 2019	20,000,000	686,729,504	706,729,504
Total Comprehensive Income for the Year			
Profit for the year	-	41,029,118	41,029,118
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	41,029,118	41,029,118
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2018/19	-	(10,000,000)	(10,000,000)
Interim dividend for 2019/20	-	(35,000,000)	(35,000,000)
Share re-purchase (Note 18.1)	-	(136,012,500)	(136,012,500)
Share re-purchase cost (Note 18.1.1)	-	(417,750)	(417,750)
Total Transactions with Owners, Recorded Directly in Equity	-	(181,430,250)	(181,430,250)
Balance as at 31 March 2020	20,000,000	546,328,372	566,328,372



NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF CASH FLOWS

<i>For the year ended 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities				
Profit Before Taxation	73,263,731	49,886,443	57,764,792	37,925,975
<i>Adjustment for :</i>				
Depreciation on property, plant & equipment	58,031,283	59,456,624	58,031,283	59,456,624
Amortisation of intangible assets	2,206,371	2,265,457	2,206,371	2,265,457
Provision for gratuity	2,067,780	5,029,094	2,067,780	5,029,094
Provision for slow moving inventories	7,296,712	4,630,118	1,516,400	466,238
Provision for trade receivables	1,677,975	1,023,826	1,906,835	687,934
Gain on disposal of property, plant & equipment	(962,567)	(1,293,464)	(962,567)	(1,293,464)
Trade Receivable write-off	(1,264,299)	-	(1,264,299)	-
Dividend income	-	-	-	(1,720,000)
Interest income	(11,012,151)	(8,559,432)	(11,012,151)	(8,559,432)
Interest expense on lease liabilities	9,784	177,465	9,784	177,465
Other interest expenses	385,984	804,689	278,873	742,831
	131,700,603	113,420,820	110,543,101	95,178,722
(Increase)/ decrease in inventories	19,124,603	(17,305,035)	20,643,183	(1,566,574)
(Increase)/ decrease in trade and other receivables	38,352,621	(40,551,101)	36,188,878	(37,264,989)
Decrease in related party receivables	(2,438,638)	60,256	6,442,504	3,009,664
(Decrease)/increase in trade and other payables	(14,846,861)	3,007,230	(12,794,250)	(5,941,913)
Increase/ (decrease) in related party payables	(861,664)	103,163	(861,664)	103,163
Cash Generated from Operations	171,030,664	58,735,333	160,161,752	53,518,073
Employee benefit paid	(5,566,852)	(570,205)	(5,566,852)	(570,205)
Interest paid	(385,984)	(804,689)	(278,873)	(742,831)
Current tax paid	(6,426,960)	(2,659,250)	-	-
Net Cash Generated from Operating Activities	158,650,868	54,701,189	154,316,027	52,205,037
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(13,607,747)	(35,452,804)	(13,607,747)	(35,452,804)
Acquisition of intangible assets	(55,000)	(165,386)	(55,000)	(165,386)
Proceeds from sale of property, plant and equipment	2,722,617	8,348,011	2,722,617	8,348,011
Dividend received	-	-	-	1,720,000
Interest received	11,012,151	8,559,432	11,012,151	8,559,432
Net Cash from/ (used in) Investing Activities	72,021	(18,710,747)	72,021	(16,990,747)
Cash Flows from Financing Activities				
Lease rentals paid	(590,620)	(1,771,860)	(590,620)	(1,771,860)
Dividend paid	(10,000,000)	-	(10,000,000)	-
Share re-purchase	(136,430,250)	-	(136,430,250)	-
Net Cash used in Financing Activities	(147,020,870)	(1,771,860)	(147,020,870)	(1,771,860)
Net increase in Cash & Cash Equivalents	11,702,019	34,218,582	7,367,178	33,442,430
Cash & cash equivalents at the beginning of the year	106,915,826	72,697,244	110,244,180	76,801,750
Cash & Cash Equivalents at the end of the year (Note 17)	118,617,845	106,915,826	117,611,358	110,244,180

The notes to the Financial Statements form an integral part of these Financial Statements.

NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Nilkamal Eswaran Plastics (Private) Limited ('the Company') is a limited liability company incorporated in and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is located at 328, Madapatha Road, Batakettera, Piliyandala.

The Consolidated Financial Statements of the Group as at and the year ended 31 March 2020 comprise the Company and its subsidiary (together referred to as the "Group" and individually as "Group entities"). The Company has a fully owned subsidiary, Nilkamal Eswaran Marketing (Private) Limited.

1.2 Principal Activities and Nature of Operations

The principal activities of the Group were as follows;

Nilkamal Eswaran Plastics (Pvt) Ltd	Manufacturing of injection molded plastic articles and sofa
Nilkamal Eswaran Marketing (Pvt) Ltd	Importing and selling of all kinds of plastic articles

1.3 Parent Entity and Ultimate Parent Entity

The Group's parent entity and ultimate parent entity is Nilkamal Limited, which is incorporated in India.

1.4 Number of Employees

The number of employees of the Group and Company as at 31 March 2020 are as follow:

Group	111 (2019- 118)
Company	111 (2019- 118)

The subsidiary Nilkamal Eswaran Marketing (Pvt) Limited did not have any employees as at 31 March 2020.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company, which comprise the Statement of Financial Position, Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with accounting policies and notes to the Financial Statements of the Company and Group as at 31 March 2020 and for the year then ended have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium Sized – Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of Companies Act, No. 7 of 2007 and amendments thereto.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the retirement benefit liability for employee benefits recognized based on the Gratuity Act, in the Statement of Financial Position.



NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

These Consolidated Financial Statements have been prepared on the basis that the Group would continue as a going concern for the foreseeable future.

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees (Rs.) unless otherwise indicated.

2.5 Use of Estimate and Judgment

The preparation of the Financial Statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Impairment of financial assets (Note 3.9.4)
- Impairment of Non-financial assets (Note 3.10)
- Current taxation (Note 3.3.a)
- Deferred taxation and utilization of tax losses (Note 3.3.b)
- Measurement of Employee benefits (Note 3.11)
- Provisions and contingencies (Note 3.13 and Note 3.14)

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES

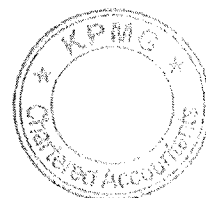
3.1. Basis of Consolidation

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated. The accounting policies have been applied consistently by the Group.

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of that enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The Financial Statements of subsidiary is included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. Accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

All companies in the Group have a common financial year, which ends on 31 March.



NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's Accounting Policy for financial assets (see Accounting Policy 3.9 below) depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from the intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Accounting for investment in subsidiaries

When separate Financial Statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of Financial Position at cost less accumulated impairment losses.

3.2. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.3. Income Tax Expense

Income tax expenses comprise of current & deferred tax expenses recognized in the Statement of Profit or Loss and Other Comprehensive Income.

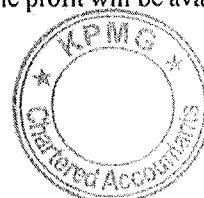
(a) Current Taxation

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent gazette notifications.

(b) Deferred Taxation

Deferred tax is recognised in respect of all temporary differences as at the reporting date between the tax bases of assets and liabilities and their respective carrying amounts for financial reporting purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purpose of the assets on which tax depreciation has been claimed and the net book value of such asset, offset by the provision for employee benefit which is deductible for tax purpose only on payment.

Deferred tax assets, including those related to temporary tax effect of income tax losses and credits available to be carried forward are recognized only to the extent that it is probable that future taxable profit will be available



NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4. Events occurring after the reporting date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the Financial Statements where necessary.

ASSETS AND BASES OF THEIR VALUATION

3.5. Property, Plant and Equipment

a) Cost and Valuation

Property, plant & equipment are carried at cost less accumulated depreciation, less accumulated impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or losses arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

b) Subsequent Cost

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

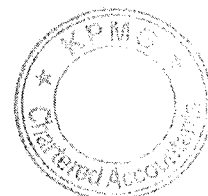
c) Depreciation

The provision for depreciation is calculated by using straight line method on all property, plant and equipment in order to write off such amounts over the following estimated useful economic lives by equal installments.

Buildings on Freehold Land	20 years
Plant and Machinery	9.67 years
Moulds	6.17 years
Office Equipment	5 years
Computer Equipment and Software	5 years
Furniture and Fittings	10 years
Motor Vehicles	5 years

Freehold land is not depreciated.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized.



NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

d) Impairment of Property Plant and Equipment

The carrying value of property plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in the Statement of Profit or Loss and Other Comprehensive Income unless it reverses a previous revaluation surplus for the same asset.

3.6. Intangible Assets

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included in the Statement of Financial Position under the category Intangible Assets and carried at cost less accumulated amortization and accumulated impairment losses if any.

a) Subsequent Expenditure

Expenditure incurred on intangible assets are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

b) Amortization

Intangible assets are amortized on a straight line basis over a period of 5 years except goodwill in the Statement of Profit or Loss and Other Comprehensive Income from the date when the asset is available for use, over the best estimate of its useful economic life.

3.7. Leased assets

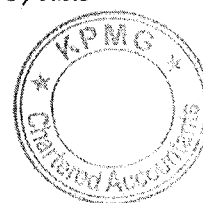
Leased in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to property, plant and equipment.

Other leases are operating leases and are not recognized in the Group's Statement of Financial Position.

3.8. Inventories

Inventories are valued at lower of cost or net realizable value, after making due allowance for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

Raw Materials	- At actual cost on first-in first-out (FIFO) basis
Finished Goods	- At the cost of direct materials, direct labor and an appropriate proportion of fixed production overheads based on normal operating capacity
Work in Progress	- based on the standard costing which included all direct expenditure and production overheads
Consumables and Spares	- At purchase cost on first-in first-out (FIFO) basis
Goods in Transit	- At purchase cost



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

3.9. Financial Assets

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1. Initial recognition of financial assets and liabilities

An entity shall recognise a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument.

3.9.2. Initial measurement

When a financial asset or financial liability is recognised initially, an entity shall measure it at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the entity shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

3.9.3. Subsequent measurement

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

- Debt instruments shall be measured at amortised cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
- Investments in shares shall be measured at fair value with changes in fair value recognised in profit or loss. For shares traded in an active market the best evidence of fair value is the quoted price for those shares in that active market.

Trade and other receivables

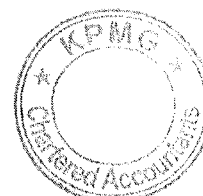
Trade and other receivables and due from related parties are initially recognized at cost. Trade receivable and other receivables are stated at the amounts they are estimated to realize net of impairment for bad and doubtful receivables.

If receivables extend beyond the normal credit terms, those receivables are measured at amortized cost using the effective interest rate at the end of each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

3.9.4. Impairment of financial assets measured at cost or amortised cost

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately. Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the entity about the loss events.

3.9.4.1. Measurement

The Group measure an impairment loss on financial assets measured at cost or amortised cost as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3.9.5. Derecognition of a financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all risks and rewards of ownership and it does not retain control of the financial asset.

3.10. Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets such as deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognized in profit or loss.

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities on the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provision and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.11. Employee benefits

(a) Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into an approved Employees' Provident Fund and to the Employees' Trust Fund, and will have no legal or



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

constructive obligation to pay further amounts. The Group contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

(b) Defined Benefit Plans– Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with SLFRS for SMEs (Section 28- Employee Benefits). The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The computation of the provision is based only on Gratuity Act requirement. The Group measures the present value of retirement benefits of gratuity using an internally generated model based on formula annually. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded nor actuarially valued.

3.12. Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan rupees using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income.

3.13. Provisions and liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for Warrantee Liability



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

The Company offers warranties on Sofa products on its own account and warranty is provided by giving a warranty period of 1 year from the date of sale for the fabric and 15 years from the date of sale for the frame. A provision for warranty is recognised when the underlying products are sold. The quantum of the provision is based on the historical experience. The said extended warranty provision will be reversed upon expiration of warranty period if unutilised as at that date.

The provision is included under other liabilities.

3.14. Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.15. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer normally at the point of good dispatch; with the Group retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(b) Others

Other income is recognized on an accrual basis.

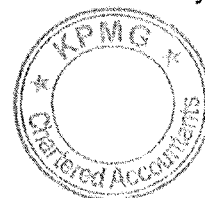
Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets including investments are accounted for in the Statement of Profit or Loss and Other Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

3.16. Expenditure Recognition

(a) Operating Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on the basis of a direct association between the cost incurred and the earning specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

(b) Finance income and expense

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(c) Borrowing cost

All borrowing costs are recognised as an expense in the period in which they are incurred.

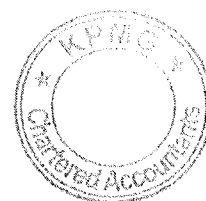
3.17. Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a price being charged.

4. Statement of Cash Flows

The Statement of Cash Flows has been prepared using the Indirect Method.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

<i>For the year ended 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
5 Revenue				
Local sales	1,011,658,994	1,046,503,982	932,183,479	983,590,663
Export sales	1,645,056	5,701,265	1,645,056	5,701,265
	<u>1,013,304,050</u>	<u>1,052,205,247</u>	<u>933,828,535</u>	<u>989,291,928</u>
Trade discounts	(16,859,723)	(16,405,340)	(16,744,365)	(16,405,340)
	<u>996,444,327</u>	<u>1,035,799,907</u>	<u>917,084,170</u>	<u>972,886,588</u>

Following Coronavirus "COVID-19" outbreak in Sri Lanka, the Government announced a lockdown position with curfew since 20 March 2020. Therefore, the business operations and activities of the Group were impacted. The operations of the Group were temporarily suspended due to the lockdown since 20 March 2020 and restarted its operation in limited manner from 17 April 2020 with skeleton staff. However, the Group currently manufactures only confirmed orders since post COVID-19 period.

6 Other Income

Gain on disposal of property, plant and equipment	962,567	1,293,464	962,567	1,293,464
Dividend income	-	-	-	1,720,000
Interest on staff loan	226,031	211,497	226,031	211,497
Scrap sales (Note 6.1)	4,350,342	4,219,151	4,350,342	4,219,151
Mould Lease Income (Note 6.2)	2,450,100	-	2,450,100	-
	<u>7,989,040</u>	<u>5,724,112</u>	<u>7,989,040</u>	<u>7,444,112</u>

6.1 This includes sales of scraps relating to raw Material, Sofa and other inventories.

6.2 This includes the income earned by renting moulds to Nilkamal Limited in India.

7 Profit from Operations

Profit from operating activities is stated after charging all expenses including the following.

Directors' emoluments	Nil	Nil	Nil	Nil
Audit fees and expenses				
- Audit and audit related services	1,284,000	1,129,770	1,061,000	898,770
- Non audit services	315,000	536,100	315,000	287,695
Depreciation on property, plant and equipment	58,031,283	59,456,624	58,031,283	59,456,624
Amortisation of intangible assets	2,206,371	2,265,457	2,206,371	2,265,457
Provision for impairment of trade receivables (Note 15.1.2)	1,677,975	1,023,826	1,906,835	687,934
Provision for inventories (Note 14.1)	7,296,712	4,630,118	1,516,400	466,238
Staff and related costs (Note 7.1)	142,458,548	156,523,704	142,458,548	156,523,704

7.1 Staff and related costs

- Salaries, wages & other related cost	125,303,969	135,309,995	125,303,969	135,309,995
- Defined contribution plans - EPF & ETF	15,086,799	16,184,615	15,086,799	16,184,615
- Defined benefit plan cost	2,067,780	5,029,094	2,067,780	5,029,094
	<u>142,458,548</u>	<u>156,523,704</u>	<u>142,458,548</u>	<u>156,523,704</u>

NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

<i>For the year ended 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
8 Net Finance Income				
Finance Income				
Interest income from investments in securities purchased under resale agreements	2,704,930	1,302,274	2,704,930	1,302,274
Gain on translation of foreign currency	3,603,002	3,408,414	3,184,680	3,383,080
Interest income from Fixed Deposits	8,307,221	7,257,158	8,307,221	7,257,158
Total Finance Income	14,615,153	11,967,846	14,196,831	11,942,512
Finance Expense				
Interest on lease liabilities	9,784	177,465	9,784	177,465
Interest on short term borrowings	165,984	804,689	58,873	742,831
Bank Charges	791,693	910,288	685,269	798,325
Interest on distributor cash deposits	220,000	-	220,000	-
Total Finance Expense	1,187,461	1,892,442	973,926	1,718,621
Net Finance Income	13,427,692	10,075,404	13,222,905	10,223,891

9 Income Tax Expense

Current Tax Expense / (Reversal)

Current tax for the year (Note 9.1)	21,387,381	5,378,151	15,533,705	287,696
Over provision of current taxes in respect of prior years	(1,104)	(1,730,229)	-	(1,554,908)
Withholding tax on inter company dividend	-	280,000	-	-
	21,386,277	3,927,922	15,533,705	(1,267,212)

Deferred Tax Expense

Reversal/(origination) of deferred tax assets (Note 19.1)	979,758	(1,248,489)	979,758	(1,248,489)
Origination of deferred tax liabilities (Note 19.2)	222,211	12,150,175	222,211	12,150,175
	1,201,969	10,901,686	1,201,969	10,901,686

Total Income Tax expense	22,588,246	14,829,608	16,735,674	9,634,474
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9.1 Reconciliation of the Accounting Profit and Tax on Current Year

<i>For the year ended 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Profit before taxation	73,263,731	49,886,443	57,764,792	37,925,975
Other sources of income	(11,012,151)	(8,559,432)	(11,012,151)	(8,559,432)
Inter company dividend income	-	-	-	(1,720,000)
Aggregate disallowable expenses	70,021,690	76,732,870	64,614,643	72,233,141
Aggregate allowable expenses	(64,847,196)	(107,411,631)	(64,847,196)	(107,411,631)
Profit from business	67,426,074	10,648,250	46,520,088	(7,531,947)
Non-business income - interest income	11,012,151	8,559,432	11,012,151	8,559,432
Taxable income	78,438,225	19,207,682	57,532,239	1,027,485
Income Tax @ - 28%	17,934,342	5,378,151	12,081,770	287,696
Income Tax @ - 24% (Note 9.1.1)	3,451,934	-	3,451,934	-
	21,387,381	5,378,151	15,533,705	287,696



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

9 Income Tax Expense (Cont.)

Note 9.1.1 As instructed by the Ministry of Finance on 31 January 2020 and on 5 March 2020, a change in the income tax rate of a company from 28% to 24% has been proposed to the Inland Revenue Act No. 24 of 2007 (IRA), pending formal amendments being made to the Act and to be implemented with effect from 1 January 2020. Since the new tax rate of 24% has not been published through a gazette by the Parliament as at the date of these Financial Statements were authorised, the new tax rate was not considered to be substantially enacted as at that date.

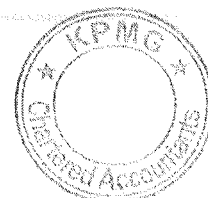
10 Basic Earnings per Share

The basic profit per ordinary share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares, in issue.

<i>For the year ended 31 March</i>	Group		Company	
	2020	2019	2020	2019
Profit after taxation attributable to ordinary shareholders (Rs.)	50,675,485	35,056,835	41,029,118	28,291,501
Weighted average number of ordinary shares (Note 10.1)	1,911,387	2,000,000	1,911,387	2,000,000
Earnings per Share (Rs.)	26.51	17.53	21.47	14.15

10.1 Weighted average number of ordinary shares,

<i>For the year ended 31 March,</i>	2020	2019
	Shares	Shares
Issued ordinary shares as at 1st April	2,000,000	2,000,000
Effect of re-purchase of own shares (Note 18.1)	(88,613)	-
Weighted average number of ordinary shares as at 31st March	1,911,387	2,000,000

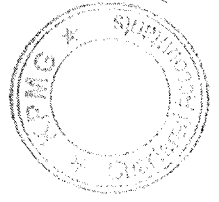


NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

11. Property, Plant and Equipment

Group / Company	Freehold Land	Buildings	Plant and Machinery	Moulds	Office Equipment	Computer Equipment	Furniture and Fittings	Motor Vehicles	Road Development	Total 2020	Total 2019
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1 April	26,370,476	231,377,794	264,107,446	389,292,908	5,816,323	7,890,762	5,363,587	41,600,125	680,763	972,500,184	948,444,655
Additions	-	3,319,440	7,318,074	-	276,994	1,571,857	137,802	983,580	-	13,607,747	35,452,804
Disposals	-	-	(68,018)	-	(220,804)	(190,400)	(77,313)	(4,171,609)	-	(4,728,144)	(11,397,275)
As at 31 March	26,370,476	234,697,234	271,357,502	389,292,908	5,872,513	9,272,219	5,424,076	38,412,096	680,763	981,379,787	972,500,184
Accumulated Depreciation											
As at 1 April	-	145,265,126	170,631,989	288,928,668	3,710,525	6,615,824	2,849,100	21,583,811	680,763	640,265,806	585,151,910
Charge for the year	-	9,565,181	15,986,635	24,003,200	693,665	660,826	363,606	6,758,170	-	58,031,283	59,456,624
Disposals	-	-	(32,235)	-	(168,144)	(173,733)	(73,501)	(2,520,481)	-	(2,968,094)	(4,342,728)
As at 31 March	-	154,830,307	186,586,389	312,931,868	4,236,046	7,102,917	3,139,205	25,821,500	680,763	695,328,995	640,265,806
Carrying Value as at:											
31 March 2020	26,370,476	79,866,927	84,771,113	76,361,040	1,636,467	2,169,302	2,284,871	12,590,596	-	286,050,792	
31 March 2019	26,370,476	86,112,668	93,475,457	100,364,240	2,105,798	1,274,938	2,514,487	20,016,314	-		332,234,378



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
11 Property, Plant and Equipment (Cont.)				
11.1 Fully Depreciated Assets				
Plant and machinery	115,429,300	115,429,300	115,429,300	115,429,300
Moulds	241,632,678	239,094,440	241,632,678	239,094,440
Office Equipment	2,396,199	2,370,208	2,396,199	2,370,208
Computer Equipment	5,335,881	4,795,325	5,335,881	4,795,325
Furniture and Fittings	1,776,897	1,790,498	1,776,897	1,790,498
Motor vehicles	5,477,167	5,477,167	5,477,167	5,477,167
Road Development	680,762	680,762	680,762	680,762
	372,728,884	369,637,700	372,728,884	369,637,700

11.2 The carrying value of property, plant and equipment ("PPE") under finance lease are as follow:

Group/Company	As at 31 March 2020		As at 31 March 2019	
	Cost	Carrying	Cost	Carrying
	Rs.	Rs.	Rs.	Rs.
Motor vehicles	-	-	6,357,000	3,072,550
	-	-	6,357,000	4,343,950

11.3 Property Plant & Equipment Pledged as Security

PPE have been pledged as securities as at the reporting date were mentioned below.

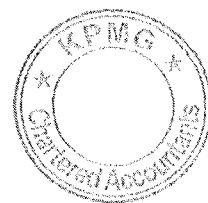
Property	Name of the Bank	Security
Land and building including plant and machinery	Commercial Bank of Ceylon PLC	Overdraft facility for Rs. 40 Mn
	State Bank of India	Overdraft facility for Rs. 71 Mn

11.4 Title Restriction on PPE

There are no restrictions that existed on the title of the PPE of the Company as at the reporting date.

11.5 The Company has limited its production to confirmed orders during post COVID-19 period. The Board of Directors has assessed the potential impairment loss of the property, plant and equipment and based on the assessment no impairment loss has been identified as at the reporting date.

<i>For the year ended 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
12 Intangible Assets				
Computer Software				
Cost				
As at 1 April	13,089,048	12,923,662	13,089,048	12,923,662
Acquisitions during the year	55,000	165,386	55,000	165,386
As at 31 March	13,144,048	13,089,048	13,144,048	13,089,048
Accumulated Amortisation				
As at 1 April	8,183,669	5,918,212	8,183,669	5,918,212
Amortisation during the year	2,206,371	2,265,457	2,206,371	2,265,457
As at 31 March	10,390,040	8,183,669	10,390,040	8,183,669
Carrying Value as at 31 March	2,754,008	4,905,379	2,754,008	4,905,379



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

13 Investment in Subsidiary

Investment in Subsidiary		Company			
		No. of Shares		Value	
		% of holding	2020	2019	2020 Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd					
Investment in ordinary shares	100%	100	100	1,000	1,000
		100	100	1,000	1,000

As at 31 March,

	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
14 Inventories				
Raw materials	73,034,714	83,044,812	73,034,714	83,044,812
Goods in transit (Note 14.2)	14,791,440	8,818,660	14,791,440	8,818,660
Packing materials	2,230,010	3,290,030	2,230,010	3,290,030
Work in Progress	4,016,225	2,018,596	4,016,225	2,018,596
Finished goods	135,136,052	151,160,946	73,064,864	90,608,338
	229,208,441	248,333,044	167,137,253	187,780,436
Provision for slow moving Inventories (Note 14.1)	(26,105,396)	(18,808,684)	(10,704,550)	(9,188,150)
	203,103,045	229,524,360	156,432,703	178,592,286

14.1 Provision for slow moving Inventories

14.1.1 Movement in Provision for Slow Moving Inventories

Balance as at the beginning of the year	18,808,684	14,178,566	9,188,150	8,721,912
Provision for the year	7,296,712	4,630,118	1,516,400	466,238
Balance as at the end of the year	26,105,396	18,808,684	10,704,550	9,188,150

14.1.2 Provision Category wise

Raw materials	7,402,564	5,288,484	7,402,564	5,288,484
Packing materials	235,424	411,499	235,424	411,499
Finished goods	18,467,408	13,108,701	3,066,562	3,488,167
	26,105,396	18,808,684	10,704,550	9,188,150

Although the Company had not made sales at its usual capacity post COVID-19 due to the lockdown condition, the Board of Directors were confident that the Selling price will not be reduced and the cost to complete may not show a significant increase. Accordingly, the computation of Net Realisable Value was not modified as at the Reporting date.

The Company has assessed the potential impairment loss of inventory as at 31 March 2020. Based on the assessment, no additional impairment provision was required to be made in the financial statements as at the reporting date.

14.2 Goods in transit have been identified based on the international shipping terms and the Bills of Lading dates of import purchases whereas the risk and rewards have been transferred to the the Group before the reporting date though the relevant items have not been physically received till the reporting date. Goods in transit as at 31 March 2020 increased significantly as a result of delays in clearance process due to COVID-19.

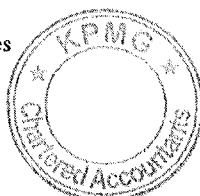
15 Trade and Other Receivables

Financial

Trade receivables (Note 15.1)	178,740,106	217,854,496	164,751,687	202,358,892
Staff loans	2,762,799	1,698,644	2,762,799	1,698,644
Refundable Deposits	3,407,133	3,758,845	3,374,860	3,688,726
	184,910,038	223,311,985	170,889,346	207,746,262

Non-financial

Value Added Tax recoverable	9,128,104	9,952,321	11,979	-
Prepayments and advances	2,726,956	3,250,935	2,681,174	3,205,856
Advances paid to suppliers	483,606	5,385,652	483,606	5,385,652
Economic Service Charge recoverable	-	3,772,902	-	3,555,799
Other receivables	68,978	41,910	68,974	41,910
WHT Recoverable	-	362,858	-	362,858
NBT recoverable	247,460	-	247,460	-
	12,655,104	22,766,578	3,493,193	12,552,075
Trade and Other Receivables	197,565,142	246,078,563	174,382,539	220,298,337



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

<i>As at 31 March,</i>	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
15 Trade and Other Receivables (Cont.)				
15.1 Trade Receivables				
Trade receivables - related parties (Note 15.1.1)	3,995,864	5,716,233	3,883,798	5,716,233
Trade receivables - other	181,533,525	218,658,275	166,963,213	202,095,447
Provision for impairment of trade receivables (Note 15.1.2)	(6,789,283)	(6,520,012)	(6,095,324)	(5,452,788)
	<u>178,740,106</u>	<u>217,854,496</u>	<u>164,751,687</u>	<u>202,358,892</u>
15.1.1 Trade receivables - related parties				
Good Value Marketing (Pvt) Ltd -Crate	-	67,506	-	67,506
Good Value Eswaran (Pvt) Ltd	3,829,771	5,620,598	3,829,771	5,620,598
Eswaran Brothers Export Pvt Ltd	112,066	-	-	-
Good Value Eswaran (Pvt) Ltd - Crate	54,027	28,129	54,027	28,129
	<u>3,995,864</u>	<u>5,716,233</u>	<u>3,883,798</u>	<u>5,716,233</u>
15.1.2 Provision for impairment of Trade Receivables				
Balance as at the beginning of the year	6,520,012	5,524,665	5,452,788	4,974,533
Charge during the year	1,677,975	1,023,826	1,906,835	687,934
Write-off during the year	(1,408,704)	(28,479)	(1,264,299)	(24,538)
Balance as at the end of the year	<u>6,789,283</u>	<u>6,520,012</u>	<u>6,095,324</u>	<u>5,452,788</u>
The Company has specific criteria which have been used for specific debtors who are not covered by Bank guarantees. No additional provisions over and above the exiting provisioning approach has been made due to COVID 19 implication, based on the internal assessment.				
15.1.3 Subsidies receivable from Treasury of Sri Lanka				
Gross Receivable Balance	4,164,607	4,164,607	4,164,607	4,164,607
Less. Provision for impairment	(4,164,607)	(4,164,607)	(4,164,607)	(4,164,607)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
15.2.1 Provision for impairment of subsidies receivable				
Balance as at the beginning of the year	4,164,607	4,164,607	4,164,607	4,164,607
Balance as at the end of the year	<u>4,164,607</u>	<u>4,164,607</u>	<u>4,164,607</u>	<u>4,164,607</u>
16 Related Party Receivables				
Nilkamal Eswaran Marketing (Pvt) Ltd	-	-	18,107,581	27,000,185
Nilkamal Limited - Mould Lease				
Income Receivable (Note 6.2)	2,450,100	-	2,450,100	-
Good Value Eswaran (Pvt) Ltd	45,512	56,974	-	-
	<u>2,495,612</u>	<u>56,974</u>	<u>20,557,681</u>	<u>27,000,185</u>
17 Cash and Cash Equivalents				
Cash in hand	149,877	869,264	146,198	783,541
Cash at bank	7,192,831	6,496,925	6,190,023	6,394,155
REPO investments in Sri Lankan Government treasury bills	40,000,000	25,000,000	40,000,000	25,000,000
Investment in fixed deposits with less than three months maturity	71,721,747	78,066,484	71,721,747	78,066,484
	<u>119,064,455</u>	<u>110,432,673</u>	<u>118,057,968</u>	<u>110,244,180</u>
Bank overdraft	(446,610)	(3,516,847)	(446,610)	-
Cash & Cash Equivalents in the Statement of Cash Flows	<u>118,617,845</u>	<u>106,915,826</u>	<u>117,611,358</u>	<u>110,244,180</u>



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,	Company / Group		Value	
	No. of shares			
	2020	2019	2020 Rs.	2019 Rs.
18 Stated Capital				
Balance as at 1 April	2,000,000	2,000,000	20,000,000	20,000,000
Shares re-purchased during the year (Note 18.1)	(421,200)	-	-	-
Balance as at 31 March	<u>1,578,800</u>	<u>2,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

18.1 Share re-purchase

On 18 December 2019, following a shareholders approval, the Board of Directors of Nilkamal Eswaran Plastic (Pvt) Ltd resolved that 421,200 of its ordinary shares amounting to Rs.136,012,500/- to be re-purchased on the basis of a purchase price of Rs.323/- per ordinary share. Accordingly, the Company has completed the re-purchase of 421,200 of its ordinary shares on 15 January 2020 which is considered to be the effective date of the re-purchase transaction. There is no change in the value of stated capital other than the reduction in number of shares resulting from the above transaction. Accordingly, total consideration paid to re-purchase of shares has been deducted from the retained earnings.

18.1.1 Share re-purchase cost

Following transaction costs relating to the re-purchase of 421,200 ordinary shares have been accounted for as a deduction from equity (retained earnings) in accordance with the Section 22.9 of Sri Lanka Accounting Standards for SMEs.

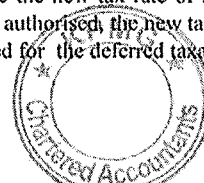
For the year ended,	Group/ Company	
	2020	2019
	Rs.	Rs.
Consultancy fees	10,000	-
Shareholder termination agreement fee	31,750	-
Share valuation from auditors	251,000	-
Solvency report from auditors	125,000	-
	<u>417,750</u>	<u>-</u>

As at 31 March,	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
19 Deferred Taxation				
Deferred tax asset (Note 19.1)	(9,376,687)	(10,356,445)	(9,376,687)	(10,356,445)
Deferred tax liability (Note 19.2)	54,517,925	54,295,714	54,517,925	54,295,714
	<u>45,141,238</u>	<u>43,939,269</u>	<u>45,141,238</u>	<u>43,939,269</u>
19.1 Deferred Tax Asset				
Balance as at the beginning of the year	10,356,445	9,107,956	10,356,445	9,107,956
Amount originated/(reversed) during the year to profit or loss	(979,758)	1,248,489	(979,758)	1,248,489
Balance as at the end of Year	<u>9,376,687</u>	<u>10,356,445</u>	<u>9,376,687</u>	<u>10,356,445</u>
19.2 Deferred Tax Liability				
Balance as at the beginning of the year	54,295,714	42,145,539	54,295,714	42,145,539
Amount originated during the year to profit or loss	222,211	12,150,175	222,211	12,150,175
Balance as at the end of Year	<u>54,517,925</u>	<u>54,295,714</u>	<u>54,517,925</u>	<u>54,295,714</u>

19.3 Deferred tax assets and liabilities are attributable to the following:

As at 31 March,	Group/Company			
	2020		2019	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
Deferred Tax Liabilities				
Property, plant & equipment	194,706,874	54,517,925	193,913,266	54,295,714
Deferred Tax Assets				
Employee benefits	(33,488,168)	(9,376,687)	(36,987,302)	(10,356,445)
	<u>161,218,706</u>	<u>45,141,238</u>	<u>156,925,964</u>	<u>43,939,269</u>

19.4 As instructed by the Ministry of Finance on 31 January 2020 and on 5 March 2020, a change in the income tax rate of a company from 28% to 24% has been proposed to the Inland Revenue Act No. 24 of 2007 (IRA), pending formal amendments being made to the Act and to be implemented with effect from 1 January 2020. Since the new tax rate of 24% has not been published through a gazette by the Parliament as at the date these Financial Statements were authorised, the new tax rate is not considered to be substantially enacted as at that date. Accordingly, the Company/Group has provided for the deferred taxation at the rate of 28% in the Financial Statements for the year ended 31 March 2020.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
<i>For the year ended 31 March 2020</i>				
20 Employee Benefits				
20.1 Defined Contribution Plans				
Employees' Provident Fund				
Employers' contribution	12,317,628	13,280,694	12,317,628	13,280,694
Employees' contribution	8,211,752	8,853,796	8,211,752	8,853,796
Employees' Trust Fund	2,769,171	2,903,921	2,769,171	2,903,921
20.2 Defined Benefit Plan				
The computation of provision is based only on Gratuity Act requirement as recommended by SLFRS for SMEs Section 28.18 - "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.				
<i>For the year ended 31 March,</i>				
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
20.3 Movement in the Present Value of Defined Benefit Obligations				
Balance as at the beginning of the year	36,987,302	32,528,413	36,987,302	32,528,413
Charge/ (reversal) for the year	(867,647)	1,576,778	(867,647)	1,576,778
Interest cost	2,935,427	3,452,316	2,935,427	3,452,316
Benefits paid (Note 20.3.1)	(5,566,852)	(570,205)	(5,566,852)	(570,205)
Balance as at the end of the year	33,488,230	36,987,302	33,488,230	36,987,302
20.3.1 Payments of gratuity made during the year ended 31 March 2020 include Rs 5,172,300/- paid to the Manager of Operation of the Company.				
20.4 Provision Recognised in the Statement of Profit or Loss and Other Comprehensive Income				
Charge/ (reversal) for the year	(867,647)	1,576,778	(867,647)	1,576,778
Interest cost	2,935,427	3,452,316	2,935,427	3,452,316
	2,067,780	5,029,094	2,067,780	5,029,094
20.5 Principal Actuarial Assumptions				
Discount rate	9.50%	11.00%	9.50%	11.00%
Staff turnover rate	10.00%	10.00%	10.00%	10.00%
Future salary increment rate	7.50%	10.00%	7.50%	10.00%
20.6 The Company has imposed a temporary salary cut-down for selected employees for a period of three months with effect from April 2020 considering the drop in revenue post COVID-19. However, as this is a temporary measure taken by the management, the gratuity liability as at 31 March 2020 has not been adjusted to reflect the impact from temporary salary revision subsequently to the reporting date.				
<i>As at 31 March,</i>				
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
21 Trade and Other Payables				
Financial				
Trade payables - related parties (Note 21.1)	6,227,979	7,980,455	4,219,225	-
Trade payables - other	32,909,388	40,940,693	32,637,888	35,622,944
Security deposits from trade debtors	1,854,878	1,854,878	1,854,878	1,854,878
	40,992,245	50,776,026	38,711,991	37,477,822
Non-financial				
Accrued expenses	27,790,887	23,560,957	26,410,903	23,151,949
Value Added Tax payable	-	12,441,384	-	12,441,384
Advances from employees to purchase motor bikes	1,242,066	3,254,977	1,242,066	3,254,977
Advances from customers (Note 21.2)	10,322,301	2,504,261	1,106,050	2,355,971
Other payables	5,034,351	5,692,754	5,032,025	4,734,222
NBT payable	-	1,998,352	-	1,880,960
	44,389,605	49,452,685	33,791,044	47,819,463
	85,381,850	100,228,711	72,503,035	85,297,285
21.1 Trade payables - related parties				
Nilkamal Limited	6,227,979	4,103,110	4,219,225	-
Cambro Nilkamal (Pvt) Ltd	-	3,877,346	-	-
	6,227,979	7,980,456	4,219,225	-

21.2 Advances from customers of the Group as at 31 March 2020 include an advance received by Nilkamal Eswaran Marketing (Pvt) Ltd amounting to Rs.8,909,676/- from Distilleries Company of Sri Lanka PLC.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
22 Related Party Payables				
Eswaran Brothers (Pvt) Ltd	113,005	627,694	113,005	627,694
Nilkamal Limited - Royalty Payable	1,640,723	1,987,698	1,640,723	1,987,698
Nilkamal Limited - Dividend Payable	33,696,478	-	33,696,478	-
Dividend Payable to Close Family Members of KMP	1,303,522	-	1,303,522	-
	<u>36,753,728</u>	<u>2,615,392</u>	<u>36,753,728</u>	<u>2,615,392</u>
23 Lease creditors				
Balance as at the beginning of the year	590,620	2,362,480	590,620	2,362,480
Lease rentals paid during the year	(590,620)	(1,771,860)	(590,620)	(1,771,860)
Balance as at the end of the year	-	590,620	-	590,620
Less: interest in suspense	-	(9,784)	-	(9,784)
Balance as at the end of the year	-	<u>580,836</u>	-	<u>580,836</u>
Due within one year	-	580,836	-	580,836
Due after one year	-	-	-	-
	-	<u>580,836</u>	-	<u>580,836</u>
24 Current Taxation				
Balance as at the beginning of the year	621,018	4,820,942	(2,873,843)	3,464,775
Current tax for the year	21,387,381	5,378,151	15,533,705	287,696
Over provision of current taxes in prior years	(1,104)	(1,730,229)	-	(1,554,908)
Withholding tax on inter company dividends	-	280,000	-	-
Payments made during the year	(6,426,960)	(2,659,250)	-	-
ESC Set Off against current tax	(9,071,067)	(5,385,543)	(8,408,327)	(4,988,353)
WHT Set Off against current tax	(676,057)	(83,053)	(676,057)	(83,053)
Balance as at the end of the year	<u>5,833,211</u>	<u>621,018</u>	<u>3,575,478</u>	<u>(2,873,843)</u>
Current tax assets	-	(2,873,843)	-	(2,873,843)
Current tax liabilities	5,833,211	3,494,861	3,575,478	-
	<u>5,833,211</u>	<u>621,018</u>	<u>3,575,478</u>	<u>(2,873,843)</u>

25 Contingent Liabilities

There were no significant contingent liabilities outstanding as at the reporting date which require adjustments or disclosures in the financial statements.

25.1. Litigation and claim

There were no pending litigation or claims as at the reporting date.

26 Related Party Transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per the section 33 of Sri Lanka Accounting Standards for SME - 'Related Party Disclosures'.

26.1 Parent and Ultimate Parent Party

The Company's immediate and ultimate controlling party is Nilkamal Limited which is incorporated in India.

26.2 Key Management Personnel (KMP)

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The Company has identified the Board of Directors of the Company, Board of Directors of the Parent and other members of the management team who hold significant authority and responsibility for planning, directing and controlling the entity's activities as KMP of the Company.

As the Company is the immediate parent of the Subsidiary, Nilkamal Eswaran Marketing (Pvt) Ltd, the Board of Directors of the Company has the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Accordingly the Board of Directors of the Company are KMP's of the Group.

NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

26 Related Party Transactions (Cont.)

26.2 Key Management Personnel (KMP) (Cont.)

26.2.1 Compensation of Key Management Personnel

For the year ended 31 March,

	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Short term benefits	16,924,843	18,254,280	16,924,843	18,254,280
Post employment benefits	409,128	553,785	409,128	553,785
	17,333,971	18,808,065	17,333,971	18,808,065

No other payments such as post employment benefits, termination benefits and share based payments have been paid to key management personnel during the year.

No loans have been given to the Directors of the Company.

26.2.2 Transactions with Close Family Members of Key Management Personnel

	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Shares re-purchased during the year (Note 18.1)	136,012,500	-	136,012,500	-
Final dividend for 2018/19	2,400,000	-	2,400,000	-
Interim dividend for 2019/20	1,303,522	-	1,303,522	-
	139,716,022	-	139,716,022	-

26.3 Transactions with Related Companies

Company Name	Nature of Transaction	Relationship	Transaction Amount 2019/20	Transaction Amount 2018/19
			Rs.	Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd	Net fund transfers to/(from) Plastics	Subsidiary	14,811,771	10,200,000
	Net customer deposits		-	(7,190,336)
	Purchase of furniture		108,820	-
	Dues NEMPL settled to the Company		21,260,851	-
	Dues the Company settled to NEMPL		(27,288,838)	-
Nilkamal Limited	Purchases from Nilkamal Limited	Parent	9,214,584	6,945,631
	Purchase of moulds		-	4,752,000
	Reimbursement of expenses		-	1,635,750
	Mould lease rentals paid to Nilkamal Limited		367,100	1,773,836
	Purchases of Capital Goods from Nilkamal India		1,359,410	530,381
	Exports to Nilkamal India		(1,645,056)	(7,637,725)
	Royalty charged by Nilkamal Limited		6,878,131	7,296,649
	Mould lease income from NKL		(2,450,100)	-
	Service fee paid		460,750	-
	Final dividend for 2018/19		7,600,000	-
	Interim dividend for 2019/20		33,696,478	-
Easwaran Brothers (Pvt) Ltd	Marketing service charges	Companies significantly influenced by KMP and their close family members	1,766,923	2,304,205
Good Value Eswaran (Pvt) Ltd	Sales		30,414,796	34,179,093
	Settlements		(31,725,035)	(35,790,616)
Good Value Marketing (Pvt) Ltd	Sales		-	72,773
	Settlements		-	(75,250)

Amounts due to and due from related companies are disclosed in Note 22 and 16 respectively. Trade payables to and receivables from related parties are disclosed in Note 21 and Note 15 respectively.

27 Capital Commitments

There were no significant capital commitments as at the reporting date which require adjustments or disclosures in the financial statements.



For the year ended 31 March 2020

28 Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.1. Credit Risk

Credit risk is the risk of financial loss to the 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, related parties, short term investments and cash and cash equivalents.

The Group trades with own distributors with bank guarantee and trades maximum up to the guarantee value. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Cash and cash equivalents are held with banks which have good ratings based on Fitch ratings.

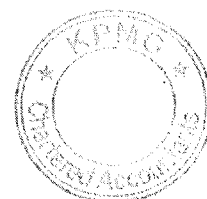
28.1.1 Credit Risk Exposure and Managing the Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

As at 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Trade and other receivables	184,910,038	223,311,985	170,889,346	207,746,262
Related party receivables	2,495,612	56,974	20,557,681	27,000,185
Cash & cash equivalents	119,064,455	110,432,673	118,057,968	110,244,180
	<u>306,470,105</u>	<u>333,801,632</u>	<u>309,504,995</u>	<u>344,990,627</u>

28.2 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

28 Financial Risk Management (Cont.)

28.2 Liquidity Risk (Cont)

Maturity Analysis

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group

As at 31 March 2020

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	40,992,245	-	-	40,992,245
Related party payables	36,753,728	-	-	36,753,728
Bank overdraft	446,610	-	-	446,610
	78,192,583	-	-	78,192,583

As at 31 March 2019

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	50,776,026	-	-	50,776,026
Related party payables	2,615,392	-	-	2,615,392
Lease creditors	580,836	-	-	580,836
Bank overdraft	3,516,847	-	-	3,516,847
	57,489,101	-	-	57,489,101

Company

As at 31 March 2020

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	38,711,991	-	-	38,711,991
Related party payables	36,753,728	-	-	36,753,728
Bank overdraft	446,610	-	-	446,610
	75,912,329	-	-	75,912,329

As at 31 March 2019

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	37,477,822	-	-	37,477,822
Related party payables	2,615,392	-	-	2,615,392
Lease creditors	580,836	-	-	580,836
	40,674,050	-	-	40,674,050

28.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



For the year ended 31 March 2020

28 Financial Risk Management (Cont.)

28.3 Market Risk (Cont.)

28.3.1 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk arising mainly from foreign currency denominated in a currency other than the respective functional currencies of Company. The currencies in which these transactions primarily are denominated in USD.

The Company's exposure to foreign currency risk is as follows;

<i>As at 31 March 2020</i>	Group		Company	
	USD	Converted to LKR	USD	Converted to LKR
Related Party receivables	13,500	2,450,100	13,500	2,450,100
Trade payables	(78,419)	(14,791,439)	(78,419)	(14,791,439)
Trade payables-related party	(33,233)	(6,227,979)	(22,369)	(4,219,225)

<i>As at 31 March 2019</i>	Group		Company	
	USD	Converted to LKR	USD	Converted to LKR
Related Party payables	(86,690)	(15,604,250)	(42,119)	(7,541,362)
	<u>(86,690)</u>	<u>(15,604,250)</u>	<u>(42,119)</u>	<u>(7,541,362)</u>

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

28.3.2 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

Management of Interest Rate Risk

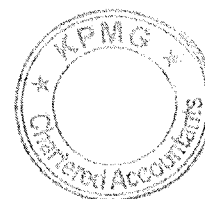
The Company's investment decisions in interest bearing assets are controlled by the higher level authorities appointed by the Board of Directors and they are advised and guided only to invest in secured and regulated investment sources.

28.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.
- Compliance with regulatory and other legal requirements.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

29 Fair values of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group

As at 31 March,

	2020		2019	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial assets at amortised cost				
Trade and other receivables	184,910,038	184,910,038	223,311,985	223,311,985
Related party receivables	2,495,612	2,495,612	56,974	56,974
Cash and cash equivalents	119,064,455	119,064,455	110,432,673	110,432,673
	306,470,105	306,470,105	333,801,632	333,801,632
Financial liabilities at amortised cost				
Lease creditors	-	-	580,836	580,836
Trade and other payables	40,992,245	40,992,245	50,776,026	50,776,026
Related party payables	36,753,728	36,753,728	2,615,392	2,615,392
Bank overdraft	446,610	446,610	3,516,847	3,516,847
	78,192,583	78,192,583	57,489,101	57,489,101

Company

As at 31 March,

	2020		2019	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial assets at amortised cost				
Trade and other receivables	170,889,346	170,889,346	207,746,262	207,746,262
Related party receivables	20,557,681	20,557,681	27,000,185	27,000,185
Cash and cash equivalents	118,057,968	118,057,968	110,244,180	110,244,180
	309,504,995	309,504,995	344,990,627	344,990,627
Financial liabilities at amortised cost				
Lease creditors	-	-	580,836	580,836
Trade and other payables	38,711,991	38,711,991	37,477,822	37,477,822
Related party payables	36,753,728	36,753,728	2,615,392	2,615,392
Bank overdraft	446,610	446,610	-	-
	75,912,329	75,912,329	40,674,050	40,674,050

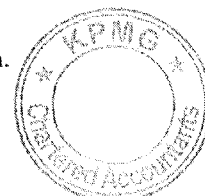
The methods and assumptions used to estimate the fair values of the financial instruments are as follows:

a) Cash and cash equivalents – The carrying amount of cash and cash equivalents approximate its fair value due to the relatively short maturity of the financial instruments.

b) Trade and other receivables, Related party receivables, Lease creditors, Trade and other payables, Related party payables and Bank overdraft - The carrying amount of these financial assets and liabilities approximate its fair value due to the relatively short maturity of the financial instruments.

30 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.



For the year ended 31 March 2020

31 Events Occurring After the Reporting Date

There were no material events occurring after the reporting date as at 31 March 2020 that require adjustments to or disclosure in the Financial Statements, other than the following;

a). On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. Businesses may be negatively impacted due to the overall negative economic conditions caused by the pandemic. The financial reporting effects of the COVID-19 outbreak have been considered as adjusting events.

In light of the COVID-19 outbreak, the Group has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Group had suspended operations on 20 March 2020 and restarted its operation in limited manner on 17 April 2020 with skeleton staff. The Group is regularly monitoring the situation and operations are being increased up to full capacity level in a phased manner.

On the 30 April 2020, the Board of Directors of the Group approved revised forecasts for the year ending 31 March 2021. These new forecasts incorporated the potential impact of COVID 19 outbreak on the business. Although these forecasts do reflect a decrease in profitability compared to pre COVID 19 budgets, the management is confident that such a decrease will not affect the going concern ability of the Group. The Group will continue to monitor any material changes on future economic conditions and amend the forecasts accordingly.

The Directors are unable to fully estimate the potential impact the outbreak could have on the Group's financial position, as of date of authorising these financial statements.

32 Board of Director's Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards for small and medium-sized entities laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.



NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
Revenue	917,084,170	972,886,588
Cost of sales	(650,822,327)	(708,600,210)
Gross Profit	266,261,843	264,286,378
Other income	7,989,040	7,444,112
Administrative expenses	(77,579,951)	(80,622,820)
Distribution expenses	(152,129,045)	(163,405,586)
Profit from Operations	44,541,887	27,702,084



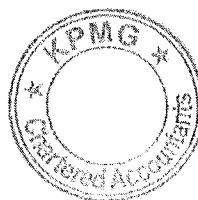
NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
<u>COST OF SALES</u>		
Inventory Movement	26,641,441	7,252,085
Import Related Expenses	(415,178)	1,507,213
Purchase-(Local)	-	195,926
Purchase MB Crates - (Imports)	2,742,044	2,901,868
Purchase MB Furniture - (Import)	8,001,114	14,082,507
Purchase Packing Material-(Import)	221,800	152,444
Purchase Packing Material - (Local)	7,419,364	10,362,784
Purchase RM - Crates (Imports)	56,898,023	86,556,195
Purchase RM - Furniture (Imports)	333,274,235	363,066,572
Purchase RM-Furniture(Local)	1,170,863	653,927
Purchase RM Crate - (Local)	3,318,481	1,315,980
Purchase - Semi Finished Goods	15,299,829	11,741,358
Purchase Fabrication Material	10,490,922	8,489,669
Sofa Fabric	7,856,392	10,662,014
Sofa Foam	9,742,808	11,371,897
Sofa Hardware	4,114,569	5,218,968
Sofa Machine	-	23,123
Sofa Material	22,400	38,370
Sofa Packing Material	897,337	764,300
Assembly Products Fabric	-	35,477
Assembly Products Form	-	31,957
Assembly Products Hardware	-	42,544
Special Allowance - Factory	431,798	488,755
Travelling Allowance - Factory	2,189,630	1,906,031
Sofa Labour	3,214,070	3,542,439
House Rent Allowance - Factory	198,000	194,000
Meal/Bun Allowance - Factory	24,255	30,095
Night Shift Allowance - Factory	30,900	32,300
Overtime - Factory	9,590,351	9,953,784
Salaries & Wages - Factory	26,360,829	31,969,561
Food Allowance - Factory	598,783	592,042
Hard Shift Allowance - Factory	211,900	209,000
Annual Leave Encashment - Production	2,321,995	1,977,708
Attendance Allowance - Factory	1,072,475	805,700
Bonus - Factory	2,442,000	2,558,198
Budgetory Allowance - Factory	1,648,934	1,723,308
Contract Wages	21,592,462	24,965,270
Allowance for Extra Hours - Factory	168,000	168,000
Related Expenses - Leased Moulds	34,018	297,410
Sofa Machine Rent	-	17,000
EPF 12% - Factory	4,689,074	5,807,837
ETF 3% - Factory	1,027,366	1,187,131
Increase of Inventory	(25,477)	-
Assembly Products Wood	-	233,022
Knock Down Product Hardware	-	1,662
Purchase - Semi Finished Goods - Crates	6,848,744	3,274,032
Sofa - Semi Finished Goods	4,850	87,000
Sofa Wood	5,581,793	7,400,119
Purchase - Finished Goods - Crates	564,212	121,145
Purchase - Local Furniture-Sofa	-	(38,400)
Factory Consumables	1,721,004	1,250,352
Dep'n on Crates Moulds	10,378,279	10,830,829
Dep'n on Plant, Machi & Equip	29,611,555	28,104,333
Electricity	22,197,229	24,004,402



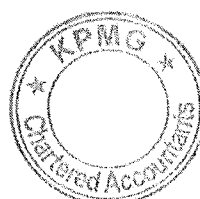
NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
<u>COST OF SALES (Cont.)</u>		
Loading/Unloading Crate	58,510	48,500
Loading/Unloading Furniture	7,800	1,700
Mould Lease Rent	367,100	1,773,836
Plant & Machinery Maintenance	4,201,721	5,285,730
Screen Printing - Crates	618,017	426,930
Water Bill Expenses	590,929	804,483
Crate Washing & Cleaning Charges	253,554	97,788
Sofa Repair Charges	800	-
Sofa Stool	21,068	-
Loading/Unloading on Purchases	1,000	-
Powder Coating Chagres	2,246,355	-
Fabricated Outside Work	30,000	-
	650,822,327	708,600,210
<u>ADMINISTRATIVE EXPENSES</u>		
EPF 12%-Office	1,911,346	1,826,330
ETF 3%-Office	477,836	457,082
Accomodation - Crate	1,129,002	1,452,727
Salaries - Administration	9,933,136	9,687,254
Bonus-Office	660,000	720,345
Staff Welfare - Crate	-	11,782
Staff Welfare - Fabricated	40,390	26,910
Budgetary Allowance-Admin	236,533	320,484
Food Allowance - Admin	762,200	759,250
Overtime-Office Staff	29,844	107,141
Special Allowance - Admin	1,380,486	1,363,664
Traveling Allowance Admin	2,431,351	1,999,470
Gratuity	2,067,780	5,029,094
Accomodations	297,160	291,446
Annual Leave Encashment - Admin	894,621	891,971
Audit - External	1,137,074	1,186,465
Audit-Internal	824,000	824,000
Books & Periodicals	45,400	43,160
Building Maintenance	1,380,403	794,682
Charity & Donations	30,000	102,800
Computer Consumables	194,814	146,223
Container Washing & Cleaning Chgs.	197,138	118,447
House Rent- Admin	318,000	318,000
Insurance Expences	4,743,741	4,452,832
Legal & Consultancy Fees	499,496	89,000
Licence Fee	206,094	95,503
Medical Expenses	153,443	227,281
Miscellaneous Expenses	55,118	89,635
Office Maintenance	8,534,177	8,393,674
Postage,Stamp & Courier	246,946	274,698
Printing & Stationery	114,557	80,825
Rates & Taxes	2,435,454	1,713,384
Secretarial Fees	111,061	97,698
Security Expences	5,527,599	4,678,959
Staff Welfare	1,244,394	1,825,147
Stamp Duty	72,250	80,125
Telephone & Fax	1,526,686	1,943,969
Traveling Expences - Crate	80	1,200
Traveling Expences - Furniture	512,173	584,776
Vehicle Maintenance Ex - Crate	485,866	406,149



NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
<u>ADMINISTRATIVE EXPENSES (Cont.)</u>		
Foreign Travelling Ex - Crate	304,786	613,338
Foreign Travelling Ex - Furniture	230,015	379,570
Vehicle Maintenance Ex - Furniture	1,087,254	875,105
Fuel Expenses - Furniture	1,364,610	1,342,737
Vehicle Hiring - Furniture	1,284,000	1,239,000
Seminar & Training - Furniture	75,570	9,650
Vehicle Hiring - Crate	-	134,360
Building Maintenance- New Sofa Area	2,200	5,000
Payroll Outsourcing Fee	68,556	75,994
Postage, Stamp & Courier - Crate	490	1,413
Sofa Warranty Provision Charge	(191,250)	(511,125)
Staff Recruitment Ex - Crate	42,600	41,030
Vehicle Maintenance Ex - Sofa	-	1,900
Lawyer Fee for Court Case	-	66,500
Tab & Phone Repair	107,747	47,850
Lawyer Fee for Court Case Furniture	4,500	-
Lawyer Fee for Court Case Sofa	55,000	-
Depreciation on Other Fixed Assets	-	22,786,916
Depreciation on Buildings	9,565,182	-
Depreciation on Computer Elec. Equipments	660,826	-
Depreciation on Computer Software	2,206,371	-
Depreciation on Furnitures	363,606	-
Depreciation on Motor Vehicles	6,758,173	-
Depreciation on Office Equipments	693,665	-
Staff Recruitment Ex - Furniture	48,401	-
	77,579,951	80,622,820
<u>DISTRIBUTION EXPENSES</u>		
EPF 12%-Crate	2,193,431	2,075,110
EPF 12%-Sales	3,523,778	3,571,417
ETF 3%-Crate	383,024	367,354
ETF 3%-Sales	880,944	892,354
Bonus Crates	693,000	831,141
Salaries-Crates	10,773,624	10,331,638
Salaries-Sales	19,175,540	19,287,653
Annual Leave Encashment-Crate	781,935	671,256
Annual Leave Encashment-S & D	1,305,217	1,658,242
Bonus-Marketing	1,265,000	1,329,895
Budgetary Allowance-Sales	1,097,671	1,139,137
Budgetary Relief Allowance-Crate	151,317	230,983
Food Allowance-Crate	178,234	196,150
Food Allowance-Sales	1,141,107	1,159,760
House Rent Allowance-Crate	42,000	42,000
Export Charges - Furniture	99,613	225,607
Bad Debts Account	-	690,018
Advertising - Outdoor	214,195	227,500
Distributor Sales Incentives	6,526,703	8,484,818
Expences - Fish Market	169,651	198,621
Fuel Expences - Sales	2,589,522	2,667,908
Fuel Expenses - Crate	892,572	923,116
House Rent- Sales	317,264	274,000
Marketing Service Charges	1,766,923	2,304,205
Overtime-Sales	189,085	349,793
Royalty	6,878,131	7,296,649
Slow Moving Stock	-	466,238
Special Allowance-Crate	180,270	199,114



NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
<u>DISTRIBUTION EXPENSES (Cont.)</u>		
Special Allowance-Sales	3,432,885	3,513,014
Traveling Allowance - Sales	2,619,264	2,496,760
Travelling Allowance - Crate	-	346,918
Tender Expences	144,059	110,072
Sales Incentives - Crate	52,119	90,596
Promotions & Events - NPD	51,042	11,300
VAT on Sample Issues - Furniture	91,018	80,408
Fields Sales Expences - Crate	243,053	269,940
Advertising Expenses - Furniture	17,880	262,247
Promotions of Crates	305,564	301,717
Transport Charges - Crates	3,574,470	3,625,109
Fields Sales Expenses - Furniture	3,862,001	3,475,850
Promotions & Events - Furniture	14,124,222	4,886,027
Sales Incentives - Furniture	7,112,005	9,528,898
Transport Charges - Furniture	18,569,321	20,148,782
Bad Debts Account - Furniture	1,906,762	(1,976)
VAT on Sample Issues - Crate	3,437	5,854
Nation Building Tax Expenditure	11,296,425	19,165,994
Bad Debts Account - Crate	32	18
Fields Sales Expenses - Fabricated	136,201	4,715
Fuel Expences - Sofa	238,968	270,877
Tender Expences - Crate	20,950	28,825
Training, Seminar & Workshops - S & D	479,259	1,796,947
Bad Debts Account - Sofa	42	(126)
Export Charges - Crate	64,280	1,426,868
Fields Sales Expenses - Knock Down	500	900
Fields Sales Expenses - Sofa	175,646	108,085
Promotions & Events - Sofa	348,997	186,055
Sales Incentives - Sofa	460,375	583,900
Sales Incentives - Crate - Institutional	310,840	583,455
Sales Incentives-Institutional	2,847,490	7,097,371
Sales Incentives - Institutional -Sofa	-	25,500
Settlement Discounts (2 to 30 Days)-1.5%	536,062	601,018
Settlement Discounts (Immediately)-2%	921,914	206,245
Settlement Discounts (Immediately)-2.5%	3,465,858	4,249,468
Settlement Discounts (Immediately)-3%	12,094	36,959
Settlement Discounts -Sofa-2.5%	3,351	3,128
Transport Charges - Fabricated	388,098	261,690
Transport Charges - Sofa	2,250,039	3,179,603
Travelling for Sales - Furniture	4,888,198	5,517,871
Travelling for Sales - Sofa	540,000	540,000
Written Off Unclaimed VAT - 11% - SOFA	-	3,498
Written Off Unclaimed VAT - 15% - CRATE	18,351	16,911
Written Off Unclaimed VAT - 15% - FAB	-	27,896
Written Off Unclaimed VAT - 15% - FUR	3,863	118,730
Written Off Unclaimed VAT - 15% - Sofa	97,589	130,371
Daraz Sales Commission	18,541	15,801
Excess balance written off -Sofa	-	(113,380)
Transport Charges - Powder Coating & Other	358,230	87,200
Export Charges - Sofa	175,139	-
Travelling Allowance-Crate	445,224	-
Discount for Slow Moving Stock	1,516,400	-
Online Courier Chagres	(4,043)	-
Online Sales Commission	3,387	-
Utility Expences Crate	435,555	-



NILKAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

<i>For the year ended 31 March,</i>	Company	
	2020 Rs.	2019 Rs.
<u>DISTRIBUTION EXPENSES (Cont.)</u>		
Advertising Expenses - Fabricated	120,483	-
Settlement Discounts (16 to 30 Days)-1%	12,377	-
Settlement Discounts (1 to 15 Days)-1.8%	21,254	-
Written Off Unclaimed VAT - 8%- Crate	2,223	-
	<u>152,129,045</u>	<u>163,405,586</u>

