

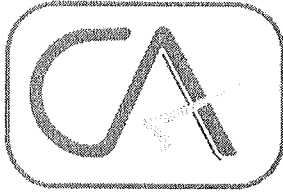
NILKAMAL FOUNDATION

BALANCE SHEET

F. Y. 2022 - 2023

A.Y. 2023 - 2024





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, 2023, the Statement of Income and Expenditure Account and Cash Flow statement for the year ended 31st March 2023, 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 2023
- (b) In the case of the Profit and Loss Account, of the Loss 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 other wise 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

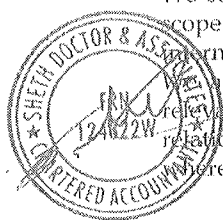
Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors report that include our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee 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 auditors 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,2020 ("the CARO 2020 Order") issued by the Central Government in terms of the Section 143(11) of the Act, is not applicable to the Company.
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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on Mar 31,2023 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 23036056BGQOUW9662


Paresh S Doctor
Proprietor
Membership No. 036056

Mumbai.
Date : 18/5/2023



NILKAMAL FOUNDATION

BALANCE SHEET

As AT 31st MARCH, 2023

(Rupees in Lakhs)

	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Current Assets			
Cash & Cash Equivalents	1	7.03	165.75
Bank Balance other than Cash and Cash equivalents	2	-	60.00
Other Current Assets	3	3.97	5.09
TOTAL ASSETS		11.00	230.84
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	4	0.01	0.01
Other Equity	5	10.81	230.65
LIABILITIES			
CURRENT LIABILITIES			
Other Payables	6	0.18	0.18
Other current Liabilities	7	-	-
TOTAL EQUITY AND LIABILITIES		11.00	230.84

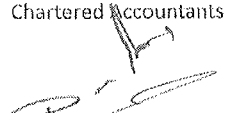
Basis of Preparation, measurement and significant accounting policies

12

The accompanying notes are an integral part of these financial statements

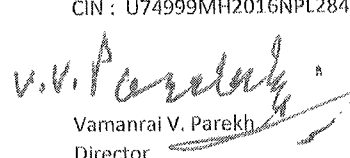
As per our report of even date

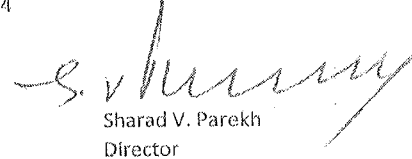
FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants


Paresht S. Doctor
Proprietor
Membership No. 36056

Place : Mumbai
Date: 18th May 2023
UDIN : 230360568GQOUW9662

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 FOUNDATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2023

(Rupees in Lakhs)


Note	Year Ended	
	31st March, 2023	31st March, 2022
INCOME		
Donation Received 8	25.00	100.00
Other Income 9	2.49	27.29
TOTAL INCOME	27.49	127.29
EXPENDITURE		
Program Expense 10	247.00	421.00
Other Expense 11	0.33	0.28
TOTAL EXPENSES	247.33	421.28
Excess / (Shortfall) of income over expenditure [A]	-219.84	-294.00
OTHER COMPREHENSIVE INCOME FOR THE YEAR [B]		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [A-B]	-219.84	-294.00
Earnings/ (Loss) per equity share		
Basic & Diluted(In Rupees)	-2,19,842.86	-2,93,998.44
(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

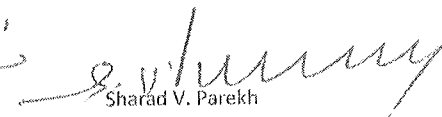
FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants

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


Paresht S. Doctor
Proprietor
Membership No. 36056

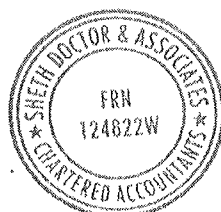


Vamanrai V. Parekh
Director
DIN : 00037519



Sharad V. Parekh
Director
DIN : 00035747

Place : Mumbai
Date: 18th May 2023
UDIN : 23036056BGQOUW9662



NILKAMAL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2023

(Rupees in Lakhs)

	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess/ (Shortfall) of income over expenditure	-219.84	-294.00
Adjustments for:		
Interest Income	-2.49	-27.29
Changes in Working Capital		
Increase/ (Decrease) in current assets	-	242.31
Increase/ (Decrease) in current liabilities	-	-100.56
Increase/ (Decrease) in other bank balances	60.00	290.00
Direct Taxes Paid	1.04	-1.34
Net cash generated from/ (used in) operating activities - [A]	-161.29	109.12
B. CASH FLOWS FROM INVESTING ACTIVITIES - [B]		
Interest Received	2.56	27.57
	2.56	27.57
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid		
Net cash (used in)/ generated from financing activities - [C]	-	-
Net Increase/ (Decrease) in Cash And Cash equivalents - [A + B + C]	-158.72	136.69
ADD: Cash and Cash equivalents at the beginning of the year	165.75	29.06
Cash And Cash equivalents at the end of the year	7.03	165.75

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

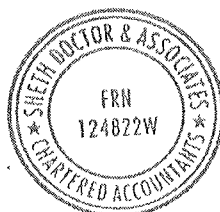
Parish S. Doctor
Proprietor
Membership No. 36056

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

Director
Vamanrai V. Parekh
DIN : 00037519

Director
Sharad V. Parekh
DIN : 00035747

Place : Mumbai
Date: 18th May 2023
UDIN : 23036056BGQOUW9662



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1] CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	6.86	165.59
Cash On hand	0.16	0.16
	7.03	165.75

2) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Bank Deposits having original maturity period 3-12 Months		60.00
	-	60.00

3] OTHER CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Interest Receivable		0.08
Income Tax Paid	3.97	5.01
Bank Deposit having Original maturity more than 12 months		
	3.97	5.09

4] EQUITY SHARE CAPITAL

	As at 31st March, 2023	As at 31st March, 2022
Authorised 100 equity shares of Rs. 10 each	0.01	0.01
Issued, subscribed and fully paid up 100 equity shares of Rs. 10 each	0.01	0.01
	0.01	0.01

a) Reconciliation of the number of shares

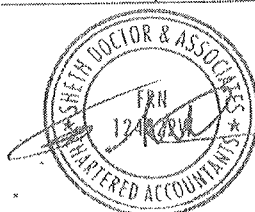
	As at 31st March, 2023		As at 31st March, 2022	
Equity shares	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100	0.01	100	0.01
Add / (Less):				
Balance at the end of the year	100	0.01	100	0.01

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 object 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, 2023	As at 31st March, 2022
Equity shares of Rs.10 each held by:		
99 shares are held by Nilkamal Limited, the holding company *	990.00	980.00
1 share is held by Nilkamal Bitos Storage Sysytem Private Limited *		10.00
1 share is held by Cambro Nilkamal Private Limited	10.00	10.00



* Nilkamal Limited has received order from the Hon'ble National Company Law Tribunal, Ahmedabad Bench and Hon'ble National Company Law Tribunal, Mumbai Bench on 12th April, 2023 and 15th March, 2023 respectively, approving the Scheme of Amalgamation of Nilkamal Storage Systems Private Limited (NSSPL) with the Nilkamal Limited and their respective shareholders. The Appointed Date for the amalgamation is 1st October, 2022. Hence From 1st October 22 1 Shares held by Nilkamal storage systems Pvt Limited has been considered as held by Nilkamal Limited.

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

	As at 31st March, 2023	As at 31st March, 2022
Number of shares of Rs. 10 each held by:		
Nilkamal Limited, the holding company	990.00	980.00
% of holding	99%	98%

5) OTHER EQUITY

	Retained Earnings	Retained Earnings
As at 1st April, 2022	230.65	524.65
Excess of Income over expenditure for the year	-219.84	-294.00
As at 31st March, 2022	10.81	230.65

6) OTHER PAYABLES

	As at 31st March, 2023	As at 31st March, 2022
Trade Payables	0.18	0.18
	0.18	0.18

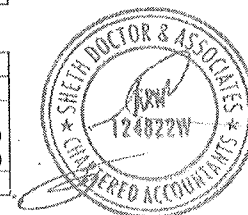
2021-22	Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	
Undisputed MSME							
Undisputed Others	0.18						0.18
Disputed dues - MSME							
Disputed dues - Others							

2020-21	Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	
Undisputed MSME							
Undisputed Others	0.18						0.18
Disputed dues - MSME							
Disputed dues - Others							

	As at 31st March, 2023	As at 31st March, 2022
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.	-	-

7) OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Fund held in corpus donation	25.00	100.00
Less : Spend for Specific Purpose	-25.00	-100.00
	-	-



8] DONATIONS RECEIVED

	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Voluntary Contributions (From holding Company & Associates - Note No. 4(b))	25.00	100.00
	25.00	100.00

9] OTHER INCOME

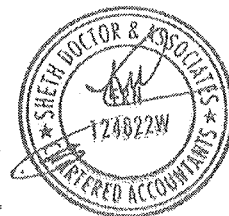
	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Interest Received - FD	1.79	26.11
Interest Received - SB	0.59	1.07
Interest received on Income Tax refund	0.10	0.10
	2.49	27.29

10] PROGRAM EXPENSES

	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Donations Paid	247.00	421.00
	247.00	421.00

11] OTHER EXPENSES

	For the period ended 31st March, 2023	For the period ended 31st March, 2022
Bank Charges	0.00	0.01
ROC Fees	0.14	0.08
Audit Fees	0.18	0.18
Other expense	0.00	
Professional Fees	0.02	0.02
	0.33	0.28



NILKAMAL FOUNDATION

12. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

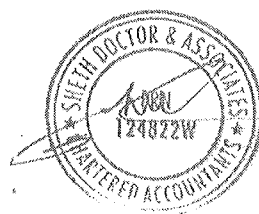
a) BASIS OF PREPARATION

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 donor for carrying out the CSR activities of the Company.

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

b. Expenses

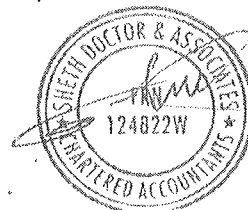
All expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

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. In accordance with direction received from the Holding Company, during the year Company has transferred sum of Rs100 lakhs received in earlier years towards corpus donation to Income & Expenditure account.

5. RELATED PARTY DISCLOSURES

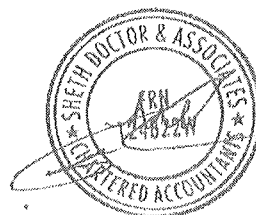
Enterprises exercising control

- a. Holding Company: Nilkamal Limited

- b. Other related parties with whom transactions have taken place:
NIL

Disclosure of transactions between the company and related parties and the status of outstanding balance as in 31st March, 2023

Name of The Party	Year ended 31 st March, 2023 (Rs. in Lacs)	Year ended 31 st March, 2022 (Rs. in Lacs)
a. Holding Company Nilkamal Limited		
Donations received	Rs. 25.00	
Corpus Fund Transfer		Rs. 100.00
Fund Held in Corpus Donation	-	
Purchase for Program	-	




6. EARNINGS PER SHARE HAS BEEN COMPUTED AS UNDER

	Year Ended 31 st March, 2023 (Rs.)	Year Ended 31 st March, 2022 (Rs.)
Excess/ (Shortfall) of income over expenditure for the year	219.84 lacs	(294.00 lacs)
Weighted average number of equity share outstanding	100	100
Earnings per share (Rs.) – basic and diluted (face value of Rs 10 per share)	(-)219842.86	(-)293998.44


As per our report of even date

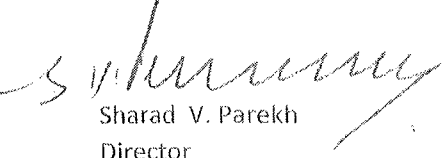
FOR SHETH DOCTOR & ASSOCIATES
Firm Registration No. 0124822W
Chartered Accountants


Paresh S. Doctor
Proprietor
Membership No. 36056

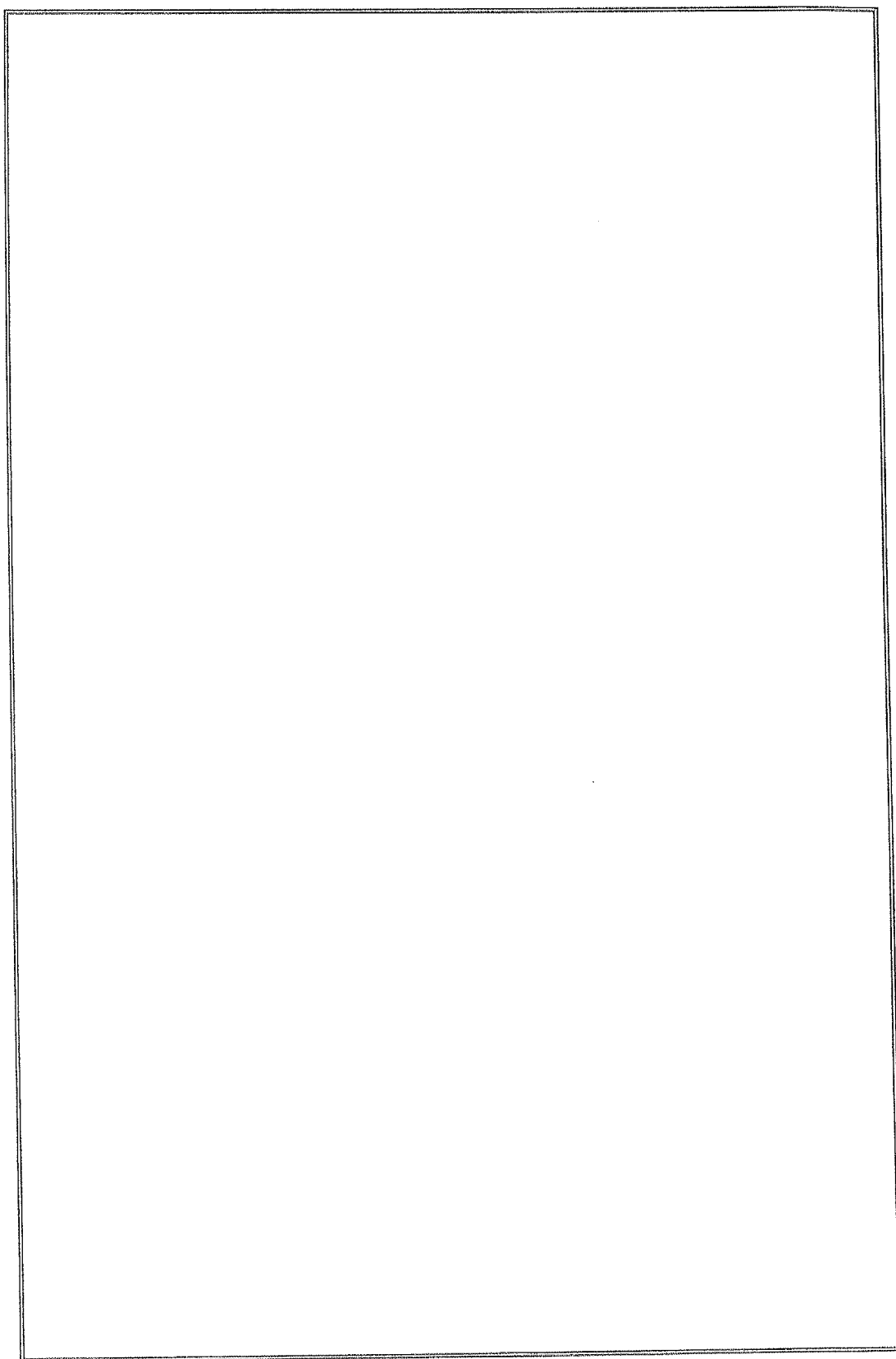
Place : Mumbai
Date: 18th May 2023
UDIN : 23036056BGQOUW9662

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 2023

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 2023

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NILKAMAL CRATES & BINS FZE

Manager's Report

The manager submits his report and accounts for the year ended 31 March 2023.

Results and dividend

The profit for the year amounted to AED 2,790,325/-.

To conserve the financial resources of the company, no dividend is proposed by the director for the year.

Review of the business

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

Events since the end of the year

There were no significant events, which have occurred since the year-end that materially affect the establishment.

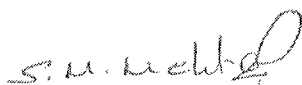
Shareholder and its interest

The sole shareholder, at 31 March 2023 and its interest, as of that date, in the share capital of the establishment, was as follows:

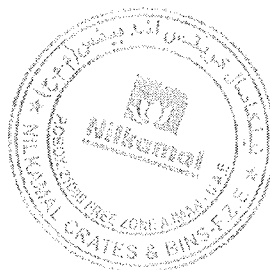
<u>Name of the shareholder</u>	<u>Country of incorporation</u>	<u>No. of share</u>	<u>AED</u>
Nilkamal Limited (Represented by Mr. Saumil Mukund Mehta)	India	1	185,000

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.



Mr. Saumil Mukund Mehta
Manager



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 "establishment"), which comprises of the statement of financial position as at 31 March 2023, 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 establishment as of 31 March 2023 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 Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

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

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

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

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.

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

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

Responsibilities of Management and Those Charged With Governance for the Financial Statements (contd.)

In preparing the financial statements, management is responsible for assessing the establishment'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 establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the establishment'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 establishment's internal control.
- 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 establishment'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 establishment 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)



28 April 2023

NILKAMAL CRATES & BINS FZE

Statement of Financial Position

At 31 March 2023


	<i>Notes</i>	<i>2023 AED</i>	<i>2022 AED</i>
ASSETS			
Non-current assets			
Fixed assets	6	<u>124,831</u>	<u>111,160</u>
Current assets			
Inventories	7	3,949,181	2,132,410
Trade and other receivables	8	3,383,134	3,359,130
Prepayments		68,957	71,248
Cash and bank balances	9	<u>4,228,534</u>	<u>2,516,057</u>
		<u>11,629,806</u>	<u>8,078,845</u>
TOTAL ASSETS		<u>11,754,637</u>	<u>8,190,005</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	185,000	185,000
Statutory reserve	11	92,500	92,500
Accumulated profits		<u>8,300,978</u>	<u>5,510,653</u>
Total equity		<u>8,578,478</u>	<u>5,788,153</u>
Non-current liability			
Staff end of service gratuity		<u>138,144</u>	<u>326,085</u>
Current liabilities			
Trade and other payables	12	3,038,015	1,575,767
Dividend payable	16	-	500,000
		<u>3,038,015</u>	<u>2,075,767</u>
TOTAL EQUITY AND LIABILITIES		<u>11,754,637</u>	<u>8,190,005</u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 to 3.

Approved by the board of directors on 28th April 2023 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 2023

	<i>Notes</i>	<i>2023 AED</i>	<i>2022 AED</i>
Sales	16	19,987,729	14,128,212
Cost of sales	13	(14,683,362)	(10,489,325)
Gross profit		5,304,367	3,638,887
Expenses	14	(2,612,110)	(2,202,542)
Profit from operating activities for the year		2,692,257	1,436,345
Other income	15	98,068	61,515
Profit for the year		2,790,325	1,497,860
Other comprehensive income		-	-
Total comprehensive income		<u>2,790,325</u>	<u>1,497,860</u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Changes in Equity
for the year ended 31 March 2023

	<i>Share capital <u>AED</u></i>	<i>Statutory reserve <u>AED</u></i>	<i>Accumulated profits <u>AED</u></i>	<i>Total <u>AED</u></i>
As at 31 March 2021	185,000	92,500	4,512,793	4,790,293
Profit for the year	-	-	1,497,860	1,497,860
Dividend	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
As at 31 March 2022	185,000	92,500	5,510,653	5,788,153
Profit for the year	<u>-</u>	<u>-</u>	<u>2,790,325</u>	<u>2,790,325</u>
As at 31 March 2023	<u>185,000</u>	<u>92,500</u>	<u>8,300,978</u>	<u>8,578,478</u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

Statement of Cash Flows
for the year ended 31 March 2023

	<i>Notes</i>	2023 AED	2022 AED
<u>Cash flows from operating activities</u>			
Profit for the year		2,790,325	1,497,860
Adjustment for:			
Profit on sale of fixed assets		(6,973)	-
Provision for staff end of service gratuity		(187,941)	26,475
Depreciation		27,777	37,881
Operating profit before working capital changes		2,623,188	1,562,216
Changes in inventories		(1,816,771)	609,633
Changes in trade and other receivables		(24,005)	(493,169)
Changes in prepayments		2,291	7,175
Changes in trade and other payables		962,251	(446,430)
Net cash from operating activities		<u>1,746,954</u>	<u>1,239,425</u>
<u>Cash flow from investing activities</u>			
Purchase of fixed assets		(44,477)	(2,855)
Proceeds on sale of fixed assets		10,000	-
Changes in margin account		1,396,005	(1,396,005)
Net cash from/ (used in) investing activities		<u>1,361,528</u>	<u>(1,398,860)</u>
Net changes in cash and cash equivalents		3,108,482	(159,435)
Cash and cash equivalents at beginning of the year		<u>1,120,052</u>	<u>1,279,487</u>
Cash and cash equivalents at end of the year	17	<u>4,228,534</u>	<u>1,120,052</u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

NILKAMAL CRATES & BINS FZE

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

(Registration No. 26166)

Notes to the Financial Statements*for the year ended 31 March 2023***1. Legal status and business activity**

- a) **NILKAMAL CRATES & BINS FZE** ("The Establishment") is a Free Zone Establishment registered with the Ajman Free Zone, Ajman, U.A.E. on 09 August 2003 under the general trading license No. 1252.
- b) The establishment is registered to carry out activity of general trading / import and export. During the year, the establishment 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 2022 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 establishment 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 establishment'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 2023

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 establishment has a present right to payment and retains none of the significant risks and rewards of the goods.

■ Financing components

The establishment 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 establishment does not adjust any of the transaction prices for the time value of money.

■ Determining the transaction price:

The establishment'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 establishment, 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 establishment 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 establishment 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.

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.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2023

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 establishment'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 establishment 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.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The establishment 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:

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2023

New and revised International Financial Reporting Standards (continued)

- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 3 - References to the Conceptual
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41.

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 - Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 - Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 - Non-current liabilities with Covenants - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 - Liability in a sale and leaseback - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture – The effective date of the amendments is not yet stated.

The establishment 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 2023

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 establishment 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.

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)

The establishment'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.

iii. Classification and subsequent measurement of financial liabilities

The establishment'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

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 2023

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 establishment 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 establishment 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 establishment applies a simplified approach in calculating expected credit losses. The establishment 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.

e) **Impairment of non-financial assets**

The establishment 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 establishment estimates the asset's recoverable amount.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements for the year ended 31 March 2023

Impairment of non-financial assets (continued)

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.

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 establishment 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.

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.

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 establishment 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.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2023

k) Revenue recognition

Sales of goods

The establishment has mainly traded in plastic crates, pallets, material handling equipment, racking systems, bins, hospitality products 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 establishment 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.

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.

m) Dividend

Dividend is paid out of accumulated profits, when declared. Dividend declared for the year but not paid is disclosed under current liabilities

6. Fixed assets	<i>Furniture and office equipment <u>AED</u></i>	<i>Vehicles <u>AED</u></i>	<i>Total <u>AED</u></i>
Cost			
As at 01.04.2022	320,460	251,134	571,594
Additions during the year	44,477	-	44,477
Disposal during the year	<u>(34,500)</u>	<u>(50,592)</u>	<u>(85,092)</u>
As at 31.03.2023	<u>330,437</u>	<u>200,542</u>	<u>530,979</u>
Depreciation			
As at 01.04.2022	226,310	234,124	460,434
Charge for the year	23,325	4,452	27,777
Related to disposal	<u>(34,002)</u>	<u>(48,061)</u>	<u>(82,063)</u>
As at 31.03.2023	<u>215,633</u>	<u>190,515</u>	<u>406,148</u>
Net book value			
As at 31.03.2023	<u>114,804</u>	<u>10,027</u>	<u>124,831</u>
As at 31.03.2022	<u>94,150</u>	<u>17,010</u>	<u>111,160</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 2023 approximates to their net book values.

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2023

	<i>2023</i>	<i>2022</i>
	<i><u>AED</u></i>	<i><u>AED</u></i>
7. Inventories		
Inventories	2,822,930	2,436,446
Provision for slow moving inventories	<u>(378,000)</u>	<u>(378,000)</u>
	2,444,930	2,058,446
Goods in transit	<u>1,504,251</u>	<u>73,964</u>
	<u>3,949,181</u>	<u>2,132,410</u>
8. Trade and other receivables		
Trade receivables	3,290,397	3,110,095
Advance to suppliers	8,213	155,485
Staff advance	-	5,000
Other receivable	-	1,525
Deposits	<u>84,524</u>	<u>87,025</u>
	<u>3,383,134</u>	<u>3,359,130</u>
9. Cash and cash equivalents		
Cash on hand	640	7,578
Bank balances in:		
Current accounts	4,227,894	1,112,474
Margin accounts (<i>refer note 20</i>)	-	1,396,005
	<u>4,228,534</u>	<u>2,516,057</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 establishment. The establishment 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.		
	<i>2023</i>	<i>2022</i>
	<i><u>AED</u></i>	<i><u>AED</u></i>
12. Trade and other payables		
Trade payables (<i>refer note 16</i>)	2,349,914	1,339,745
Advance from customers	609,159	115,910
Accruals	23,644	38,453
Other payable	<u>55,298</u>	<u>81,659</u>
	<u>3,038,015</u>	<u>1,575,767</u>

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2023

	<i>2023</i>	<i>2022</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
13. Cost of sales		
Inventories at beginning of the year	2,436,446	2,464,910
Purchases (refer note 16)	13,269,444	8,871,968
Provision for slow moving inventories	-	178,000
Other direct costs	1,800,402	1,410,893
Inventories at the end of the year	<u>(2,822,930)</u>	<u>(2,436,446)</u>
	<u>14,683,362</u>	<u>10,489,325</u>
14. Expenses		
Manager's remuneration (refer note 16)	344,232	312,936
Staff salaries and benefits	1,042,192	717,477
Rent	308,895	291,755
Other administration expenses	884,439	808,545
Bad debts written off	4,575	33,948
Depreciation (refer note 6)	<u>27,777</u>	<u>37,881</u>
	<u>2,612,110</u>	<u>2,202,542</u>
15. Other income		
Exchange gain	73,095	35,695
Profit on sale of fixed assets	6,973	-
Miscellaneous income	<u>18,000</u>	<u>25,820</u>
	<u>98,068</u>	<u>61,515</u>
16. Related party transactions		

For the purpose of this financial statement, parties are considered to be related to the establishment, if the establishment 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 establishment 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</i>				
	<i>Managerial</i>	<i>Parent</i>	<i>Common</i>	<i>Total</i>	<i>Total</i>
	<i>Personnel</i>	<i>company</i>	<i>management</i>	<i>2023</i>	<i>2022</i>
	<i>2023</i>	<i>2023</i>	<i>control</i>	<i>2023</i>	<i>2022</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>	<u><i>AED</i></u>	<u><i>AED</i></u>	<u><i>AED</i></u>
Sales	-	19,688	-	19,688	-
Purchases	-	3,374,764	1,569,272	4,944,036	3,273,695
(refer note 13)					
Manager's remuneration	344,232	-	-	344,232	312,936
(refer note 14)					

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2023

Related party transactions (continued)

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

	<i>Common management control 2023 <u>AED</u></i>	<i>Parent company 2023 <u>AED</u></i>	<i>Total 2023 <u>AED</u></i>	<i>Total 2022 <u>AED</u></i>
Included in current liabilities:				
Trade payables (<i>refer note 12</i>)	362,439	119,613	482,052	322,232
Dividend payable	-	-	-	500,000
			<i>2023 <u>AED</u></i>	<i>2022 <u>AED</u></i>

17. Cash and cash equivalents

Cash on hand	640	7,578
Bank balances in:		
Current accounts	<u>4,227,894</u>	<u>1,112,474</u>
	<u>4,228,534</u>	<u>1,120,052</u>

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

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

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

a) Credit risk

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

Trade receivables

As at 31 March 2023, the establishment's maximum exposure to credit risk from trade receivables situated within U.A.E. amounted to AED 624,404/- due from one customer (*previous year AED 309,771/- due from one customer*).

There are no significant concentrations of credit risk from trade receivables situated outside U.A.E. and outside the industry in which the establishment operates.

Bank balances

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

NILKAMAL CRATES & BINS FZE

Notes to the Financial Statements
for the year ended 31 March 2023

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 establishment's income or the value of its holding of financial instruments.

Interest rate risk

Since the establishment 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 establishment's financial liabilities as of 31 March 2023.

<i>Non-derivative financial liabilities</i>	<i>Carrying amounts AED</i>	<i>Payable within next 12 months AED</i>	<i>Payable after 12 months AED</i>
Staff end of service gratuity	138,144	-	138,144
Trade and other payables:			
Trade payables	2,349,914	2,349,914	-
Advance from customers	609,159	609,159	-
Accruals	23,644	23,644	-
Other payable	<u>55,298</u>	<u>55,298</u>	<u>-</u>

19. Financial instruments: Fair values

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

<i>2023</i>	<i>2022</i>
<i>AED</i>	<i>AED</i>

20. Purchase commitment

Letters of credit ^a (refer note 9)	<u>-</u>	<u>1,296,644</u>
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^a Represented letter of credit issued by the bank and against which goods were shipped by the supplier during the year.

21. 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 2023**



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
Internet : www.kpmg.com/lk

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 2023, and the statement of profit or loss and 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 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 2023, 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.

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S.T.D. Perera FCA
Ms. B.K.D.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
T.J.S. Rajakumar FCA
Ms. S.M.B. Jayasekara FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
W.W.J.C. Perera FCA
W.K.D.C. Athayathero FCA
R.M.D.B. Rajapakse FCA
B.N.M. Shameel FCA
Ms. P.M.K. Sumanasekera FCA
Principal - S.R.I. Perera FCA(UK), LL.B, Attorney-at-Law, H.S. Gounawartha ACA,
Ms. F.R. Ziyad FCA(UK), FTA



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.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

18 May 2023

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

For the year ended 31 March,

	Notes	2023 Rs.	2022 Rs.
Revenue	5	29,620,730	52,220,378
Cost of sales		(13,528,838)	(34,524,720)
Gross profit		16,091,891	17,695,658
Administrative expenses		(647,685)	(970,969)
Distribution expenses		(252,573)	(838,335)
Profit from operations	6	15,191,634	15,886,354
Net finance income/ (expense)	7	2,428,819	(3,140,878)
Profit before taxation		17,620,453	12,745,476
Income tax expense	8	(5,223,006)	(3,491,403)
Profit for the year		12,397,447	9,254,073
Other comprehensive income for the year		-	-
Total comprehensive income for the year		12,397,447	9,254,073
Basic earnings per share	9	123,974	92,541

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

Figures in bracket indicate deductions.



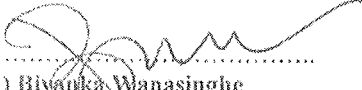
NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF FINANCIAL POSITION

As at 31 March,

	Notes	2023 Rs.	2022 Rs.
ASSETS			
Current assets			
Deferred taxation	10	-	881,280
Inventories	11	21,720,116	25,552,209
Trade and other receivables	12	8,953,261	9,737,273
Cash and cash equivalents	13	34,609,435	28,048,881
Total current assets		65,282,812	64,219,643
TOTAL ASSETS		65,282,812	64,219,643
EQUITY			
Stated capital	14	1,000	1,000
Retained earnings		62,149,827	49,752,380
Total equity		62,150,827	49,753,380
LIABILITIES			
Current Liabilities			
Trade and other payables	15	814,166	12,058,076
Related party payables	16	-	-
Current taxation	17	2,317,819	2,408,187
Total current Liabilities		3,131,985	14,466,263
TOTAL EQUITY AND LIABILITIES		65,282,812	64,219,643

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) Biyanka 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) Biyanka Wanasinghe
 Director


 (Sgd) Eassuwaran Deivanayagam
 Director

18 May 2023
 Colombo



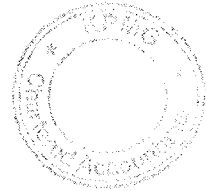
NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2021	1,000	40,498,307	40,499,307
Total comprehensive income for the year			
Profit for the year		9,254,073	9,254,073
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,254,073	9,254,073
Balance as at 31 March 2022	1,000	49,752,380	49,753,380
Balance as at 1 April 2022	1,000	49,752,380	49,753,380
Total comprehensive income for the year			
Profit for the year	-	12,397,447	12,397,447
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	12,397,447	12,397,447
Transactions with owners, recorded directly in equity			
Final dividend for 2022/23	-	-	-
Total transactions with owners of the Company	-	-	-
Balance as at 31 March 2023	1,000	62,149,827	62,150,827

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

Figures in bracket indicate deductions.



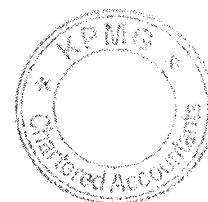
NILKAMAL ESWARAN MARKETING (PVT) LTD
STATEMENT OF CASH FLOWS

For the year ended 31 March,

	2023 Rs.	2022 Rs.
Cash flows from operating activities		
Profit before taxation	17,620,453	12,745,476
Adjustment for:		
Provision for slow moving inventories	1,599,766	2,374,141
Reversal for impairment of trade debtors	(48,873)	(161,430)
Interest expense	4,117	2,018
Operating profit before working capital changes	19,175,463	14,960,205
Decrease/(Increase) in inventories	2,232,327	(2,060,731)
Decrease in trade and other receivables	832,885	(358,414)
Decrease in trade and other payables	(11,243,910)	11,300,802
Decrease in related party payables	-	(7,252)
Cash generated from operations	10,996,765	23,834,610
Current tax paid	(4,432,094)	(2,733,214)
Interest paid	(4,117)	(2,018)
Net cash from operating activities	6,560,554	21,099,378
Cash flows from financing activities	-	-
Cash flows from investing activities	-	-
Net increase in cash and cash equivalents	6,560,554	21,099,378
Cash & cash equivalents at the beginning of the year	28,048,881	6,949,503
Cash & cash equivalents at the end of the year (Note 13)	34,609,435	28,048,881

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

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 all kinds of furniture 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 2023 are as follow:

Company	Nil (2021 – Nil)
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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.



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

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.

2.7 Assessment of implications of economic crisis of Sri Lanka and Going Concern Basis of Accounting

Sri Lanka has been facing a foreign exchange crisis due to adverse economic conditions which have grown from acute to severe during the financial year that ended on 31 March 2023. The Government of Sri Lanka is taking various measures to control the outflow of foreign exchange reserves of the country including restrictions on several imports and outward remittances. Despite the Government's measures to control foreign exchange outflows, the continual deterioration of foreign reserves is putting pressure on the exchange rate to depreciate in the market.

Further, there is still significant uncertainty over how the prevailing economic crisis will impact the Company's business in future periods and customer demand for its products in retail and industrial markets. Management has therefore modeled different scenarios considering a period of 12 months from the date of authorization of these financial statements. The assumptions modeled are based on the estimated potential impact of economic conditions and regulations and expected levels of consumer demand, along with management's proposed responses over the course of the period. This situation has not yet put severe pressure on the Company's liquidity position. Nevertheless, the Company is continuously monitoring the conditions to ensure a smooth flow of operations and working capital.

Based on the Company's liquidity position as at the reporting date, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities during the next 12 months from the date of authorizing these financial statements.

Accordingly, the Board of Directors has a reasonable confidence level that the Company has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

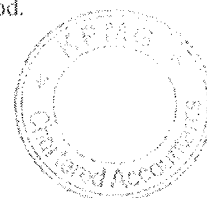
3. SIGNIFICANT ACCOUNTING POLICIES

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.



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

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

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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.

(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 purposes of the assets on which tax depreciation has been claimed and the net book value of a such asset, offset by the provision for employee benefit which is deductible for tax purpose only on payment.

3.3. Events occurring after the reporting date

The materiality of the events occurring after the reporting date has 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 Company 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, the Company 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 Company 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, the Company shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposals.



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

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

Trade and other receivables

Trade and other receivables and due from Related Parties are initially recognized at costs. Trade receivables 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 an insignificant risk of changes in value.

For the purpose of the 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, the Company 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 Company about the loss events.

3.5.3.1. Measurement

The Company 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
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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 comprise 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.

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



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

(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.

5. NEW ACCOUNTING STANDARDS

5.1. Standards Issued but Not Yet Effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)



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

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. There will be no impact on retained earnings on adoption of the amendments.

Other standards

- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1) - effective for annual periods beginning on or after 1 January 2023.
- SLFRS 17 Insurance Contracts and amendments to SLFRS 17 Insurance Contracts - effective for annual periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) - effective for annual periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates (Amendments to LKAS 8) - effective for annual periods beginning on or after 1 January 2023.



NILKAMAL ESWARAN MARKETING (PVT) LTD
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For the year ended 31 March,

	2023	2022
		Rs.
5. Revenue		
Sale of goods	29,620,730	52,220,378
	29,620,730	52,220,378

Revenue comprises the invoiced value of goods dispatched and accepted by the customers outside Nilkamal Group during the year.

Due to Covid-19 the Company started importing steam Inhaler products (besides the Crates & Bins) and sold them in the local market. Compared to last year the demand for steam products has reduced significantly and also due to the restrictions imposed by the Sri Lankan Government on imports of non-essential goods, the supply of the products also decreased. However, sales of Cambro segment products have increased compared to the prior year, mainly due to the import restrictions which have made the market supply significantly lower. The Company had the opportunity to sell the existing products for a high price.

6. Profit from operations

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

Directors' emoluments	Nil	Nil
Auditors' remuneration - audit and audit related services	280,000	235,000
- non-audit services	180,000	100,000
Secretarial Fees	168,001	197,034
Provision for impairment of slow moving stock (Note 11.1)	1,599,766	2,374,141

7. Net finance income

Finance income

Exchange gain

Interest on TB Repos

-

5,177,702

5,177,702

678,496

Finance expense

Interest expense

(4,117)

(2,018)

Bank charges

(28,955)

(129,747)

Exchange Loss (Note 7.1)

(2,715,810)

(3,687,609)

(2,748,883)

(3,819,374)

Net finance income

2,428,819

(3,140,878)

7.1 Sri Lankan Rupee (LKR) significantly depreciated against US Dollar (USD) from Rs. 299/- per USD as at 1 April 2022 to Rs. 327/- per USD as at 31 March 2023 as a result of foreign exchange crisis in Sri Lanka, which in turn has resulted in significant exchange losses during this year.

8. Income tax expense

Current tax (Note 8.1)

5,223,006

4,372,683

Over/Under tax adjustment

(881,280)

-

Deferred tax expense

Deferred tax assets (reversed)/ originated during the year

881,280

(881,280)

Deferred tax liability reversed/ (originated) during the year

-

-

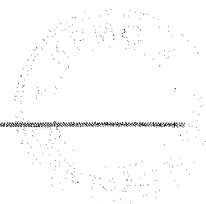
5,223,006

3,491,403

8.1 Reconciliation of the accounting profit and the income tax expense (upto 30.09.2022)

Profit before taxation	7,018,310	12,745,476
Disallowable expenses	(97,214)	5,884,712
Allowable expenses	(1,118)	(410,676)
Taxable income	6,919,978	18,219,512
Current tax at 24% on BI	1,660,795	4,209,844
Current tax at 24% on II	494,010	162,839
Total current tax expense for the period/year	2,154,805	4,372,683





For the year ended 31 March 2023

8. Income tax expense (Continued)

8.2 Reconciliation of the accounting profit and the income tax expense (from 01.10.2022 to 31.03.2023)

	2023 Rs.	2022 Rs.
Profit before taxation	5,424,438	-
Disallowable expenses	1,648,107	-
Allowable expenses	35,466	-
Taxable BI income	7,108,011	-
Taxable Investment Income	3,119,326	-
Current tax at 30% on BI	2,132,403	-
Current tax at 30% on II	935,798	-
	3,068,201.11	-
Total current tax expense for the year	5,223,006	-

8.3 As provided for in Section 29 of Sri Lanka Accounting Standard for SMEs - Income taxes, current tax liabilities (assets) for the current period and prior periods shall be measured at the amount expected to be paid to (recovered from) tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Further, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

As instructed by the Ministry of Finance a change to the Income Tax Rate of the Company, from 24% to 30% was implemented with effect from 01 st October 2022. As per the new tax rate legislated by the Inland Revenue Department (Amendment) Act no 45 of 2022. Accordingly, the Company has applied 24% for the profit for the six months ended 30 September 2022 and 30% to the profits for the six months ended 31 March 2023.

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.

For the year ended 31 March,

	2023	2022
Profit for the year (Rs.)	12,397,447	9,254,073
Weighted average number of ordinary shares	100	100
Basic earnings per share (Rs.)	123,974	92,541

10. Deferred Taxation

Deferred tax asset (Note 10.1)	-	881,280
		881,280

10.1 Deferred Tax Asset

Balance as at the beginning of the year	881,280	-
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Amount reversed during the year to profit or loss

Impact from change in tax rate (Note 10.3)	220,320	-
--	---------	---

Amount (reversed)/originated during the year	(1,101,600)	881,280
--	-------------	---------

	-	-
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Total amount reversed during the year to profit or loss	(881,280)	881,280
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Balance as at the end of Year	-	881,280
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10.2 Deferred tax assets are attributable to the following:

As at 31 March,

	2023		2022	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Tax Assets				
Tax Credit on unrealised exchange losses	-	-	(3,672,000)	(881,280)
	-	-	(3,672,000)	(881,280)
Deferred tax Asset		-		(881,280)
Applicable tax rate (Note 10.3)		30%		24%

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

For the year ended 31 March 2023

10. Deferred Taxation (Continued)

10.3 Change in tax rate

As provided for in Section 29 of Sri Lanka Accounting Standard for SMEs, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

As instructed by the Ministry of Finance a change to the Income Tax Rate of the Company, from 24% to 30% was implemented with effect from 01 st October 2022. As per the new tax rate legislated by the Inland Revenue Department (Amendment) Act no 45 of 2022

As at 31 March,

11. Inventories

Finished goods - Furniture
- Crates
Local Outsourcing Products

Less : Provision for slow moving inventories (Note 11.1)

11.1. Movement in Provision for Slow Moving Inventories

Balance as at the beginning of the year

Provision for the year

Balance as at the end of the year

11.2 The Company has mortgaged its stocks, with assignment over Trade Debtors, to obtain banking facilities as follows:

Name of the Bank	Facility	Security Value
Commercial Bank of Ceylon PLC	Fund based and non-fund based short term facilities	35,000,000

12. Trade and other receivables

Financial

Trade receivables (Note 12.1)

Refundable Deposits

Non-Financial

Prepayments

VAT receivables

Trade and Other Receivables

12.1. Trade Receivables

Trade receivables - Related Parties (Note 12.1.2)

Trade receivables - others

Provision for impairment of trade receivables (Note 12.1.1)

12.1.1. Provision for Impairment of Trade Receivables

Balance as at the beginning of the year

Write-back during the year

Reversal during the year

Write-off during the year

Provision for the year

Balance as at the end of the year

2023 Rs.	2022 Rs.
3,911,069	4,132,388
40,732,291	42,558,491
49,190	233,998
44,692,550	46,924,877
(22,972,434)	(21,372,668)
21,720,116	25,552,209
21,372,668	18,998,527
1,599,766	2,374,141
22,972,434	21,372,668
1,761,890	1,035,179
49,077	27,273
1,810,967	1,062,452
28,351	41,908
7,113,943	8,632,913
7,142,294	8,674,821
8,953,261	9,737,273
-	610,400
1,769,918	447,333
(8,028)	(22,554)
1,761,890	1,035,179
22,554	594,654
35,934	(161,430)
(48,873)	(161,430)
(1,587)	(410,671)
-	-
8,028	22,554



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

As at 31 March,

	2023	2022
	Rs.	Rs.
12. Trade and other receivables (Continued)		
12.1.2. Trade Receivables-Related Parties		
Eswaran Brother Export (Pvt) Ltd	-	21,800
Eswaran Brother Export (Pvt) Ltd - Trading	-	-
Eswaran Brothers Export (Pvt) Ltd- Crate	-	-
Good Value Eswaran (Pvt) Ltd	-	588,600
	<u>-</u>	<u>610,400</u>
12.1.2 Trade receivables significantly decreased as a result strengthened cash collections process post Covid-19 outbreak and also there were low sales during the year with related parties.		
13. Cash and cash equivalents		
Cash in hand	10,000	10,000
Cash at bank	664,759	1,003,325
Bank overdraft	-	-
Investment on Treasury Bills purchased under resale agreements (Repos)	33,500,000	27,000,000
Interest Receivable	434,676	35,556
Cash & cash equivalents as per the statement of cash flows	<u>34,609,435</u>	<u>28,048,881</u>
14. Stated capital		
Issued and fully paid		
100 ordinary shares	<u>1000</u>	<u>1,000</u>
15. Trade and other payables		
Financial		
Trade payables - (Note 15.1)	-	11,475,939
	<u>-</u>	<u>11,475,939</u>
Non-Financial		
Other payables	276,293	99,903
Advances from customers	57,985	48,928
Accrued expenses (Note 15.3)	479,888	433,306
	<u>814,166</u>	<u>582,137</u>
Trade and other payables	<u>814,166</u>	<u>12,058,076</u>
15.1. Trade payables		
Trade payables - Nilkamal Limited - India ("the Ultimate Parent")	-	11,436,719
Trade payables - Other	-	39,220
	<u>-</u>	<u>11,475,939</u>
15.1.1 Payments for imports have been delayed due to the foreign exchange crisis in Sri Lanka.		
15.3 Accrued expense		
Provision for Audit Fee	385,000	335,000
Provision for Sales Incentive Institutional	94,888	98,306
	<u>479,888</u>	<u>433,306</u>
16. Related party payables		
Good Value Eswaran (Pvt) Ltd	-	-
	<u>-</u>	<u>-</u>
17. Current taxation		
Balance as at the beginning of the year	2,408,187	768,718
Over provision in relation to prior years	(881,280)	-
Provision for current year (Note 8.1)	5,223,006	4,372,683
Payment made during the year	(4,432,094)	(2,733,214)
Balance as at the end of the year	<u>2,317,819</u>	<u>2,408,187</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 which are reported below:



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

For the year ended 31 March 2023

18. Related party disclosures (Cont.)

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 the Immediate Parent Entity Nilkamal Eswaran Plastics (Pvt) Ltd, the Directors of the Ultimate Parent Entity Nilkamal Limited and other members of the management team who hold significant authority and responsibility for planning, directing and controlling the entity's activities have been classified as KMP of the Company.

Compensation paid to Key Management Personnel	2023 Rs.	2022 Rs.
Short Term Benefits	Nil	Nil
Post Employee Benefits	Nil	Nil

18.3 Related party disclosures

18.3. Transactions with Related Entities

Name of the Related Party	Relationship	Nature of the Transaction	Transaction Amount 2022/23 Rs.	Transaction Amount 2021/22 Rs.
Nilkamal Limited - India	Ultimate Parent	Purchase of goods	5,955,255	28,952,799
Nilkamal Eswaran Plastics (Pvt) Ltd	Immediate Parent	Net fund transfers to/(from) Plastics	24,394,679	31,866,778
		Dues the Company settled to NEPPL	(25,929,096)	(36,410,082)
		Dues the NEPPL settled to the Company	1,534,418	4,543,304
Good Value Eswaran (Pvt) Ltd		Purchases	-	1,370,494
		Settlements	(588,600)	(774,647)
Good Value Eswaran (Pvt) Ltd - Carte	Companies significantly influenced by	Purchases	-	8,431
	KMP and their	Settlements	-	(8,431)
Eswaran Brothers Export Pvt Ltd	close family members	Purchases	-	595,854
		Settlements	-	(615,211)
Eswaran Brothers Export Pvt Ltd-Trading		Purchases	-	34,759
		Settlements	-	(56,968)
Eswaran Brothers Export Pvt Ltd		Purchases	-	152,366
		Settlements	(21,800)	(321,278)

Amounts receivable from and due to related entities as at 31 March 2023 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.

Nilkamal Eswaran Plastics (Pvt) Ltd has provided a Corporate Guarantee for Rs.16,000,000/- dated 21 November 2012 for banking facilities made available to the Company by Commercial Bank of Ceylon PLC.

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.



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

For the year ended 31 March 2023

19. Financial risk management (Cont.)

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.

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.

19.1.1 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:

<i>As at 31 March,</i>	2023	2022
	Rs.	Rs.
Trade and other receivables	1,810,967	1,062,452
Cash & cash equivalents	34,609,435	28,048,881
	36,420,402	29,111,333

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.

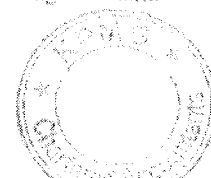
Maturity Analysis

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

	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.
<i>As at 31 March 2023</i>			
Trade payables	-	-	-
Related party payables	-	-	-
<i>As at 31 March 2022</i>			
Related party payables	-	-	-

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.



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



'For the year ended 31 March 2023

19. Financial risk management (Cont.)

19.3 Market Risk (Cont)

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.

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

	As at 31 March 2023		As at 31 March 2022	
	USD	Converted to Rs.	USD	Converted to Rs.
Trade payables - Nilkamal Limited	-	-	38,250	11,436,750
			<u>38,250</u>	<u>11,436,750</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:

As at 31 March,	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
			Rs.	Rs.
Financial assets at amortised cost				
Trade and other receivables	1,810,967	1,810,967	1,062,452	1,062,452
Cash and cash equivalents	34,609,435	34,609,435	28,048,881	28,048,881
	<u>36,420,402</u>	<u>36,420,402</u>	<u>29,111,333</u>	<u>29,111,333</u>

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

As at 31 March,

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
20. Fair values of financial instruments (Cont.)				
Financial liabilities at amortised cost				
Trade payables	-	-	11,436,719	11,436,719
Related party payables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>11,436,719</u>	<u>11,436,719</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

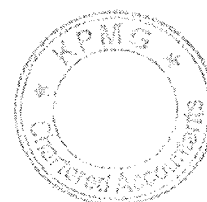
Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

23. Events Occurring after the Reporting date

There were no material events occurring after the reporting date as at 31 March 2022 that require adjustments to or disclosure in the 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,

	2023 Rs.	2022 Rs.
Revenue	29,620,730	52,220,378
Cost of sales	13,528,838	(34,524,720)
Gross profit	16,091,891	17,695,658
Administrative expenses	647,685	(970,969)
Distribution expenses	252,572	(838,335)
Profit from operations	15,191,634	15,886,354



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

For the year ended 31 March,

	2023	2022
	Rs.	Rs.
<u>COST OF SALES</u>		
Purchases - Furniture	-	12,759,371
Purchase - Crates & Bins	9,569,745	16,457,527
Purchase - Local Furniture	127,000	1,052,150
Increase of Inventory	-	(2,060,732)
Provision for Slow Moving Stocks (Expense)	1,599,766	2,374,141
Change In FG	2,232,327	-
Purchase	-	3,968,350
	13,528,838	34,550,807
<u>ADMINISTRATIVE EXPENSES</u>		
Legal & Consultance Fees	(24,360)	328,860
Audit fees	432,165	361,532
Insurance charges	70,104	80,893
Secretarial fees	168,001	197,034
Stamp duty	1,775	2,650
	647,685	970,969
<u>DISTRIBUTION EXPENSES</u>		
Promotion & events	-	236,150
Distributor sales incentive	-	198,001
Bad Debts Account - Furniture	-	(161,430)
Settlement discounts (Immediately)-2.5%	-	197,597
Sales Commission	-	11,341
Field Sales expenses - furniture	-	1,845
Transport charges -local furniture	-	18,732
Bad debts	(48,873)	-
Sales Incentives-Institutional	-	60,768
Transport Charges-Furniture	-	8,744
Settlement Discounts (Immediately)-3.5%	-	2,943
Settlement Discounts (16 to 30 Days)-1%	-	1,766
Sales Incentives - Cambro	280,568	-
Sales Incentives	9,244	259,220
sales promotions	3,481	-
Vat on free issue and sample issues	2,374	-
VAT written off	5,668	-
Online Sales Commission	112	2,650
	252,573	838,335



**NILKAMAL ESWARAN PLASTICS (PVT) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**



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
Internet : www.kpmg.com/lk

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 subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2023, 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 2023, 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 *Auditors' 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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

G.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
T.L.S. Rajasekar FCA
Ms. S.M.B. Jayasekera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alabakoon ACA
W.W.J.C. Perera FCA
W.E.D.C. Abeyaratne FCA
R.M.D.B. Rajapaksa FCA
M.N.M. Shanmug FCA
Ms. P.M.K. Sumaratsekera FCA
Principals - S.R.L. Perera FCMA(UK), LL.B. Attorney-at-Law, H.S. Gunewardene ACA,
Ms. F.R. Ziyad FCMA(UK), FTI



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.

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 auditors' 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 auditors' 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 auditors' 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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

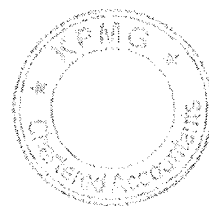
18 May 2023

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

<i>For the year ended 31st March,</i>	Notes	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue	5	849,015,581	1,522,095,675	819,394,852	1,469,875,297
Cost of sales		(513,709,569)	(1,091,523,895)	(500,180,727)	(1,056,999,175)
Gross Profit		335,306,013	430,571,780	319,214,125	412,876,122
Other income	6	5,887,744	3,297,147	5,887,744	3,297,147
Administrative expenses		(91,402,972)	(74,334,975)	(90,755,288)	(73,364,012)
Distribution expenses		(118,642,160)	(162,618,794)	(118,389,584)	(161,780,459)
Profit from Operations	7	131,148,624	196,915,158	115,956,997	181,028,798
Net finance income/(expense)	8	43,771,590	(76,110,757)	41,342,771	(72,969,879)
Profit Before Taxation		174,920,214	120,804,401	157,299,768	108,058,919
Income tax expense	9	(68,844,427)	(16,433,065)	(55,856,718)	(20,706,368)
Profit for the Year		106,075,787	104,371,336	101,443,050	87,352,551
Other Comprehensive Income for the Year		-	-	-	-
Total Comprehensive Income for the Year		106,075,787	104,371,336	101,443,050	87,352,551
Basic Earnings per Share (Rs.)	10	67.19	66.11	64.25	55.33

Figures in brackets indicate deductions.

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



NI.KAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF FINANCIAL POSITION

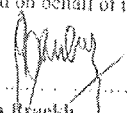
As at 31 March,		Group		Company	
	Notes	2023 Rs.	2022 Rs.	2023 Rs	2022 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	176,192,477	209,838,239	176,192,477	209,838,239
Intangible assets	12	272,658	396,321	272,659	396,321
Investment in subsidiary	13	-	-	1,000	1,000
Investments	24	24,674,000	-	24,674,000	-
Total Non-Current Assets		201,139,135	210,234,560	201,140,136	210,235,560
Current Assets					
Inventories	14	241,252,917	213,771,818	219,532,801	188,219,608
Trade and other receivables	15	136,618,639	206,127,918	132,813,710	196,390,645
Cash and cash equivalents	17	390,096,652	581,825,514	355,487,217	553,776,632
Total Current Assets		767,968,208	1,001,725,250	707,833,728	938,386,885
Total Assets		969,107,343	1,211,959,810	908,973,864	1,148,622,445
EQUITY & LIABILITIES					
Equity					
Stated capital	18	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings		828,480,717	722,404,930	766,330,890	664,887,840
Total Equity		848,480,717	742,404,930	786,330,890	684,887,840
Non-Current Liabilities					
Deferred taxation	19	25,836,653	3,995,179	25,836,653	4,876,459
Employee benefits	20	31,709,612	40,086,003	31,709,612	40,086,003
Total Non-Current Liabilities		57,546,265	44,081,182	57,546,265	44,962,462
Current Liabilities					
Trade and other payables	21	40,909,279	347,959,396	45,243,446	335,901,322
Related party payables	22	1,728,546	66,800,416	1,728,546	66,800,416
Current taxation	23	20,442,535	10,713,886	18,124,716	16,070,405
Total Current Liabilities		63,080,360	425,473,698	65,096,709	418,772,143
Total Liabilities		120,626,626	469,554,880	122,642,974	463,734,605
Total Equity and Liabilities		969,107,343	1,211,959,810	908,973,863	1,148,622,445


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) 
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) 
Director

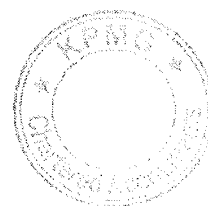
(Sgd) 
Director

18 May 2022 Colombo



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

<i>For the year ended 31 March 2023</i>			
Group	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2021	20,000,000	698,833,594	718,833,594
Total Comprehensive Income for the Year			
Profit for the year	-	104,371,336	104,371,336
Total Comprehensive Income for the Year	-	104,371,336	104,371,336
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2020/2021		(20,000,000)	(20,000,000)
Interim dividend for 2021/22 (Note 22.1)	-	(60,000,000)	(60,000,000)
Total Transactions with Owners, Recorded Directly in Equity			
Balance as at 31 March 2022	20,000,000	722,404,930	742,404,930
Balance as at 1 April 2022	20,000,000	722,404,930	742,404,930
Total Comprehensive Income for the Year			
Profit for the year		106,075,787	106,075,787
Other comprehensive income for the year		-	-
Total Comprehensive Income for the Year	-	106,075,787	106,075,787
Total Transactions with Owners, Recorded Directly in Equity	-	-	-
Balance as at 31 March 2023	20,000,000	828,480,717	848,480,717
Company	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2021	20,000,000	657,535,289	677,535,289
Total Comprehensive Income for the Year			
Profit for the year	-	87,352,551	87,352,551
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	87,352,551	87,352,551
Transactions with Owners, Recorded Directly in Equity			
Final dividend for 2020/2021	-	(20,000,000)	(20,000,000)
Interim dividend for 2021/2022 (Note 22.1)	-	(60,000,000)	(60,000,000)
Total Transactions with Owners, Recorded Directly in Equity	-	(80,000,000)	(80,000,000)
Balance as at 31 March 2022	20,000,000	664,887,840	684,887,840
Balance as at 1 April 2022	20,000,000	664,887,840	684,887,840
Total Comprehensive Income for the Year			
Profit for the year	-	101,443,050	101,443,050
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the Year	-	101,443,050	101,443,050
Total Transactions with Owners, Recorded Directly in Equity	-	-	-
Balance as at 31 March 2023	20,000,000	766,330,890	786,330,890



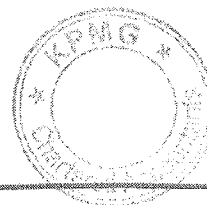
NILKAMAL ESWARAN PLASTICS (PVT) LTD
STATEMENT OF CASH FLOWS

<i>For the year ended 31 March,</i>	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities				
Profit Before Taxation	174,920,214	120,804,401	157,299,768	108,058,919
<i>Adjustment for :</i>				
Depreciation on property, plant & equipment	42,820,196	50,524,928	42,820,196	50,524,928
Amortisation of intangible assets	123,663	740,182	123,663	740,182
(Reversal)/Provision for gratuity	11,597,861	(2,635,559)	11,597,861	(2,635,559)
Charge/ (Reversal) of provision for inventories	12,476,657	3,933,433	10,876,891	1,559,292
Provision/(reversal) for impairment of trade receivables	(695,123)	156,546	(682,184)	317,976
Loss/ (Gain) on disposal of property, plant & equipment	238,441	(57,326)	238,441	(57,326)
WHT Set Off against current tax	(692,783)	-	(692,783)	-
Interest income	(99,664,793)	(16,257,187)	(94,487,091)	(15,578,691)
Unrealised Exchange loss from trade payable (Note 8.1)	-	79,137,247	-	75,465,247
Other interest expenses	454,464	132,286	450,347	130,268
	<u>141,578,797</u>	<u>236,478,951</u>	<u>127,545,109</u>	<u>218,525,236</u>
Decrease/(increase) in inventories	(39,957,756)	65,148,212	(42,190,084)	67,208,943
(Increase)/decrease in trade and other receivables	70,204,403	(47,494,007)	64,259,119	(46,980,313)
Decrease in related party receivables	-	1,112,193	-	1,112,193
Increase in trade and other payables	(307,050,117)	48,111,358	(290,657,876)	49,334,533
Increase in related party payables	(5,071,870)	4,335,493	(5,071,870)	4,335,493
Cash Generated from Operations	<u>(140,296,543)</u>	<u>307,692,200</u>	<u>(146,115,602)</u>	<u>284,536,086</u>
Employee benefit paid	(19,974,193)	(449,343)	(19,974,193)	(449,343)
Interest paid	(454,460)	(132,286)	(450,347)	(130,268)
Current tax paid	(36,581,521)	(37,277,948)	(32,149,427)	(34,541,734)
Net Cash Generated from Operating Activities	<u>(197,306,717)</u>	<u>269,832,623</u>	<u>(198,689,568)</u>	<u>249,411,740</u>
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(10,067,486)	(26,900,650)	(10,067,486)	(26,900,650)
Acquisition of intangible assets	-	(357,430)	-	(357,430)
Proceeds from sale of property, plant and equipment	654,548	843,210	654,548	843,210
Interest received	99,664,793	16,257,187	94,487,091	15,578,691
Investment in equity instruments	(24,674,000)	-	(24,674,000)	-
Net Cash from/ (used in) Investing Activities	<u>65,577,854</u>	<u>(10,157,683)</u>	<u>60,400,152</u>	<u>(10,836,179)</u>
Cash Flows from Financing Activities				
Dividend paid	(60,000,000)	(20,000,000)	(60,000,000)	(20,000,000)
Net Cash used in Financing Activities	<u>(60,000,000)</u>	<u>(20,000,000)</u>	<u>(60,000,000)</u>	<u>(20,000,000)</u>
Net Increase in Cash & Cash Equivalents	<u>(191,728,862)</u>	<u>239,674,940</u>	<u>(198,289,415)</u>	<u>218,575,561</u>
Cash & cash equivalents at the beginning of the year	581,825,514	342,150,574	553,776,632	335,201,071
Cash & Cash Equivalents at the end of the year (Note 17)	<u>390,096,652</u>	<u>581,825,514</u>	<u>355,487,217</u>	<u>553,776,632</u>

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 2023 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 2023 are as follow:

Group	128 (2022 – 133)
Company	128 (2022 – 133)

The subsidiary Nilkamal Eswaran Marketing (Pvt) Limited did not have any employees as at 31 March 2023.

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 2023 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.

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

NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

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.

2.2 Assessment of implications of economic crisis of Sri Lanka and Going Concern Basis of Accounting

Sri Lanka has been facing a foreign exchange crisis due to adverse economic conditions which have grown from acute to severe acute during the financial year that ended on 31 March 2023. The Government of Sri Lanka is taking various measures to control the outflow of foreign exchange reserves of the country including restrictions on several imports and outward remittances. Despite the Government's measures to control foreign exchange outflows, the continual deterioration of foreign reserves is putting pressure on the exchange rate to depreciate in the market.

Further, there is still significant uncertainty over how the prevailing economic crisis will impact the Company's business in future periods and customer demand for its products in retail and industrial markets. Management has therefore modelled different scenarios considering a period of 12 months from the date of authorization of these financial statements. The assumptions modelled are based on the estimated potential impact of economic conditions and regulations and expected levels of consumer demand, along with management's proposed responses over the course of the period. This situation has not yet put severe pressure on the Company's liquidity position. Nevertheless, the Company is continuously monitoring the conditions to ensure a smooth flow of operations and working capital.

Based on the Company's liquidity position as at the reporting date, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities during the next 12 months from the date of authorizing these financial statements.

NILKAMAL ESWARAN PLASTICS (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS

Accordingly, the Board of Directors has a reasonable confidence level that the Company and Group have adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

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.

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.

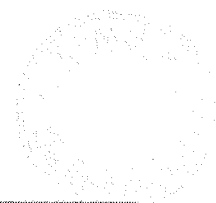
The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end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

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



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3.3. 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 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.

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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.

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.



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

3.9. Financial Assets

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1. Initial recognition of financial assets and liabilities

Group 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, Group measures 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, Group measures 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 Group 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

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

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

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 Group'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

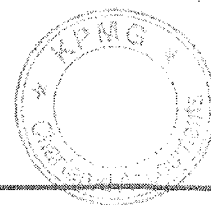
Liabilities classified as Current Liabilities on the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

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 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 annually using an internally generated model based on formula. 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

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

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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.

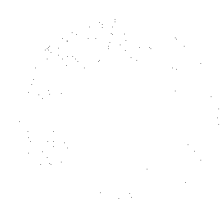
Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets including investments are accounted for in the Statement of Profit or Loss and Other Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets 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.



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(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

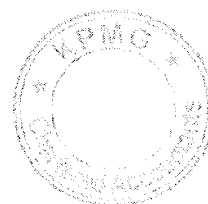
Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a price being charged.

4. Statement of Cash Flows

The statement of cash flows has been prepared using the "indirect method" in accordance with LKAS 7 - "Statement of cash flows".

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

Interest paid is classified as operating cash flows, interest received are classified as investing cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the statement of cash flows.



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	Group		Company	
For the year ended 31 March,	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
5 Revenue				
Local sales	858,367,601	1,542,994,566	828,730,176	1,490,764,476
Export sales	-	4,083,209	-	4,083,209
	858,367,601	1,547,077,775	828,730,176	1,494,847,685
Trade discounts	(9,352,020)	(24,982,100)	(9,335,324)	(24,972,388)
	<u>849,015,581</u>	<u>1,522,095,675</u>	<u>819,394,852</u>	<u>1,469,875,297</u>

6 Other Income

Gain/ (Loss) on disposal of property, plant and equipment	(238,441)	57,326	(238,441)	57,326
Dividend income	56,750	-	56,750	-
Interest on staff loan	244,905	157,722	244,905	157,722
Scrap sales (Note 6.1)	5,647,001	2,327,221	5,647,001	2,327,221
Revaluation reserve on shares	177,528	-	177,528	-
Write-back of refundable deposits (Note 6.2)	-	754,878	-	754,878
	<u>5,887,744</u>	<u>3,297,147</u>	<u>5,887,744</u>	<u>3,297,147</u>

6.1 This includes sales of scraps relating to Raw Material, Sofa and other inventories.

6.2 During the year 2022, the Company wrote back refundable deposits from customers (2 non-active distributors) with the approval of the Board of Directors. These refundable deposits were obtained by the Company from distributors in 2008, however, these distributors have not operated with the Company for long time, thus the Company decided to write-back the refundable deposits paid by the distributors during the year 2022.

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	1,445,000	1,255,000	1,165,000	1,020,000
- Non audit services	762,000	320,000	657,000	220,000
Depreciation on property, plant and equipment	42,820,196	50,524,928	42,820,196	50,524,928
Amortisation of intangible assets	123,663	740,182	123,663	740,182
(Reversal)/Provision for impairment of trade receivables (Note 15.1.2)	(695,123)	156,546	(682,184)	317,976
Charge/ (Reversal) of provision for inventories (Note 14.1)	12,476,657	3,933,433	10,876,891	1,539,292
Staff and related costs (Note 7.2)	142,248,650	150,815,533	142,248,650	150,815,533

7.1 Decrease in revenue has resulted in a decrease in distribution expense. These measures include reducing distributor sales incentives and transport charges. Additionally, due to the decrease in revenue, royalty payment expenses also decreased

7.2 Staff and related costs

- Salaries, wages & other related cost	117,784,046	137,161,798	117,784,046	137,161,798
- Defined contribution plans - EPF & ETF	12,866,743	16,289,294	12,866,743	16,289,294
- Defined benefit plan cost (Note 20.4)	11,597,861	(2,635,559)	11,597,861	(2,635,559)
	<u>142,248,650</u>	<u>150,815,533</u>	<u>142,248,650</u>	<u>150,815,533</u>

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

For the year ended 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
8 Net Finance Income/ (Expense)				
Finance Income				
Interest income from investments in securities purchased under resale agreements	69,110,956	13,077,519	63,933,254	12,399,023
Gain on translation of foreign currency	8,401,061	-	8,401,061	-
Interest income from Fixed Deposits	28,074,317	3,179,668	28,074,317	3,179,668
Interest income from Mutual Funds (CAL securities)	2,479,521	-	2,479,521	-
Total Finance Income	108,065,854	16,257,187	102,888,152	15,578,691
Finance Expense				
Interest on short term borrowings	426,964	88,286	422,847	86,268
Bank Charges	827,607	989,696	798,652	859,949
Interest on distributor cash deposits	27,500	44,000	27,500	44,000
Loss on translation of foreign currency (Note 8.1)	63,012,192	91,245,962	60,296,382	87,558,353
Total Finance Expense	64,294,263	92,367,944	61,545,380	88,548,570
Net Finance Income	43,771,590	(76,110,757)	41,342,771	(72,969,879)

8.1 Sri Lankan Rupee (LKR) significantly depreciated during the year against US Dollar (US \$), from Rs. 299/- per US \$ as at beginning of the financial year (i.e. 1 April 2022) to Rs. 327 per US \$ as at close of the financial year (i.e. 31 March 2023), as a result of foreign exchange crisis in Sri Lanka, which in turn has resulted in significant exchange losses for this year. Out of the Rs. 63 Mn exchange losses, there were no unrealised exchange losses recorded during the year.

9 Income Tax Expense				
Current Tax Expense				
Current tax for the year (Note 9.1)	53,703,306	33,977,432	48,480,300	37,369,455
(Over)/Under provision of current taxes in respect of prior years	(6,700,353)	346,892	(13,583,776)	346,892
	47,002,953	34,324,324	34,896,524	37,716,347
Deferred Tax Expense				
Reversal of deferred tax assets (Note 19.1)	12,167,621	(13,909,742)	11,286,341	(13,025,462)
Origination/ (reversal) of deferred tax liabilities (Note 19.2)	9,673,853	(3,981,517)	9,673,853	(3,981,517)
	21,841,474	(17,891,259)	20,960,194	(17,006,979)
Total Income Tax expense	68,844,427	16,433,065	55,856,718	20,709,368

9.1 Reconciliation of the Accounting Profit and Tax on Current Year

For the year ended 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Profit before taxation	174,920,214	120,804,401	157,299,375	108,058,919
Other sources of income	(99,664,793)	(16,257,187)	(94,487,091)	(15,578,691)
Aggregate disallowable expenses	68,405,681	137,250,465	66,854,788	131,204,325
Aggregate allowable expenses	(41,291,319)	(37,117,492)	(41,325,667)	(36,706,816)
Profit from business	102,369,783	204,680,187	88,341,405	186,977,737
Non-business income-interest income	99,664,793	(16,257,187)	94,487,091	15,578,691
Taxable income	202,034,576	188,423,000	182,828,496	202,556,428
Manufacturing business - Tax at 18%	30,355,317	186,342,137	30,354,924	186,342,137
Manufacturing business - Tax at 30%	57,986,481	-	57,986,481	-
Trading business - Tax at 24%	6,919,986	17,702,450	-	-
Trading business - Tax at 30%	7,108,007	-	-	-
Exports - Tax at 14%	-	635,600	-	635,600
Non-business income - interest income - Tax at 24%	47,486,009	(16,257,187)	45,427,633	15,578,691
Non-business income - interest income - Tax at 30%	52,178,784	-	49,059,458	-
Taxable income	149,855,800	188,423,000	182,828,496	202,556,428
Current tax at 14% (Note 9.2)	-	88,984	-	88,984
Current tax at 18% (Note 9.2)	5,463,957	33,541,585	5,463,886	33,541,585
Current tax at 30% (Note 9.2)	19,528,346	-	17,395,944	-
Current tax at 24% (Note 9.2)	13,057,139	346,863	10,902,632	3,238,886
Current tax at 30% (Note 9.2)	15,653,635	-	14,717,837	-
	53,703,377	33,977,432	48,480,300	37,369,455



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

For the year ended 31 March 2023

9 Income Tax Expense (Cont.)

9.2 Change in Tax Rates

As provided for in Section 29 of Sri Lanka Accounting Standard for SMEs, current tax liabilities (assets) for the current period and prior periods shall be measured at the amount expected to be paid to (recovered from) tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Further, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

As instructed by the Ministry of Finance a change to the Income Tax Rate of the Company, from 18% to 30% was implemented with effect from 01 st October 2022. As per the new tax rate legislated by the Inland Revenue Department (Amendment) Act no 45 of 2022. Accordingly, the Company has applied 18% for the profit for the six months ended 30 September 2022 and 30% to the profits for the six months ended 31 March 2023.

For the year ended 31 March,

	2022/23 From 01/10/22 To 31/03/23	2022/23 From 01/04/2022 To 30/09/2022	2021/22
The applicable tax rates for the Group is as follows			
<i>Nilkamal Eswaran Plastics (Pvt) Ltd ("the Company")</i>			
Profits from manufacturing business (other than export) (Note 9.2.1)	30%	18%	18%
Profits from exports	30%	14%	14%
Other sources of income	30%	24%	24%
<i>Nilkamal Eswaran Marketing (Pvt) Ltd ("the Subsidiary")</i>			
Trading business	30%	24%	24%

The Company applied the new tax rate of 30% for the measurement of deferred tax assets and liabilities as at 31 March 2023 (2022:18%), which is applicable to the main business activity of the company.

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.

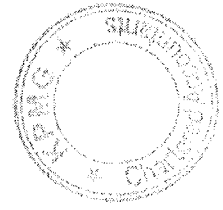
	Group		Company	
<i>For the year ended 31 March,</i>	2023	2022	2023	2022
Profit after taxation attributable to ordinary shareholders (Rs.)	106,075,787	104,371,336	101,443,050	87,352,551
Weighted average number of ordinary shares	1,578,800	1,578,800	1,578,800	1,578,800
Earnings per Share (Rs.)	67.19	66.11	64.25	55.33



NILKAMALESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Group / Company	Freehold Land	Buildings	Plant and Machinery	Moulds (Note 11.4)	Office Equipment	Computer Equipment	Furniture and Fittings	Motor Vehicles	Road Development	Total 2023	Total 2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost											
As at 1 April	26,370,476	254,697,254	268,734,031	411,071,302	6,604,585	10,837,330	5,424,076	37,667,809	480,762	1,001,687,644	977,483,807
Additions	-	-	9,577,157	-	230,900	250,550	-	-	-	10,067,486	26,900,650
Disposals	-	-	(1,058,967)	-	(310,944)	(410,860)	-	(983,580)	-	(2,764,360)	(2,896,733)
Write-offs	-	-	-	-	-	-	-	-	-	-	-
As at 31 March	26,370,476	254,697,254	277,252,221	411,071,302	6,533,640	10,676,831	5,424,076	36,084,229	680,762	1,008,790,771	1,001,487,724
Accumulated Depreciation											
As at 1 April	-	160,609,256	206,901,240	361,989,630	5,264,801	8,219,309	3,320,172	35,074,308	680,762	791,649,487	743,235,406
Charge for the year	-	6,134,400	13,248,588	20,558,563	474,561	811,632	298,090	1,294,271	-	42,820,196	50,524,928
Disposals	-	-	(574,860)	-	(298,268)	(389,713)	-	(608,519)	-	(1,871,396)	(2,110,849)
As at 31 March	-	175,833,746	219,574,977	382,548,193	5,441,095	8,641,228	4,119,262	35,760,061	680,762	832,898,294	791,649,485
Carrying Value as at:											
31 March 2023	26,370,476	58,863,487	57,677,244	28,523,108	1,092,545	2,035,603	1,305,814	324,168	-	176,192,477	-
31 March 2022	26,370,476	64,997,979	61,832,797	49,081,673	1,339,783	2,618,121	1,603,904	1,993,306	-	-	269,838,239



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

As at 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
11 Property, Plant and Equipment (Cont.)				
11.1 Fully Depreciated Assets				
Building	116,506,330	112,007,427	116,506,330	112,007,427
Plant and machinery	145,100,210	142,823,438	145,100,210	142,823,438
Moulds	307,791,141	253,869,858	307,791,141	253,869,858
Office Equipment	4,678,002	3,876,710	4,678,002	3,876,710
Computer Equipment	6,705,776	6,788,954	6,705,776	6,788,954
Furniture and Fittings	2,443,175	2,443,175	2,443,175	2,443,175
Motor vehicles	35,100,699	27,592,047	35,100,699	27,592,047
Road Development	680,762	680,762	680,762	680,762
	619,006,094	550,082,370	619,006,094	550,082,370

11.2 Details of Freehold Land of the Group

Location	Extent	Date of Purchase	Owning Entity
No 328, Madapatha Road, Batakettara, Piliyandala, Sri Lanka	5 Acres	30 Nov 1999	Nilkamal Eswaran Plastic (Pvt) Ltd

11.3 Title Restrictions on PPE

The Group has mortgaged following property, plant and equipment as securities for obtaining banking facilities from Commercial Bank of Ceylon PLC and State Bank of India, Colombo branch.

Description of the asset	Name of the Bank	Facility	Security value Rs.
Land and building located at No 328, Madapatha Road, Batakettara, Piliyandala and immovable plant and equipment	Commercial Bank of Ceylon	Fund based and non-fund based short term banking facilities - total Rs.295,000,000/-	86,000,000
	State Bank of India, Colombo	Fund based and non-fund based short term banking facilities - total Rs.80,000,000/-	226,000,000
			312,000,000

11.4 Operating Lease

During the year the Company has leased an injection mould which can produce student chairs to Nilkamal Limited based in India for a period of one year according to the signed agreement between the parties. Rent income has been agreed to paid for 2 times per year basis. Agreed rent income per month is USD 400.

For the year ended 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
12 Intangible Assets				
Computer Software				
Cost				
As at 1 April	13,541,978	13,184,548	13,541,978	13,184,548
Acquisitions during the year	-	357,430	-	357,430
As at 31 March	13,541,978	13,541,978	13,541,978	13,541,978
Accumulated Amortisation				
As at 1 April	13,145,657	12,405,475	13,145,656	12,405,475
Amortisation during the year	123,663	740,182	123,663	740,182
As at 31 March	13,269,320	13,145,657	13,269,319	13,145,657
Carrying Value as at 31 March	272,658	396,321	272,659	396,321

13 Investment in Subsidiary

	% of holding	Company			
		No. of Shares		Value	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd					
Investment in ordinary shares	100%	100	100	1,000	1,000
		100	100	1,000	1,000

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

As at 31 March,

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
14 Inventories				
Raw materials	153,451,758	100,884,394	153,451,758	100,884,394
Goods in transit (Note 14.2)	9,988,605	9,768,330	9,988,605	9,768,330
Packing materials	5,584,751	4,614,281	5,584,751	4,614,281
Work in Progress	2,752,207	4,860,604	2,752,207	4,860,604
Finished goods	100,479,858	109,872,193	55,787,308	62,947,316
Semi-finished goods	12,350,064	14,649,685	12,350,064	14,649,685
	284,607,243	244,649,487	239,914,693	197,724,610
Provision for slow moving Inventories (Note 14.1)	(43,354,326)	(30,877,669)	(20,381,892)	(9,505,002)
	241,252,917	213,771,818	219,532,801	188,219,608
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	30,877,669	26,944,236	9,505,002	7,945,710
Provision for the year	12,476,657	3,933,433	10,876,891	1,559,292
Balance as at the end of the year	43,354,326	30,877,669	20,381,892	9,505,002
14.1.2 Provision Category wise				
Raw materials	9,462,519	4,981,048	9,462,519	4,981,048
Packing materials	1,327,385	318,424	1,327,385	318,424
Finished goods	25,746,988	22,584,431	2,774,555	1,211,764
Semi-finished goods	6,817,433	2,993,765	6,817,433	2,993,765
	43,354,326	30,877,669	20,381,892	9,505,002

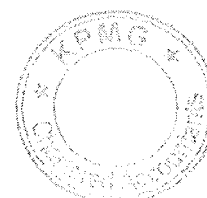
14.2 Goods in transit have been recorded based on the international shipping terms and the Bills of Lading dates of import purchases where the risk and rewards have been transferred to the Group before the reporting date though the relevant items have not been physically received till the reporting date. Goods in transit as of 31 March 2023 increased compared to the year 2022 mainly due to an increase in cost and the removal of the import restrictions on non-essential items.

14.3 The Group has mortgaged its stocks, with assignment over Trade Debtors, to obtain banking facilities as follows:

Name of the Bank	Facility	Security Value	
		Company	Group
		Rs.	Rs.
Commercial Bank of Ceylon PLC	Fund based and non-fund based short term facilities	70,000,000	105,000,000
State Bank of India, Colombo branch		20,000,000	20,000,000
		90,000,000	125,000,000

As at 31 March,

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
15 Trade and Other Receivables				
Financial				
Trade receivables (Note 15.1)	120,827,819	177,156,332	119,065,928	176,121,153
Staff loans	4,057,610	2,129,677	4,057,610	2,129,677
Refundable Deposits	4,960,957	4,444,344	4,911,880	4,417,071
Non-financial	129,846,386	183,730,353	128,035,419	182,667,901
Value Added Tax recoverable	1,965,610	8,632,913	-	-
Prepayments and advances	4,214,220	3,520,779	4,185,869	3,478,871
Advances paid to suppliers (Note 15.3)	344,962	9,973,960	344,962	9,973,960
Other receivables	-	22,453	-	22,453
NBT recoverable	247,460	247,460	247,460	247,460
	6,772,253	22,397,565	4,778,291	13,722,744
Trade and Other Receivables	136,618,639	206,127,918	132,813,710	196,390,645
15.1 Trade Receivables				
Trade receivables - related parties (Note 15.1.1)	4,805,607	5,880,310	4,805,607	5,269,910
Trade receivables - other	117,921,723	173,929,279	116,151,805	173,481,946
Provision for impairment of trade receivables (Note 15.1.2)	(1,899,511)	(2,653,257)	(1,891,484)	(2,630,703)
	120,827,819	177,156,332	119,065,928	176,121,153



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

<i>As at 31 March,</i>	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
15 Trade and Other Receivables (Cont.)				
15.1 Trade Receivables (Cont.)				
15.1.1 Trade receivables - related parties				
Good Value Eswaran (Pvt) Ltd	4,667,607	5,445,089	4,667,607	4,856,489
Eswaran Brothers Export Pvt Ltd	138,000	21,800	138,000	-
Good Value Eswaran Worldwide (Pvt) Ltd	-	413,421	-	413,421
	<u>4,805,607</u>	<u>5,880,310</u>	<u>4,805,607</u>	<u>5,269,910</u>
15.1.2 Provision for impairment of Trade Receivables				
Balance as at the beginning of the year	2,653,256	3,519,995	2,630,703	2,925,341
(Reversal)/Charge during the year	(695,123)	156,546	(682,184)	317,976
Write-off during the year (Note 15.1.2.2)	(58,622)	(1,023,285)	(57,035)	(612,614)
Balance as at the end of the year	<u>1,899,511</u>	<u>2,653,256</u>	<u>1,891,484</u>	<u>2,630,703</u>

15.1.2.1 The Group has provided for impairment of trade receivables based on the debtors ageing as per the Group's debtor provisioning policy.

15.1.2.2 The Group has written-off long outstanding debtors with the approval of Board of Directors.

<i>As at 31 March,</i>	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
15.2 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 (Note 15.2.1)	(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>
15.3 Advances paid to suppliers				

As at 31 March 2022

Supplier	Item	Invoice Value USD	Advance Paid USD	Ex. rate	USD Amount	Paid in LKR
Zhejiang Dali Mould Co Ltd (Note 15.3.1)	1 set of Injection Mould	53,500	16,050	200	37,450	3,210,000
CNN Plastic Company	Two back design Injection Mould	111,000	33,300	203	77,700	6,759,900
		<u>164,500</u>	<u>49,350</u>	<u>115,150</u>		<u>9,969,900</u>
Advances paid to suppliers - others						<u>4,060</u>
						<u>9,973,960</u>

15.3.1 During June and July 2022, advances paid to the above suppliers were recalled and refunded to cancel the above purchase due to the dollar shortage encountered in settling the balance payment. The company has received the refunds.

<i>As at 31 March,</i>	Group		Company	
	2023	2022	2023	2022
16 Related Party Receivables				
Nilkamal Limited - Crute	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

As at 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
17 Cash and Cash Equivalents				
Cash in hand	434,470	455,239	424,470	445,239
Cash at bank	8,519,119	11,880,958	7,854,360	10,877,632
Investment on Units @ CAL Fixed Income Fund	40,000,000	-	40,000,000	-
REPO investments in Sri Lankan Government treasury bills	189,500,000	569,489,317	156,000,000	542,453,761
Investment in fixed deposits with less than three months maturity	145,652,690	-	145,652,690	-
Interest receivables	5,990,372	-	5,555,696	-
	<u>390,096,652</u>	<u>581,825,514</u>	<u>355,487,217</u>	<u>553,776,632</u>
Cash & Cash Equivalents in the Statement of Cash Flows	<u>390,096,652</u>	<u>581,825,514</u>	<u>355,487,217</u>	<u>553,776,632</u>

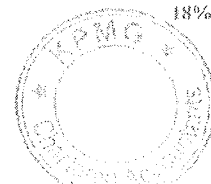
	Company / Group		Value	
	No. of shares			
	2023	2022	2023 Rs.	2022 Rs.
18 Stated Capital				
Balance as at 1 April	1,578,800	1,578,800	20,000,000	20,000,000
Balance as at 31 March	<u>1,578,800</u>	<u>1,578,800</u>	<u>20,000,000</u>	<u>20,000,000</u>

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.

As at 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
19 Deferred Taxation				
Deferred tax asset (Note 19.1)	(9,512,884)	(21,680,505)	(9,512,884)	(20,799,225)
Deferred tax liability (Note 19.2)	35,349,537	25,675,684	35,349,537	25,675,684
	<u>25,836,653</u>	<u>3,995,179</u>	<u>25,836,653</u>	<u>4,876,459</u>
19.1 Deferred Tax Asset				
Balance as at the beginning of the year	21,680,505	7,770,763	20,799,225	7,770,763
Amount reversed during the year to profit or loss	(26,254,091)	13,909,742	(25,152,491)	13,028,462
Amount originated during the year	14,086,470	-	13,866,150	-
Impact from the change in tax rate (Note 19.4)	(12,167,621)	13,909,742	(11,286,341)	13,028,462
Total amount reversed during the year to profit or loss	<u>9,512,884</u>	<u>21,680,505</u>	<u>9,512,884</u>	<u>20,799,225</u>
Balance as at the end of Year				
19.2 Deferred Tax Liability				
Balance as at the beginning of the year	25,675,684	29,657,201	25,675,684	29,657,201
Amount reversed during the year to profit or loss	(7,443,270)	(3,981,517)	(7,443,270)	(3,981,517)
Amount originated during the year	17,117,123	-	17,117,123	-
Impact from the change in tax rate (Note 19.4)	9,673,853	(3,981,517)	9,673,853	(3,981,517)
Total amount reversed during the year to profit or loss	<u>35,349,537</u>	<u>25,675,684</u>	<u>35,349,537</u>	<u>25,675,684</u>
Balance as at the end of Year				

19.3 Deferred tax assets and liabilities are attributable to the following:

As at 31 March,	Group		Company	
	2023	2022	2023	2022
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liabilities				
Property, plant & equipment	117,831,791	35,349,537	142,642,689	25,675,684
	<u>117,831,791</u>	<u>35,349,537</u>	<u>142,642,689</u>	<u>25,675,684</u>
Deferred Tax Assets				
Employee benefits	(31,709,613)	(9,512,884)	(40,086,003)	(7,215,481)
Tax Credit on Unrealised Exchange losses	-	-	(79,137,247)	(14,465,024)
	<u>(31,709,613)</u>	<u>(9,512,884)</u>	<u>(40,086,003)</u>	<u>(21,680,505)</u>
Net deferred tax liability		<u>25,836,653</u>		<u>3,995,179</u>
Applicable tax rate (Note 19.4)		30%		18% and 24%



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

For the year ended 31 March 2023

19 Deferred Taxation (Cont.)

19.3 Deferred tax assets and liabilities are attributable to the following:

<i>As at 31 March,</i>	Company			
	2023		2022	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Tax Liabilities				
Property, plant & equipment	117,831,791	35,349,537	142,642,689	25,675,684
	<u>117,831,791</u>	<u>35,349,537</u>	<u>142,642,689</u>	<u>25,675,684</u>
Deferred Tax Assets				
Employee benefits	(31,709,612)	(9,512,884)	(40,086,003)	(7,215,481)
Tax Credit on Unrealised Exchange losses	-	-	(75,465,247)	(13,583,744)
	<u>(31,709,612)</u>	<u>(9,512,884)</u>	<u>(115,551,250)</u>	<u>(20,799,225)</u>
Net deferred tax liability		<u>25,836,653</u>		<u>4,876,459</u>
Applicable tax rate (Note 9.2 and 19.4)		30%		18%

19.4 Change in tax rate

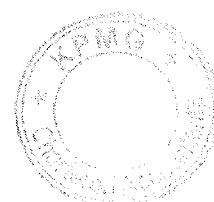
As provided for in Section 29 of Sri Lanka Accounting Standard for SMEs, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

As instructed by the Ministry of Finance a change to the Income Tax Rate of the Company, from 18% to 30% was implemented with effect from 01st October 2022. As per the new tax rate legislated by the Inland Revenue Department (Amendment) Act no 45 of 2022.

<i>For the year ended 31 March,</i>	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
20 Employee Benefits				
20.1 Defined Contribution Plans				
Employees' Provident Fund				
Employers' contribution	13,274,291	13,319,020	13,274,291	13,319,020
Employees' contribution	8,849,527	8,879,347	8,849,527	8,879,347
Employees' Trust Fund	2,977,321	2,970,274	2,977,321	2,970,274

20.2 Defined Benefit Plan

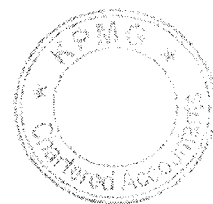
The computation of provision is based only on Gratuity Act requirement as recommended by SLFRS for SMEs Section 28.18 - "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.



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

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
For the year ended 31 March,				
20 Employee Benefits (Cont.)				
20.2 Defined Benefit Plan (Cont.)				
20.3 Movement in the Present Value of Defined Benefit Obligations				
Balance as at the beginning of the year	40,085,943	43,170,905	40,085,943	43,170,905
(Reversal)/ charge for the year	6,440,843	(8,506,817)	6,440,843	(8,506,817)
Interest cost	5,157,018	6,442,005	5,157,018	6,442,005
Impact from the change in retirement age (Note 20.5.1)	-	(570,746)	-	(570,746)
Benefits paid	(19,974,193)	(449,343)	(19,974,193)	(449,343)
Balance as at the end of the year	<u>31,709,612</u>	<u>40,086,003</u>	<u>31,709,612</u>	<u>40,086,003</u>
20.4 Provision Recognised in the Statement of Profit or Loss and Other Comprehensive Income				
(Reversal)/ charge for the year	6,440,843	(8,506,817)	6,440,843	(8,506,817)
Impact from the change in retirement age (Note 20.5.1)	-	(570,746)	-	(570,746)
Interest cost	5,157,018	6,442,005	5,157,018	6,442,005
	<u>11,597,861</u>	<u>(2,635,559)</u>	<u>11,597,861</u>	<u>(2,635,559)</u>
20.5 Principal Actuarial Assumptions				
Discount rate	18.00%	15.25%	18.00%	15.25%
Staff turnover rate	16.00%	12%	16.00%	12%
Future salary increment rate	15.00%	12%	15.00%	12%
Retirement age	60	60	60	60
As at 31 March,				
21 Trade and Other Payables				
Financial				
Trade payables - related parties (Note 21.1)	2,975	20,766,390	2,975	20,766,390
Trade payables - other (Note 21.2)	11,986,351	279,084,342	11,581,516	267,608,403
Security deposits from trade debtors	1,100,000	1,100,000	1,100,000	1,100,000
	<u>13,089,326</u>	<u>300,950,732</u>	<u>12,684,491</u>	<u>289,474,793</u>
Non-financial				
Accrued expenses	16,537,361	27,121,046	16,442,473	26,687,743
Value Added Tax payable	-	11,163,987	4,872,415	11,064,759
Advances from employees to purchase motor bikes	408,963	893,183	408,963	893,183
Advances from customers	1,051,832	963,176	1,013,682	914,248
Other payables	9,821,797	6,867,272	9,821,422	6,866,596
	<u>27,819,954</u>	<u>47,008,664</u>	<u>32,558,956</u>	<u>46,426,529</u>
	<u>40,909,279</u>	<u>347,959,396</u>	<u>45,243,446</u>	<u>335,901,322</u>
21.1 Trade payables - related parties				
Nilkamal Limited (Note 21.2)	-	20,766,390	-	20,766,390
Good Value Eswaran (Pvt) Ltd	2,975	-	2,975	-
	<u>2,975</u>	<u>20,766,390</u>	<u>2,975</u>	<u>20,766,390</u>

21.2 Trade payables have decreased during the year ended 31 March 2023 due to availability of dollar liquidity and company paid off previous dues



NI KAMAL ESWARAN PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,	Group		Company	
	2023 Rs	2022 Rs.	2023 Rs	2022 Rs.
22 Related Party Payables				
Nilkamal Limited - Royalty Payable	1,728,546	6,800,416	1,728,546	6,800,416
Nilkamal Limited - Dividend Payable (Note 22.1)	-	57,765,390	-	57,765,390
Dividend Payable to Close Family Members of KMP (Note 22.1)	-	2,234,610	-	2,234,610
	1,728,546	66,800,416	1,728,546	66,800,416

22.1 The Group has declared an interim dividend of Rs. 60 Mn during the year 2021/2022. However, the Group has been unable to remitted the dividend due to the foreign exchange crisis in Sri Lanka during the year 2022. The said amount has been remitted during the current year on 23 February 2023.

As at 31 March,	Group		Company	
	2023 Rs	2022 Rs.	2023 Rs	2022 Rs.
23 Current Taxation				
Balance as at the beginning of the year	10,713,886	13,667,510	16,070,402	12,898,792
Current tax for the year (Note 9.1)	53,703,306	33,977,432	48,480,300	37,369,455
(Over)/under provision of current taxes in prior years (Note 23.1)	(6,700,353)	346,892	(13,583,776)	346,892
Payments made during the year	(36,581,521)	(37,277,948)	(32,149,427)	(34,544,734)
WHT Set Off against current tax	(692,783)	-	(692,783)	-
Balance as at the end of the year (Note 9.2)	20,442,535	10,713,886	18,124,716	16,070,405

23.1 During the year, there is a adjustment made due to a under provision during the year 31 March 2022, which has impacted to the current year provision by Rs. 7,764,703.

24 Investment

During the period the company has made investment in equity shares through Capital Alliance Securities (Pvt) Ltd who's a trading member in Colombo Stock Exchange.

Company	31.03.2023 share price	Purchase price	Number of Shares	Fair value of the shares	Purchase price	Revaluation gain/(loss)
Dialog Axiata PLC	10.40	9.75	500,000	5,200,000	4,873,859	326,141
Hemas Holding PLC	65.00	63.21	50,000	3,250,000	3,160,607	89,393
John Keells PLC	140.00	144.35	40,000	5,600,000	5,773,952	(173,952)
Feehly Lanka PLC	32.00	33.48	120,000	3,840,000	4,018,003	(178,003)
Meistacorp PLC	54.90	52.86	50,000	2,745,000	2,642,946	102,054
Hutton National Bank PLC	129.50	126.91	15,000	1,942,500	1,903,584	38,916
Aitken Spence Holding PLC	59.90	60.67	35,000	2,096,500	2,123,520	(27,020)
			810,000	24,674,000	24,496,472	177,528

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 Capital Commitments

There were no capital commitments as at the reporting date.

27 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'.

27.1 Parent and Ultimate Parent Party

The Company's immediate and ultimate controlling party is Nilkamal Limited which is incorporated in India.

For the year ended 31 March 2023

27 Related Party Transactions (Cont.)

27.2 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.

KMP of the Company are also KMP of the Group.

27.2.1 Compensation of Key Management Personnel

For the year ended 31 March,	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Short term benefits	17,761,887	17,855,231	17,761,887	17,855,231
Post employment benefits	-	(24,041)	-	(24,041)
Dividend paid to close family members of KMP				
- Final Dividend for 20/21	-	744,870	-	744,870
- First Interim Dividend for 21/22	-	2,234,610	-	2,234,610
	<u>17,761,887</u>	<u>20,810,670</u>	<u>17,761,887</u>	<u>20,810,670</u>

No other payments such as post employment benefits, termination benefits and share based payments have been paid to key management personnel during the year.

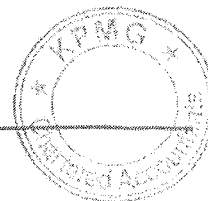
No loans have been given to the Directors of the Company.

27.3 Transactions with Related Companies

Company Name	Relationship	Nature of Transaction	Transaction Amount 2022/23	Transaction Amount 2021/22
			Rs.	Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd	Subsidiary	Net fund transfers to/(from) Plastics	(24,394,679)	(31,866,778)
		Dues NEMPL settled to the Company	25,929,096	36,410,082
		Dues the Company settled to NEMPL	(1,534,418)	(4,543,304)
		Purchases from Nilkamal Limited	48,526,184	36,962,685
		Mould lease rentals paid to Nilkamal Limited	1,197,000	-
Nilkamal Limited	Parent Entity	Purchases of Capital Goods from Nilkamal India	8,330,824	15,616,508
		Exports to Nilkamal India	-	4,083,209
		Royalty charged by Nilkamal Limited	6,145,463	10,993,441
		Final dividend for 2020/21	-	19,255,130
		First Interim dividend 21/22	-	57,763,390
Eswaran Brothers Ceylon (Pvt) Ltd		Purchases	74,050	123,609
		Settlements	(77,026)	(123,609)
Eswaran Brothers Ceylon (Pvt) Ltd - Crates		Purchases	1,038,513	-
		Settlements	(1,038,513)	-
Good Value Eswaran (Pvt) Ltd		Purchases	20,105,839	21,874,685
		Settlements	(20,294,721)	(20,616,074)
Good Value Eswaran (Pvt) Ltd - Crate	Companies significantly influenced by KMP and their close family members	Purchases	-	599,466
		Settlements	-	(599,466)
Good Value Eswaran World Wide (Pvt) Ltd		Purchases	64,509	794,773
		Settlements	(477,930)	(444,176)
Good Value Eswaran World Wide (Pvt) Ltd - Semi		Purchases	14,020	794,773
		Settlements	(14,020)	(444,176)
Good Value Eswaran World Wide (Pvt) Ltd - Crate		Purchases	-	202,999
		Settlements	-	(282,854)
Nilkamal Crates and bins		Purchases	97,023,713	-

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.

The Company has provided a Corporate Guarantee for Rs 16,000,000/- dated 21 November 2012 for banking facilities made available to the Subsidiary Nilkamal Eswaran Marketing (Pvt) Ltd by Commercial Bank of Ceylon PLC.



For the year ended 31 March 2023

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	
	2023 Rs.	2022 Rs.	2022 Rs.	2022 Rs.
Trade and other receivables	136,618,639	206,127,918	128,035,419	182,667,901
Cash & cash equivalents	390,096,652	581,825,514	355,487,217	553,776,632
	<u>526,715,291</u>	<u>787,953,432</u>	<u>483,522,635</u>	<u>736,444,533</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 2023

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				
<i>As at 31 March 2023</i>	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	40,909,279	-	-	40,909,279
Related party payables	1,728,546	-	-	1,728,546
	<u>42,637,826</u>	<u>-</u>	<u>-</u>	<u>42,637,826</u>
<i>As at 31 March 2022</i>	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	347,959,396	-	-	347,959,396
Related party payables	66,800,416	-	-	66,800,416
	<u>414,759,812</u>	<u>-</u>	<u>-</u>	<u>414,759,812</u>
Company				
<i>As at 31 March 2023</i>	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	45,243,446	-	-	45,243,446
Related party payables	1,728,546	-	-	1,728,546
	<u>46,971,993</u>	<u>-</u>	<u>-</u>	<u>46,971,993</u>
<i>As at 31 March 2022</i>	Within 1 Year Rs.	Between 1-2 Years Rs.	More than 2 Years Rs.	Total Rs.
Trade & other payables	335,901,322	-	-	335,901,322
Related party payables	66,800,416	-	-	66,800,416
	<u>402,701,738</u>	<u>-</u>	<u>-</u>	<u>402,701,738</u>

28.3 Market Risk

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

28.3.1 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 PLASTICS (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

28 Financial Risk Management (Cont.)

28.3 Market Risk (Cont.)

28.3.1 Currency Risk (Cont.)

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

	Group		Company	
	USD	Converted to LKR	USD	Converted to LKR
<i>As at 31 March 2023</i>				
Related Party receivables	-	-	-	-
Trade payables-Other	-	-	-	-
Trade payables-related party	-	-	-	-
	-	-	-	-
<i>As at 31 March 2022</i>				
Related Party receivables	-	-	-	-
Trade payables-Other	(795,908)	(237,976,343)	(795,908)	(237,976,343)
Trade payables-related party	(107,703)	(20,766,447)	(69,453)	(20,766,447)
	(903,611)	(258,742,790)	(865,361)	(258,742,790)

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.

28.3.2.1 Exposure to Interest Rates Risk

As at 31 March,

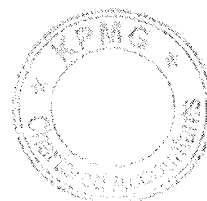
	2023 Rs.	2022 Rs.
<u>Group</u>		
<u>Financial Assets</u>		
Cash and Cash Equivalents	390,096,652	581,825,514
	<u>390,096,652</u>	<u>581,825,514</u>
<u>Company</u>		
<u>Financial Assets</u>		
Cash and Cash Equivalents	355,487,217	553,776,632
	<u>355,487,217</u>	<u>553,776,632</u>

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 2023

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:

<i>As at 31 March,</i>	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Group	Rs.	Rs.	Rs.	Rs.
Financial assets at amortised cost				
Trade and other receivables	136,618,639	136,618,639	206,127,918	206,127,918
Cash and cash equivalents	390,096,652	390,096,652	581,825,514	581,825,514
	<u>526,715,291</u>	<u>526,715,291</u>	<u>787,953,432</u>	<u>787,953,432</u>
Financial liabilities at amortised cost				
Trade and other payables	40,909,279	40,909,279	347,959,396	347,959,396
Related party payables	1,728,546	1,728,546	66,800,416	66,800,416
	<u>42,637,826</u>	<u>42,637,826</u>	<u>414,759,812</u>	<u>414,759,812</u>
Company				
Financial assets at amortised cost				
Trade and other receivables	132,813,710	132,813,710	196,390,645	196,390,645
Cash and cash equivalents	355,487,217	355,487,217	553,776,632	553,776,632
	<u>488,300,927</u>	<u>488,300,927</u>	<u>750,167,277</u>	<u>750,167,277</u>
Financial liabilities at amortised cost				
Trade and other payables	45,243,446	45,243,446	335,901,322	335,901,322
Related party payables	1,728,546	1,728,546	66,800,416	66,800,416
	<u>46,971,993</u>	<u>46,971,993</u>	<u>402,701,738</u>	<u>402,701,738</u>

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

- 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.
- 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.

31 Events After the Reporting Date

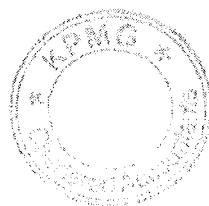
There were no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

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

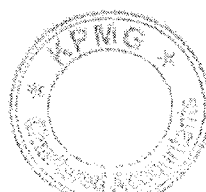
<i>For the year ended 31 March,</i>	Company	
	2023 Rs.	2022 Rs.
Revenue	819,394,853	1,469,875,297
Cost of sales	(500,180,727)	(1,056,999,175)
Gross Profit	319,214,125	412,876,122
Other income	5,887,744	3,297,147
Administrative expenses	(90,755,288)	(73,364,012)
Distribution expenses	(118,389,584)	(161,780,459)
Profit from Operations	115,956,997	181,028,798



NI.KAMAL ESWARAN PLASTICS (PVT) LTD
DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March,

	Company	
	2023	2022
	Rs.	Rs.
<u>COST OF SALES</u>		
Inventory Movement	(42,190,084)	67,208,941
Import Related Expenses	(215,105)	(224,407)
Purchase MB Crates - (Imports)	7,589,702	9,772,439
Purchase MB Furniture - (Import)	12,007,912	17,775,637
Purchase MB Furniture - (Local)	-	22,500
Purchase Packing Material-(Import)	-	753,976
Purchase Packing Material - (Local)	4,992,159	15,366,015
Purchase RM - Crates (Imports)	77,802,325	122,514,975
Purchase RM - Furniture (Imports)	226,274,980	601,124,003
Purchase RM-Furniture(Local)	133,500	17,081,537
Purchase RM Crate - (Local)	-	2,742,500
Purchase - Semi Finished Goods	5,243,166	18,121,940
Purchase Fabrication Material	12,720,005	11,986,013
Purchase Import OSS	40,898,261	1,152,608
Purchase OSS Material	6,762,946	14,469,924
Purchase-(Import)	-	86,053
Purchase SFG Import OSS	158,750	3,069,776
OSS Products Expenses	377,556	580,215
Sofa Fabric	1,965,036	16,494,088
Sofa Foam	5,622,181	20,760,379
Sofa Hardware	3,296,292	11,491,970
Sofa Packing Material	934,100	1,772,566
Purchase - Semi Finished Goods - Crates	-	10,346,369
Sofa Local purchases	19,900	-
Sofa Wood	3,605,132	12,501,323
Purchase - Goods in Transit	220,275	(94,942,966)
Provision for Slowmoving Stocks (Expense)	10,876,891	1,559,292
Allowance for Extra Hours - Factory	336,000	233,333
Annual Leave Encashment - Production	3,220,745	1,766,359
Attendance Allowance - Factory	942,075	588,801
Bonus - Factory	(1,400,000)	2,039,336
Budgetary Allowance - Factory	1,515,516	1,392,416
Contract Wages	11,024,071	30,497,040
Dep'n on Crates Moulds	4,673,337	8,774,023
Dep'n on Furniture Moulds	14,645,171	15,759,869
Dep'n on OSS Mould	1,176,162	588,081
Dep'n on Plant, Machi & Equip	13,312,483	13,085,479
Electricity	19,140,710	28,592,219
EPF 12% - Factory	3,618,628	4,972,827
ETF 3% - Factory	897,040	1,077,927
Factory Consumables	2,204,510	4,375,020
Food Allowance - Factory	649,466	628,842
Hard Shift Allowance - Factory	164,000	166,300
House Rent Allowance - Factory	240,000	219,000
Loading/Unloading Crate	2,500	17,200
Loading/Unloading Furniture	7,190	5,550
Loading/Unloading on Purchases	6,805	13,600
Meal/Bun Allowance - Factory	24,705	26,070
Mould Lease Rent	1,354,588	-
Night Shift Allowance - Factory	100,039	33,350
Overtime - Factory	7,288,570	10,269,134
Plant & Machinery Maintenance	8,223,866	8,928,229
Salaries & Wages - Factory	20,398,749	27,498,468
Screen Printing - Crates	82,392	422,871
Sofa Labour	940,275	5,190,449
Special Allowance - Factory	333,273	772,465
Travelling Allowance - Factory	3,175,023	2,705,013



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

For the year ended 31 March,

COST OF SALES (Cont.)

	2023 Rs.	Company 2022 Rs.
Water Bill Expenses	619,002	739,335
Powder Coating Chagres	1,871,201	1,855,175
Production Incentive	297,153	177,729
	500,181,120	1,056,999,175

ADMINISTRATIVE EXPENSES

Accomodation - Crate	278,839	1,144,519
Accomodations	1,048,636	599,455
Annual Leave Encashment - Admin	723,275	836,500
Audit - External	1,574,432	1,322,704
Audit-Internal	861,500	846,500
Bonus-Office	(490,000)	719,767
Books & Periodicals	20,670	-
Budgetary Allowance-Admin	136,167	132,166
Building Maintenance	419,901	1,113,764
Charity & Donations	2,114,190	53,000
Computer Consumables	332,200	511,295
Container Washing & Cleaning Chgs.	393,125	59,395
Depreciation on Other Fixed Assets	9,136,708	13,057,660
Cost of Living Allowance	4,584,586	-
EPF 12%-Office	2,061,713	1,994,874
ETF 3%-Office	515,428	498,719
Food Allowance - Admin	810,000	757,100
Foreign Travelling Ex - Crate	224,500	418,620
Foreign Travelling Ex - Furniture	130,200	398,291
Fuel Expenses - Furniture	2,211,992	1,314,271
Gratuity	11,597,865	(2,635,557)
House Rent- Admin	354,000	336,000
Insurance Expences	5,959,562	4,748,309
Legal & Consultancy Fees	3,572,368	170,000
Licence Fee	222,785	142,088
Medical Expenses	136,410	355,613
Miscellaneous Expenses	-	422
Office Maintenance	8,421,705	11,099,805
Overtime-Office Staff	53,827	98,339
Postage,Stamp & Courier	916,922	356,027
Printing & Stationery	206,034	140,403
Rates & Taxes	2,435,454	2,435,455
Salaries - Administration	10,830,173	10,218,008
Secretarial Fees	285,163	277,939
Security Expences	5,723,183	5,466,068
Special Allowance - Admin	1,313,580	1,486,849
Staff Welfare	1,855,612	3,252,856
Staff Welfare - Crate	1,800	3,650
Staff Welfare - Fabricated	32,550	47,570
Stamp Duty	58,300	107,325
Telephone & Fax	1,747,722	1,856,870
Traveling Allowance Admin	2,825,497	2,657,300
Traveling Expences - Crate	5,740	88,160
Traveling Expences - Furniture	1,554,871	830,581
Vehicle Hiring - Furniture	1,140,000	1,270,000
Vehicle Maintenance Ex - Crate	467,023	678,618
Vehicle Maintenance Ex - Furniture	1,534,603	1,637,679

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

For the year ended 31 March,

	Company	
	2023	2022
	Rs.	Rs.
<u>ADMINISTRATIVE EXPENSES (Cont.)</u>		
Lawyer Fee for Court Case Furniture	-	9,000
Lawyer Fee for Court Case Sofa	-	45,000
Payroll Outsourcing Fee	18,465	60,445
Postage, Stamp & Courier - Crate	-	1,799
Seminar & Training - Furniture	161,038	-
Sofa Warranty Provision Charge	-	56,914
Staff Recruitment Ex - Crate	4,800	4,300
Staff Recruitment Ex - Furniture	84,810	105,997
Tab & Phone Repair	145,365	175,580
	90,755,288	73,364,012
<u>DISTRIBUTION EXPENSES</u>		
Advertising Expenses - Furniture	37,260	19,200
Bad Debts Account - Furniture	(682,184)	317,976
Bonus Crates	(665,000)	977,685
Bonus-Marketing	(945,000)	1,385,552
Distributor Sales Incentives	4,872,128	12,619,687
EPF 12%-Crate	800,322	2,393,197
EPF 12%-Sales	3,847,689	3,958,121
ETF 3%-Crate	164,000	404,098
ETF 3%-Sales	961,922	989,530
Export Charges - Crate	-	124,934
Fields Sales Expenses - Crate	179,478	272,780
Fields Sales Expenses - Fabricated	940	-
Fields Sales Expenses - Furniture	3,209,583	2,161,032
Fields Sales Expenses - Sofa	7,850	56,735
Food Allowance-Crate	192,000	183,709
Food Allowance-Sales	1,129,419	1,136,742
Fuel Expenses - Sofa	467,175	256,795
Fuel Expenses - Sales	3,329,230	1,962,697
Fuel Expenses - Crate	1,173,921	620,002
House Rent- Sales	288,000	267,000
Overtime-Sales	64,818	310,838
Promotions & Events - Furniture	1,493,889	1,758,255
Promotions & Events - Sofa	148,800	150,242
Promotions of Crates	-	4,625
Royalty	6,145,463	10,993,441
Salaries-Crates	3,771,194	11,866,702
Salaries-Sales	20,524,012	21,146,201
Sales Incentives - Crate	220,293	230,825
Sales Incentives - Furniture	7,866,090	13,282,400
Special Allowance-Crate	156,624	197,770
Special Allowance-Sales	3,704,417	4,083,070
Tender Expenses	398,738	390,338
Tender Expenses - Crate	34,500	16,000
Transport Charges - Crates	1,682,081	4,155,336
Transport Charges - Furniture	15,407,562	25,900,082
Traveling Allowance - Sales	3,508,178	3,193,194
Travelling Allowance-Crate	337,380	363,601
VAT on Sample Issues - Crate	2,488	2,206
VAT on Sample Issues - Furniture	1,568	1,322



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

For the year ended 31 March,	Company	
	2023 Rs	2022 Rs.
<u>DISTRIBUTION EXPENSES (Cont.)</u>		
Annual Leave Encashment - Crate	1,231,578	958,432
Annual Leave Encashment - S & D	1,448,697	1,490,242
Budgetary Allowance - Sales	881,101	1,088,350
Budgetary Relief Allowance - Crate	90,000	109,333
Daraz Sales Commission	148,442	84,308
House Rent Allowance - Crate	78,000	57,000
Online Courier Chagres	-	(119,444)
Online Sales Commission	(8,462)	40,699
Promotions & Events - OSS	-	46,000
Purchase of Samples	27,788	39,143
Review Meeting Expense	237,443	424,759
Sales Incentives - Crate - Institutional	-	640,250
Sales Incentives - fab	542,030	-
Sales Incentives - OSS	239,500	11,489
Sales Incentives - Sofa	99,600	851,800
Sales Incentives-Institutional	-	5,288,650
Settlement Discounts (16 to 30 Days)-1%	29,952	173,759
Settlement Discounts (Immediately)-2%	27,956	841,021
Settlement Discounts (Immediately)-2.5%	1,184,996	11,608,664
Settlement Discounts (Immediately)-5%	9,144,415	-
Settlement Discounts -OSS -5%	2,185	-
Settlement Discounts -Sofa-2.5%	45,106	115,263
Settlement Discounts -Sofa-5%	264,169	292,364
Social Security Contribution Levy AC	9,492,990	-
Transport Charges - Fabricated	828,116	575,173
Transport Charges - OSS	1,045,876	329,495
Transport Charges - Powder Coating & Other	101,000	310,980
Transport Charges - Sofa	2,171,920	3,216,961
Travelling for Sales - Furniture	4,450,070	4,425,000
Travelling for Sales - Sofa	624,000	575,000
Utility Expences Crate	71,951	137,268
Written Off Unclaimed VAT - 12%- Fur	22,732	-
Written Off Unclaimed VAT - 15% - FUR	6,006	-
Written Off Unclaimed VAT - 15% - Sofa	-	(5,204)
Written Off Unclaimed VAT - 8%- Crate	-	58
Written Off Unclaimed VAT - 8%- Fab	-	933
Written Off Unclaimed VAT - 8%- Fur	-	149
Written Off Unclaimed VAT - 8%- Sofa	23,602	18,656
Sub total	34,552,755	33,626,551
Total distribution expense	118,389,584	161,780,459

