

**NILKAMAL CRATES  
& BINS FZE**

**Financial Statements**

*31 March 2025*

*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 2025**

<i><b>CONTENTS</b></i>	<i><b>PAGE</b></i>
Manager's Report	1
Independent Auditors' Report	2 – 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 19

# NILKAMAL CRATES & BINS FZE

## Manager's Report

The manager submits his report and accounts for the year ended 31 March 2025.

### Results and dividend

The profit for the year after tax amounted to AED 1,124,729/-. The directors have approved payment of interim dividend amounting to AED 1,000,000/- for the year ended 31 March 2025.

### 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.

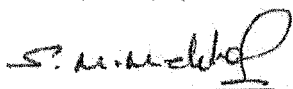
### Shareholder and its interest

The sole shareholder, at 31 March 2025 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 2025, 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 2025 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 (continued)

#### Responsibilities of Management and Those Charged With Governance for the Financial Statements (continued)

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)

5 May 2025



# NILKAMAL CRATES & BINS FZE

PAGE 4

## Statement of Financial Position At 31 March 2025

	Notes	2025 AED	2024 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	6	<u>172,916</u>	<u>203,197</u>
<b>Current assets</b>			
Inventories	7	3,385,417	2,992,794
Trade and other receivables	8	2,945,114	3,635,411
Prepayments		118,668	92,096
Cash and bank balances	9	<u>5,259,835</u>	<u>4,798,652</u>
		<b><u>11,709,034</u></b>	<b><u>11,518,953</u></b>
<b>TOTAL ASSETS</b>		<b><u>11,881,950</u></b>	<b><u>11,722,150</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	185,000	185,000
Statutory reserve	11	92,500	92,500
Accumulated profits		<u>9,359,038</u>	<u>9,234,309</u>
<b>Total equity</b>		<b><u>9,636,538</u></b>	<b><u>9,511,809</u></b>
<b>Non-current liability</b>			
Staff end of service gratuity		<u>227,511</u>	<u>174,078</u>
<b>Current liabilities</b>			
Trade and other payables	12	1,943,752	2,036,263
Provision for income tax	21	<u>74,149</u>	<u>-</u>
		<b><u>2,017,901</u></b>	<b><u>2,036,263</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>11,881,950</u></b>	<b><u>11,722,150</u></b>

The accompanying notes 1 to 22 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 5<sup>th</sup> May 2025 and signed on its behalf by:

For NILKAMAL CRATES & BINS FZE

*S. M. Mehta*

Mr. Saumil Mukund Mehta  
Manager



## NILKAMAL CRATES &amp; BINS FZE

Statement of Comprehensive Income  
for the year ended 31 March 2025

	<i>Notes</i>	<i>2025 AED</i>	<i>2024 AED</i>
Sales	17	14,762,219	17,683,999
Cost of sales	13	(10,577,334)	(12,730,593)
<b>Gross profit</b>		<b>4,184,885</b>	<b>4,953,406</b>
Expenses	14	(3,130,269)	(2,691,133)
<b>Profit from operating activities for the year</b>		<b>1,054,616</b>	<b>2,262,273</b>
Other income	15	144,262	171,058
<b>Profit for the year before tax</b>		<b>1,198,878</b>	<b>2,433,331</b>
Income tax expense	21	(74,149)	-
<b>Profit for the year after tax</b>		<b>1,124,729</b>	<b>2,433,331</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>1,124,729</b>	<b>2,433,331</b>

The accompanying notes 1 to 22 form an integral part of these financial statements.

## NILKAMAL CRATES &amp; BINS FZE

Statement of Changes in Equity  
for the year ended 31 March 2025

	Share capital <i>AED</i>	Statutory reserve <i>AED</i>	Accumulated profits <i>AED</i>	Total <i>AED</i>
As at 31 March 2023	185,000	92,500	8,300,978	8,578,478
Interim dividend paid during the year	-	-	(1,500,000)	(1,500,000)
Profit for the year	-	-	2,433,331	2,433,331
As at 31 March 2024	185,000	92,500	9,234,309	9,511,809
Interim dividend paid during the year	-	-	(1,000,000)	(1,000,000)
Profit for the year after tax	-	-	1,124,729	1,124,729
As at 31 March 2025	<u>185,000</u>	<u>92,500</u>	<u>9,359,038</u>	<u>9,636,538</u>

The accompanying notes 1 to 22 form an integral part of these financial statements.



## NILKAMAL CRATES &amp; BINS FZE

**Statement of Cash Flows**  
**for the year ended 31 March 2025**

	<i>Notes</i>	<b>2025</b> <b>AED</b>	<b>2024</b> <b>AED</b>
<b><u>Cash flows from operating activities</u></b>			
Profit for the year before tax		1,198,878	2,433,331
Adjustment for:			
Profit on sale of fixed assets		-	(11,370)
Provision for staff end of service gratuity		53,433	35,934
Provision for slow moving inventories		60,000	-
Depreciation		36,664	29,751
<b>Operating profit before working capital changes</b>		<b>1,348,975</b>	<b>2,487,646</b>
Changes in inventories		(452,623)	956,387
Changes in trade and other receivables		690,297	(252,277)
Changes in prepayments		(26,572)	(23,139)
Changes in trade and other payables		(92,511)	(1,001,752)
<b>Net cash from operating activities</b>		<b>1,467,566</b>	<b>2,166,865</b>
<b><u>Cash flow from investing activities</u></b>			
Purchase of fixed assets		(6,383)	(111,747)
Proceeds on sale of fixed assets		-	15,000
Investment in fixed deposits		(4,000,000)	-
<b>Net cash (used in) investing activities</b>		<b>(4,006,383)</b>	<b>(96,747)</b>
<b><u>Cash flow from financing activities</u></b>			
Interim dividend paid during the year		(1,000,000)	(1,500,000)
<b>Net cash (used in) financing activities</b>		<b>(1,000,000)</b>	<b>(1,500,000)</b>
<b>Net changes in cash and cash equivalents</b>		<b>(3,538,817)</b>	<b>570,118</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>4,798,652</b>	<b>4,228,534</b>
<b>Cash and cash equivalents at end of the year</b>	16	<b>1,259,835</b>	<b>4,798,652</b>

The accompanying notes 1 to 22 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 2025***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 business 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 2024 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.

**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:

## NILKAMAL CRATES & BINS FZE

### Notes to the Financial Statements for the year ended 31 March 2025

#### *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.

#### *Deferred tax assets*

Deferred tax assets relating to income tax losses have not been recognised on the basis that, based on latest forecasts and projections, it is not probable that future taxable amounts will be sufficient to realize the assets in the short term.

#### 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.

## NILKAMAL CRATES & BINS FZE

### Notes to the Financial Statements for the year ended 31 March 2025

#### *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.

## 4. Adoption of new International Financial Reporting Standards

### a) New and revised International Financial Reporting Standards

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

- Amendments to IFRS 16 – Lease liability in a sale and leaseback.
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Non-current liabilities with Covenants.
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

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. The changes to the accounting policy are based on the past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

Adoption of new International Financial Reporting Standards

New and revised International Financial Reporting Standards

The following International Financial Reporting Standards

## NILKAMAL CRATES & BINS FZE

### Notes to the Financial Statements for the year ended 31 March 2025

#### b) International Financial Reporting Standards issued but not effective

Amendments to IAS 21 - Lack of Exchangeability. The effective date of the amendments is set for annual periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7- Amendments to the classification and measurements of financial instruments. The effective date of the amendments is set for annual periods beginning on or after 1 January 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

IFRS 19 – Subsidiaries without public accountability: Disclosures- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

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

#### 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.

**Notes to the Financial Statements**  
*for the year ended 31 March 2025*

**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.

**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.

## NILKAMAL CRATES & BINS FZE

### Notes to the Financial Statements for the year ended 31 March 2025

#### 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.

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) Taxation

##### Current income tax

Income tax have been provided for in these financial statements in accordance with legislation enacted or substantively enacted at the reporting date in the United Arab Emirates where the Company operates and generates taxable income. The income tax charge comprises current tax and is recognized in profit or loss for the period.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

Taxable profits or losses are based on estimates if these interim financial statements are authorized prior to filing relevant tax returns.

##### Deferred taxes

Deferred tax is provided using the balance sheet liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred income tax is provided on all taxable temporary differences arising on investment in subsidiary companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized.

**Notes to the Financial Statements**  
*for the year ended 31 March 2025***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.

**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.



## NILKAMAL CRATES &amp; BINS FZE

**Notes to the Financial Statements**  
for the year ended 31 March 2025

**Sales of goods (contd.)**

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**

	<b>Furniture and office equipment AED</b>	<b>Vehicles AED</b>	<b>Total AED</b>
<b>Cost</b>			
As at 01.04.2024	341,041	229,085	570,126
Additions during the year	6,383	-	6,383
As at 31.03.2025	<u>347,424</u>	<u>229,085</u>	<u>576,509</u>
<b>Depreciation</b>			
As at 01.04.2024	243,064	123,865	366,929
Charge for the year	24,021	12,643	36,664
As at 31.03.2025	<u>267,085</u>	<u>136,508</u>	<u>403,593</u>
<b>Net book value</b>			
As at 31.03.2025	<u>80,339</u>	<u>92,577</u>	<u>172,916</u>
As at 31.03.2024	<u>97,977</u>	<u>105,220</u>	<u>203,197</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 2025 approximates to their net book values.

**Notes to the Financial Statements**  
for the year ended 31 March 2025

	2025 <u>AED</u>	2024 <u>AED</u>
<b>7. Inventories</b>		
Inventories	3,433,776	3,060,579
Provision for slow moving inventories	<u>(438,000)</u>	<u>(378,000)</u>
	<b>2,995,776</b>	<b>2,682,579</b>
Goods in transit	<u>389,641</u>	<u>310,215</u>
	<b><u>3,385,417</u></b>	<b><u>2,992,794</u></b>
<b>8. Trade and other receivables</b>		
Trade receivables	2,563,192	3,234,496
Advance to suppliers	203,139	307,286
Other receivables	94,258	6,979
Deposits	<u>84,525</u>	<u>86,650</u>
	<b><u>2,945,114</u></b>	<b><u>3,635,411</u></b>
<b>9. Cash and bank balances</b>		
Cash on hand	14,598	27,702
Bank balances in:		
Current accounts	1,245,237	4,770,950
Fixed deposit accounts	<u>4,000,000</u>	<u>-</u>
	<b><u>5,259,835</u></b>	<b><u>4,798,652</u></b>
<b>10. Share capital</b>		
Authorized, issued and paid up:		
1 share of AED 185,000/-	<u>185,000</u>	<u>185,000</u>
<b>11. Statutory reserve</b>		
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.		
	2025 <u>AED</u>	2024 <u>AED</u>
<b>12. Trade and other payables</b>		
Trade payables (refer note 17)	1,669,648	1,784,394
Advance from customers	190,600	183,728
Accruals	28,824	28,901
Other payable	<u>54,680</u>	<u>39,240</u>
	<b><u>1,943,752</u></b>	<b><u>2,036,263</u></b>
<b>13. Cost of sales</b>		
Inventories at beginning of the year	3,060,579	2,822,930
Purchases (refer note 17)	9,827,601	11,540,608
Other direct costs (refer note 17)	1,062,930	1,427,634
Provision for slow moving inventories	60,000	-
Inventories at the end of the year	<u>(3,433,776)</u>	<u>(3,060,579)</u>
	<b><u>10,577,334</u></b>	<b><u>12,730,593</u></b>

**Notes to the Financial Statements**  
for the year ended 31 March 2025

	2025 <u>AED</u>	2024 <u>AED</u>
<b>14. Expenses</b>		
Manager's remuneration (refer note 17)	424,092	389,472
Staff salaries and benefits	1,040,170	1,078,138
Rent	336,195	318,608
Other administration expenses	1,271,252	875,164
Bad debts written off	21,896	-
Depreciation (refer note 6)	36,664	29,751
	<u>3,130,269</u>	<u>2,691,133</u>
<b>15. Other income</b>		
Exchange gain	49,547	53,860
Profit on sale of fixed assets	-	11,370
Miscellaneous income	94,715	105,828
	<u>144,262</u>	<u>171,058</u>
<b>16. Cash and cash equivalents</b>		
Cash on hand	14,598	27,702
Bank balances in:		
Current accounts	1,245,237	4,770,950
	<u>1,259,835</u>	<u>4,798,652</u>
<b>17. Related party transactions</b>		

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:

	Key Managerial Personnel 2025 <u>AED</u>	Parent company 2025 <u>AED</u>	Common management control <u>AED</u>	Total 2025 <u>AED</u>	Total 2024 <u>AED</u>
Purchases (refer note 13)		1,885,924	1,452,942	3,338,866	3,215,200
Other direct costs (refer note 13)	-	-	-	-	88,632
Manager's remuneration (refer note 14)	424,092	-	-	424,092	389,472

## NILKAMAL CRATES &amp; BINS FZE

Notes to the Financial Statements  
for the year ended 31 March 2025

## Related party transactions (contd.)

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

	Common management control 2025 <u>AED</u>	Parent company 2025 <u>AED</u>	Total 2025 <u>AED</u>	Total 2024 <u>AED</u>
<b>Included in current liabilities:</b>				
Trade payables (refer note 12)	-	139,187	139,187	518,173

## 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 2025, the establishment's maximum exposure to credit risk from trade receivables situated within U.A.E. amounted to AED 602,834/- due from one customer (previous year AED 500,000/- 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 fixed deposit accounts are placed with high credit quality financial institutions.

## b) Market risk

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

**Interest rate risk**

Interest on fixed deposits is at fixed rate.

**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.

# NILKAMAL CRATES & BINS FZE

## Notes to the Financial Statements for the year ended 31 March 2025

### c) Liquidity risk

The following are the contractual maturities of the establishment's financial liabilities as of 31 March 2025.

<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	219,194	-	219,194
<b>Trade and other payables:</b>			
Trade payables	1,699,648	1,699,648	
Advance from customers	190,600	190,600	
Accruals	28,824	28,824	
Other payable	<u>54,680</u>	<u>54,680</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.

### 20. Contingent liability

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

### 21. Taxation

Current tax expense

2025  
AED

2024  
AED

74,149

-

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax ("CT") regime in the UAE. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 0% will apply to taxable income upto AED 375,000, a rate of 9% will apply to taxable income exceeding AED 375,000.

Further, profit before tax is equivalent to taxable profit and hence there is no deferred tax adjustment as per Corporate Tax of the Federal Decree law no. 47 of 2022. The tax expense for the year is reconciled to the profit before tax as per statement of comprehensive income as follows –

Profit before tax in AED	<u>1,198,878</u>	<u>2,433,331</u>
Tax charge of 0% on profit up to AED 375,000	-	N/A
Tax charge of 9% on profit beyond AED 375,000	<u>74,149</u>	N/A

### 22. Comparative figures

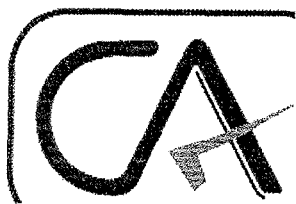
Previous years figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year.

# **NILKAMAL FOUNDATION**

## **BALANCE SHEET**

**F. Y. 2024 - 2025**

**A.Y. 2025 - 2026**



## 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, 2025 the Statement of Income and Expenditure Account and Cash Flow statement for the year ended 31st March 2025, 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 2025
- (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.



## Report on Other Legal and Regulatory Requirements

- For M/s Sheth Doctor and Associates  
Chartered Accountants  
(Firm Regn No. 124822W)  
UDIN NO 25036056BMLIGW9063

Digitally signed by Parash Suryakanti Doctor  
DN: cn=Parash, title=Dr, o=, email=parash.suryakanti@gmail.com, c=IN, ou=, st=Maharashtra, serialNumber=fcd8886e7f5de06b2f89a3c69090624fe1d58dbda70477a19f6c2d2cc919, cn=Parash Suryakanti Doctor  
Date: 2023.11.18 12:31:22 +0330

Mumbai.  
Date : 16<sup>th</sup> April 2015

# NILKAMAL FOUNDATION

## BALANCE SHEET

As AT 31st MARCH, 2025

(Rupees in Lakhs)

	Note	As at	As at
		31st March, 2025	31st March, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	1	0.46	10.88
Other Current Assets	2	0.10	0.18
<b>TOTAL ASSETS</b>		<b>0.56</b>	<b>11.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	3	0.01	0.01
Other Equity	4	0.37	10.87
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other Payables	5	0.18	0.18
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>0.56</b>	<b>11.05</b>

Basis of Preparation, measurement and significant accounting policies

10

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

Paresh S. Doctor  
Proprietor  
Membership No. 36056

Vamanrai V. Parekh  
Director  
DIN : 00037519

Sharad V. Parekh  
Director  
DIN : 00035747

Place : Mumbai  
Date: 16th April, 2025  
UDIN : 25036056BMLIGW9063



# NILKAMAL FOUNDATION

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2025

(Rupees in Lakhs)

	Note	Year Ended 31st March, 2025	Year Ended 31st March, 2024
<b>INCOME</b>			
Donation Received	6	7.05	-
Other Income	7	0.13	0.39
<b>TOTAL INCOME</b>		<b>7.18</b>	<b>0.39</b>
<b>EXPENDITURE</b>			
Program Expense	8	17.05	-
Other Expense	9	0.63	0.33
<b>TOTAL EXPENSES</b>		<b>17.68</b>	<b>0.33</b>
<b>Excess / (Shortfall) of income over expenditure [A]</b>		<b>-10.50</b>	<b>0.06</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR [B]</b>			
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR [A-B]</b>		<b>-10.50</b>	<b>0.06</b>
<b>Earnings/ (Loss) per equity share</b>			
Basic & Diluted( In Rupees )		-0.1049740	0.00057580
(Face Value of Rs. 10 each)			
Basis of preparation, measurement and significant accounting policies	10		

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Paresh S. Doctor  
Proprietor  
Membership No. 36056



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

Place : Mumbai  
Date: 16th April, 2025  
UDIN : 25036056BMLIGW9063

# NILKAMAL FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025

(Rupees in Lakhs)

	Year Ended 31st March, 2025	Year Ended 31st March, 2024
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess/ (Shortfall) of income over expenditure	-10.50	0.06
Adjustments for:		
Interest Income	-0.13	-0.39
Changes in Working Capital		
Increase/ (Decrease) in current assets	-0.10	-
Increase/ (Decrease) in current liabilities	-	-
Increase/ (Decrease) in other bank balances	-	-
Direct Taxes Paid	0.18	3.79
<b>Net cash generated from/ (used in) operating activities - [A]</b>	<b>-10.55</b>	<b>3.46</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES - [B]</b>		
Interest Received	0.13	0.39
	<b>0.13</b>	<b>0.39</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid		
<b>Net cash (used in)/ generated from financing activities - [C]</b>	<b>-</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash And Cash equivalents - [A + B + C]</b>	<b>-10.42</b>	<b>3.85</b>
<b>ADD: Cash and Cash equivalents at the beginning of the year</b>	<b>10.88</b>	<b>7.03</b>
<b>Cash And Cash equivalents at the end of the year</b>	<b>0.46</b>	<b>10.88</b>

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

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

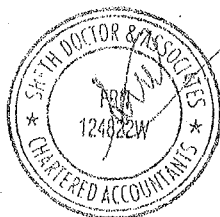
For and on behalf of Board of Directors of  
Nilkamal Foundation  
CIN : U74999MH2016NPL284394

Paresh S. Doctor  
Proprietor  
Membership No. 36056

Director  
Vamanrai V. Parekh  
DIN : 00037519

Director  
Sharad V. Parekh  
DIN : 00035747

Place : Mumbai  
Date: 16th April, 2025  
UDIN : 25036056BMLIGW9063



## **NILKAMAL FOUNDATION**

### **10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

#### **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.

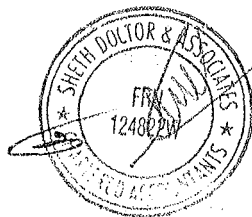
#### **2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

##### **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.



**NILKAMAL FOUNDATION**

(Rupees in Lakhs)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**

**1] CASH AND CASH EQUIVALENTS**

	As at 31st March, 2025	As at 31st March, 2024
Balances with banks	0.29	10.71
Cash On hand	0.16	0.16
	0.46	10.88

**2] OTHER CURRENT ASSETS**

	As at 31st March, 2025	As at 31st March, 2024
Income Tax Paid	-	0.18
Security Deposit (NSDL)	0.10	
	0.10	0.18

**3] EQUITY SHARE CAPITAL**

	As at 31st March, 2025	As at 31st March, 2024
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**

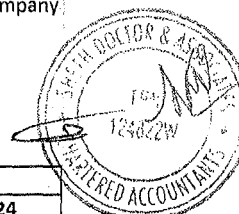
	As at 31st March, 2025		As at 31st March, 2024	
Equity shares	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100	0.01	100	0.01
Add / (Less):				
Balance at the end of the year	100	0.01	100	0.01

**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, 2025	As at 31st March, 2024
Equity shares of Rs.10 each held by:		
99 shares are held by Nilkamal Limited, the holding company	990.00	990.00
1 share is held by Cambro Nilkamal Private Limited	10.00	10.00



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

	As at 31st March, 2025	As at 31st March, 2024
Number of shares of Rs. 10 each held by:		
Nilkamal Limited, the holding company	990.00	990.00
% of holding	99%	99%

4) OTHER EQUITY

	Retained Earnings	Retained Earnings
As at 1st April, 2024	10.87	10.81
Excess of Income over expenditure for the year	-10.50	0.06
As at 31st March, 2024	0.37	10.87

5) OTHER PAYABLES

	As at 31st March, 2025	As at 31st March, 2024
Trade Payables	0.18	0.18
	0.18	0.18

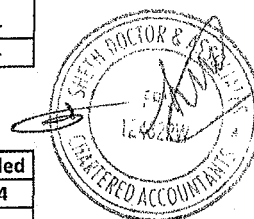
2024-25	Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	
Undisputed MSME							
Undisputed Others	0.18						0.18
Disputed dues - MSME							
Disputed dues - Others							

2023-24	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, 2025	As at 31st March, 2024
Principal outstanding of amount payable as on 31st March 2016 relating to suppliers registered as Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest due thereon	-	-
Amount of interest paid alongwith the amount of payments made beyond the amount day	-	-
Amount of interest due and payable (where the principal is already paid but interest has not been paid)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	-	-

6) DONATIONS RECEIVED

	For the period ended 31st March, 2025	For the period ended 31st March, 2024
Voluntary Contributions	7.05	-
(From holding Company & Associates - Note No. 4(b))	7.05	-



## 7] OTHER INCOME

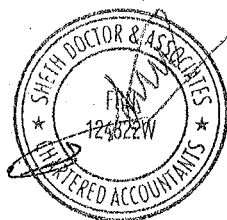
	For the period ended 31st March, 2025	For the period ended 31st March, 2024
Interest Received - SB	0.12	0.18
Interest received on Income Tax refund	0.01	0.22
	0.13	0.39

## 8] PROGRAM EXPENSES

	For the period ended 31st March, 2025	For the period ended 31st March, 2024
Donations Paid	10.00	-
Program Expenses	7.05	-
	17.05	-

## 9] OTHER EXPENSES

	For the period ended 31st March, 2025	For the period ended 31st March, 2024
Bank Charges	0.01	-
ROC Fees	0.15	0.14
Audit Fees	0.18	0.18
Other expense	0.21	-
Professional Fees	0.08	0.02
	0.63	0.33





## **b) BASIS OF MEASUREMENT**

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

## **2.2 SIGNIFICANT ACCOUNTING POLICIES**

### **a. Revenue Recognition**

#### **I) Voluntary Contribution:**

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

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

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

### **b. Expenses**

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

### **c. Program Expenses**

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

### **d. Earnings Per Share**

Basic earnings per share is computed by dividing the net excess/ (shortfall) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding.



without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**e. Cash And Cash Equivalents**

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

**f. Income Tax**

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

**3. CONTINGENT LIABILITY AT YEAR END : NIL**

**4. RELATED PARTY DISCLOSURES**

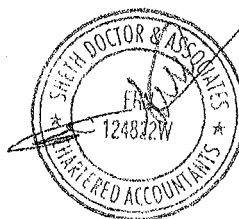
Enterprises exercising control

a. **Holding Company:** Nilkamal Limited

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

**Disclosure of transactions between the company and related parties and the status of outstanding balance as in 31<sup>st</sup> March, 2025**

Name of The Party	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
a. <b>Holding Company</b> Nilkamal Limited		
Donations received	Rs. 7.05	-



5. EARNINGS PER SHARE HAS BEEN COMPUTED AS UNDER

	(In Lakhs)	
	Year Ended 31 <sup>st</sup> March, 2025 (Rs.)	Year Ended 31 <sup>st</sup> March, 2024 (Rs.)
Excess/ (Shortfall) of income over expenditure for the year	-10.50	0.06
Weighted average number of equity share outstanding	100	100
Earnings per share (Rs.) – basic and diluted (face value of Rs 10 per share)	-10497.40	57.58

As per our report of even date

**FOR SHETH DOCTOR & ASSOCIATES**

Firm Registration No. 0124822W

Chartered Accountants

  
Paresh S. Doctor

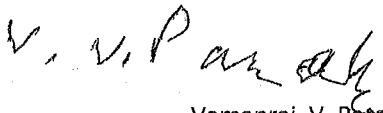
Proprietor

Membership No. 36056

For and on behalf of Board of Directors of

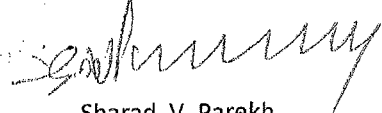
**Nilkamal Foundation**

CIN - U74999MH2016NPL284394

  
Vamanrai V. Parekh

Director

DIN- 00037519

  
Sharad V. Parekh

Director

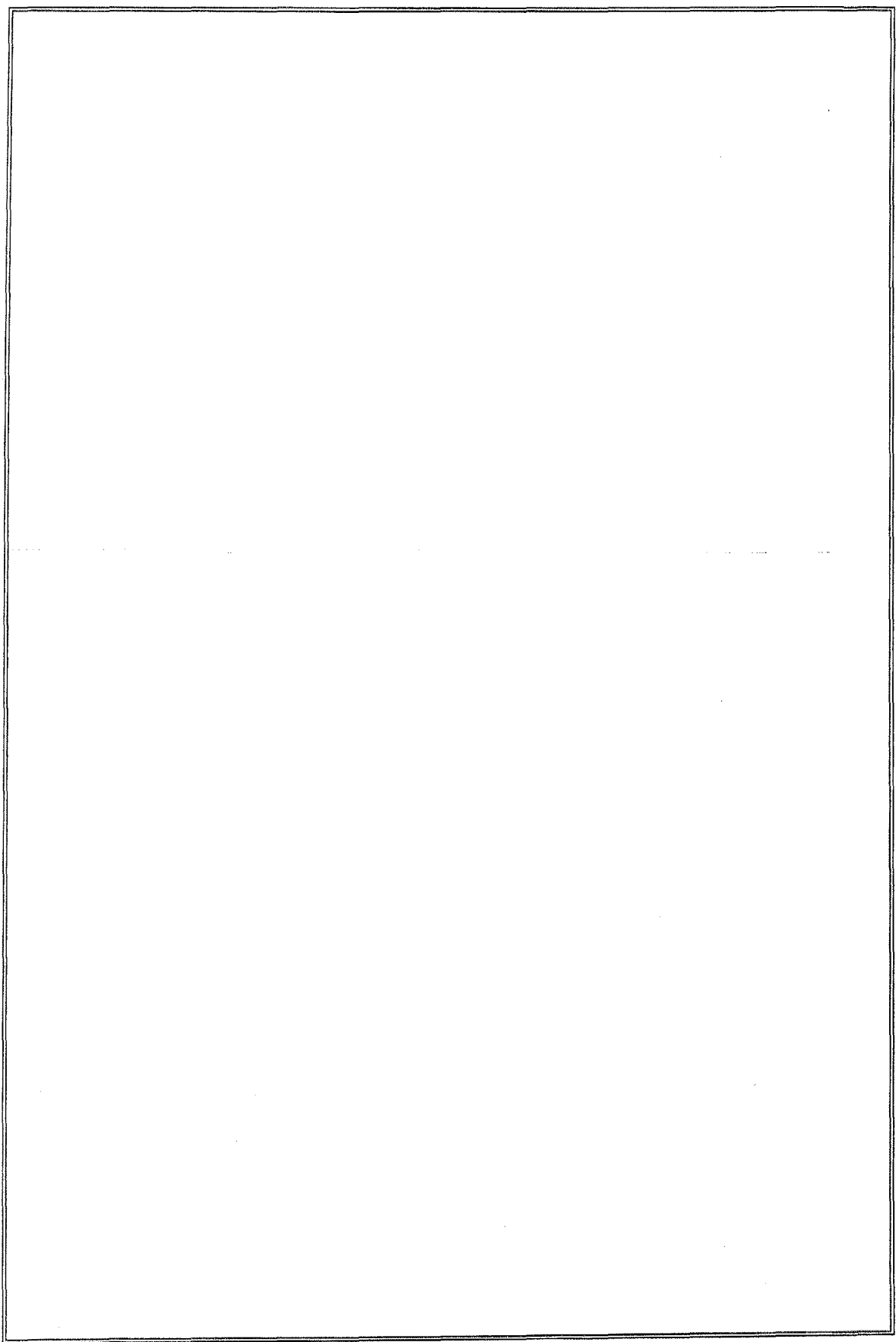
DIN-00035747

Place : Mumbai

Date : 16<sup>th</sup> April, 2025

UDIN : 25036056BMLIGW9063





**NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2025**

NYR/KRA/JJ

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED**

**Opinion**

We have audited the financial statements of Nilkamal Eswaran Marketing (Private) Limited, which comprise the statement of financial position as at 31 March 2025, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for small and medium - sized entities (SLFRS for SMEs).

*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 for Professional Accountants 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.

*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 Standards for Small and Medium - Sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

*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.

(Contd...2/)

EY2025051425025

Partners: D K Hularanganayake FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K H Sajeevan FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Ganage ACA ACMA, C A Ylagala ACA ACMA, B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (US-J-SL), G B Goudan ACMA, Ms. P S Peranavilane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

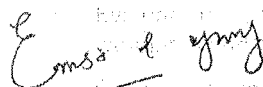
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### 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.



09 May 2025  
Colombo

**Nilkamal Eswaran Marketing (Private) Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 31 March 2025

	Note	2025 Rs.	2024 Rs.
Revenue	4	79,711,086	55,852,068
Cost of Sales		(58,089,593)	(37,091,585)
<b>Gross Profit</b>		<b>21,621,493</b>	<b>18,760,483</b>
Administrative Expenses		(615,513)	(1,170,084)
Distribution Expenses		(2,034,773)	(253,559)
<b>Profit from Operations</b>		<b>18,971,207</b>	<b>17,336,840</b>
Finance Income	12.1	2,612,037	3,282,485
Finance Cost	12.2	(263,568)	(124,908)
<b>Profit Before Taxation</b>		<b>21,319,675</b>	<b>20,494,417</b>
Income Tax Expense	13	(6,664,794)	(6,010,945)
<b>Profit for the Year</b>		<b>14,654,881</b>	<b>14,483,473</b>

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.





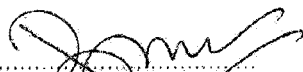
# Nilkamal Eswaran Marketing (Private) Limited

## STATEMENT OF FINANCIAL POSITION


As at 31 March 2025


		2025 Rs.	2024 Rs.
<b>ASSETS</b>	<b>Note</b>		
<b>Current Assets</b>			
Inventories	5	40,034,706	30,989,463
Trade and Other Receivables	6	16,774,545	23,187,740
Cash and Cash Equivalents	11.1	40,600,161	33,302,112
		<u>97,409,412</u>	<u>87,479,315</u>
<b>Total Assets</b>		<u>97,409,412</u>	<u>87,479,315</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	7	1,000	1,000
Retained Earnings		91,288,182	76,633,301
<b>Total Equity</b>		<u>91,289,182</u>	<u>76,634,301</u>
<b>Current Liabilities</b>			
Trade and Other Payables	8	2,465,356	1,443,007
Related Party Payable	9	-	2,934,871
Current Taxation	10	3,654,874	3,312,431
Bank Overdraft	11.2	-	3,154,706
		<u>6,120,230</u>	<u>10,845,015</u>
<b>Total Equity and Liabilities</b>		<u>97,409,412</u>	<u>87,479,315</u>

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

  
Finance Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:

  
Director

  
Director

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.

09 May 2025  
Colombo



**Nilkamal Eswaran Marketing (Private) Limited**

**STATEMENT OF CHANGES IN EQUITY**

Year ended 31 March 2025

	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
As at 31 March 2023		1,000	62,149,827	62,150,827
Profit for the Year		-	14,483,473	14,483,473
As at 31 March 2024		1,000	76,633,301	76,634,300
Profit for the Year		-	14,654,881	14,654,881
As at 31 March 2025		1,000	91,288,182	91,289,181

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.



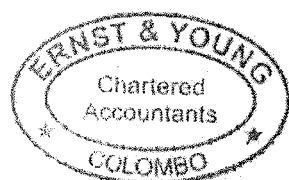
**Nilkamal Eswaran Marketing (Private) Limited**

**STATEMENT OF CASH FLOWS**

Year ended 31 March 2025

	Note	2025 Rs.	2024 Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>			
Profit before Income Tax Expenses		21,319,675	20,494,417
Adjustments for			
Provision / (Reversal) for slow moving inventories	5.1	258,250	(469,678)
Provision / (Reversal) for impairment of trade debtors		642,012	1,976
Interest expense	12.2	263,568	124,908
Operating Profit before Working Capital Changes		22,483,505	20,151,623
(Increase)/Decrease in Inventories		(9,303,492)	(8,799,668)
(Increase)/Decrease in Trade and Other Receivables		5,771,184	(14,236,455)
Increase/(Decrease) in Trade and Other Payables		1,022,349	628,841
Increase/(Decrease) in Related Party Payable		(2,934,871)	2,934,871
Cash Generated from Operations		17,038,675	679,212
Tax Paid	10	(6,322,353)	(5,016,333)
Interest Paid	12.2	(263,568)	(124,908)
Net Cash Flows (used in)/ from Operating Activities		10,452,754	(4,462,029)
<b>Cash Flows from / (used in) Investing Activities</b>			
Net Cash Flows from / (used in) Investing Activities		-	-
<b>Cash Flows from / (used in) Financing Activities</b>			
Net Cash Flows from / (used in) Financing Activities		-	-
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		10,452,754	(4,462,029)
Cash and Cash Equivalents at the beginning of the year	11	30,147,406	34,609,435
Cash and Cash Equivalents at the end of the year		40,600,161	30,147,406

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.



**1. CORPORATE INFORMATION**

**1.1 General**

Nilkamal Eswaran Marketing (Private) Limited ("the Company") is a private limited liability company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business of the Company is 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 (Private) Limited and Nilkamal Limited - India respectively.

**1.4 Date of Authorization for Issue**

The Financial Statements of Nilkamal Eswaran Marketing (Private) Limited for the year ended 31 March 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 09 May 2025.



**2. GENERAL POLICIES**

**2.1 Basis of preparation**

These Financial Statements have been prepared in accordance with the Sri Lanka Financial Reporting Standards for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka.

The functional currency of the Company is Sri Lankan Rupees. The Financial Statements of the Company are presented in Sri Lankan Rupees. The Financial Statements have been prepared on a historical cost basis unless otherwise indicated.

**2.2 Statement of Compliance**

The Financial Statements of the Company, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows together with Accounting Policies and Notes to the Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities.

The preparation and presentation of these Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

**2.3 Going Concern**

The Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

**2.4 Comparative Information**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Foreign Currency Transactions**

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

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

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



### 3.2 Income Tax Expense

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

#### a) Current Taxation

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.

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.

## 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.

**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.



Nilkamal Eswaran Marketing (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

<b>4. REVENUE</b>	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Sales of Goods	79,711,086	55,852,068
	<u>79,711,086</u>	<u>55,852,068</u>
<b>5. INVENTORY</b>	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Furniture	2,246,776	2,690,649
Crates	60,244,104	50,644,969
Local Outsourcing Products	304,830	156,600
	<u>62,795,711</u>	<u>53,492,218</u>
Less : Provision for slow moving inventories (Note 5.1)	<u>(22,761,005)</u>	<u>(22,502,756)</u>
	<u>40,034,706</u>	<u>30,989,463</u>
<b>5.1 Movement in Provision for Slow Moving Inventories</b>		
Balance as at the beginning of the year	22,502,756	22,972,434
(Reversal) / Provision for the year	258,250	(469,678)
<b>Balance as at the end of the year</b>	<u>22,761,005</u>	<u>22,502,756</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade receivables (Note 6.1)	6,134,145	10,775,737
Refundable Deposit	30,996	39,304
Advance paid to Nilkamal Ltd - Related Party	425,959	3,363,334
Advance paid to suppliers other	-	113,200
Prepayments	31,658	40,154
VAT receivables	10,151,787	8,856,010
	<u>16,774,545</u>	<u>23,187,739</u>
<b>6.1 Trade receivables</b>	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade Receivables - Other	6,791,974	10,791,553
Provision for impairment of trade receivables ( Note 6.1.1)	<u>(657,828)</u>	<u>(15,817)</u>
	<u>6,134,145</u>	<u>10,775,737</u>
<b>6.1.1 Provision for Impairment of Trade Receivables</b>	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Balance as at the beginning of the year	15,817	8,028
Provision / (Reversal) during the period	642,012	1,976
Write off During the period	-	(418)
Bad debt Written Back	-	6,231
<b>Balance as at end of the year</b>	<u>657,828</u>	<u>15,817</u>



Nilkamal Eswaran Marketing (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

7. STATED CAPITAL

	2025		2024	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	100	1,000	100	1,000
	100	1,000	100	1,000

8. TRADE AND OTHER PAYABLES

	2025	2024
	Rs.	Rs.
Trade Payable - Other	62,251	228,172
Accrued Expenses	2,247,992	910,319
Advances from Customers	155,112	304,515
	2,465,356	1,443,007

9. RELATED PARTY PAYABLE

	2025	2024
	Rs.	Rs.
Nilkamal Eswaran Plastics (Pvt) Ltd	-	2,934,871
	-	2,934,871

10. CURRENT TAX PAYABLE

	2025	2024
	Rs.	Rs.
Balance as at beginning of the year	3,312,431	2,317,819
<u>Payment Made during the year</u>		
For 2024/25 - Self Assessment Paid	(3,011,106)	(2,698,513)
For 2023/24 Payment	(3,311,245)	(2,317,820)
Over/(Under) Provision	(1,187)	-
Provision for Current year	6,665,981	6,010,945
Balance as at end of the period	3,654,874	3,312,431

11. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT  
Components of Cash and Cash Equivalents

11.1 Favourable Cash and Cash Equivalents Balances

Cash in hand	64,112	10,000
Cash at bank	4,412,049	481,001
REPO investments in Sri Lankan Government Treasury Bills	36,000,000	32,000,000
Interest Receivable	124,000	811,111
	40,600,161	33,302,112

11.2 Unfavourable Cash and Cash Equivalent Balances

Bank Overdrafts	-	3,154,706
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	40,600,161	30,147,406



**Nilkamal Eswaran Marketing (Private) Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2025

12.	FINANCE INCOME AND FINANCE COST	2025	2024		
		Rs.	Rs.		
12.1	Finance Income				
	Interest Income from REPO	2,612,037	3,282,485		
		2,612,037	3,282,485		
12.2	Finance Cost				
	Bank charges	234,325	96,350		
	Overdraft Interest	15,525	28,558		
	Exchange Loss	13,719	-		
		263,569	124,908		
13.	INCOME TAX EXPENSE	2025	2024		
		Rs.	Rs.		
	Current Income Tax				
	Income Liabile at 30% ( Note 13.1)	6,665,981	6,010,945		
	Income Tax Over provision FY 2023/24	(1,187)	-		
	Current Tax Expense	6,664,794	6,010,945		
13.1	Reconciliation of the accounting profit & the income tax expenses	2025	2024		
		Rs.	Rs.		
	Profit before Tax	21,319,675	20,494,417		
	Other Sources of Income	(2,612,037)	(3,282,485)		
	Aggregate disallowable expenses	900,261	12,162		
	Aggregate allowable expenses	-	(470,097)		
	Business Income	19,607,899	16,753,997		
	Interest Income	2,612,037	3,282,485		
	Investment Income	2,612,037	3,282,485		
	Taxable Income	22,219,937	20,036,482		
	Liabile @ 30%	6,665,981	6,010,945		
		6,665,981	6,010,945		
14.	RELATED PARTY DISCLOSURES				
14.1	Transactions with the Related Parties				
	Company Name	Relationship	Nature of Transaction	Transaction Amount	
				2025	2024
				Rs.	Rs.
	Nilkamal Limited	Ultimate Parent	Purchase of Goods	26,002,462	29,342,266
				(35,498,003)	(29,861,003)
	Nilkamal Eswaran Plastic (Pvt) Ltd	Immediate Parent	Net fund transfer to/(from) Plastic	(2,902,745)	14,684,181
			Dues of the company settled to NEPPL	5,837,617	(12,749,669)
			Dues of NEPPL settled to the Company	-	1,000,359
	Good Value Eswaran (Pvt) Ltd	Affiliate Company	Sales	38,000	-
			Settlements	(38,000)	-
	Eswaran Brothers Export Pvt Ltd	Affiliate Company	Sales	58,646	-
			Settlements	(58,646)	-



**NILKAMAL ESWARAN MARKETING (PRIVATE) LIMITED**

**DETAILED EXPENDITURE STATEMENTS  
YEAR ENDED 31 MARCH 2025**



**Nilkamal Eswaran Marketing (Private) Limited**

**DETAILED INCOME STATEMENT**

Year ended 31 March 2025

	Statement	2025 Rs.	2024 Rs.
<b>Revenue</b>		79,711,086	55,852,068
<b>Less: Cost of Sales</b>			
Cost Of Goods Sold	I	(58,089,593)	(37,091,585)
<b>Gross Profit</b>		<u>21,621,493</u>	<u>18,760,483</u>
<b>Expenses :</b>			
Administrative Expenses	II	(615,513)	(1,170,084)
Distribution Expenses	III	(2,034,773)	(253,559)
		<u>(2,650,286)</u>	<u>(1,423,643)</u>
<b>Profit from Operations</b>		<u>18,971,207</u>	<u>17,336,840</u>



# Nilkamal Eswaran Marketing (Private) Limited

## DETAILED INCOME STATEMENT

Year ended 31 March 2025

### STATEMENT I

#### Cost Of Goods Sold

	2025 Rs.	2024 Rs.
Opening stock	53,492,218	44,692,550
Provision for Slow Moving Stocks (Expense)	258,250	(469,678)
Purchases	67,134,836	46,360,931
Closing Stock	(62,795,711)	(53,492,218)
	<u>58,089,593</u>	<u>37,091,585</u>

### STATEMENT II

#### Administrative Expenses

	2025 Rs.	2024 Rs.
Legal & Consultancy Fees	-	332,510
Audit Fee	330,000	536,123
Container Washing Charges	4,487	11,054
Insurance Charges	62,970	60,009
License Charges	-	71,300
Refundable Deposit Write Off	19,304	-
Postage/stamp/courier/Printing	10,200	1,350
Secretarial Fees	181,002	154,513
Stamp duty	7,550	3,225
	<u>615,513</u>	<u>1,170,084</u>

### STATEMENT III

#### Distribution Expenses

	2025 Rs.	2024 Rs.
Tender Expenses	257,415	-
Promotion & Events	-	1,483
Sales Incentive - CRATES	6,521	5,262
Sales Incentive Furniture	100,104	(94,888)
Sales Commission Daraz/On line sales	253,006	2,413
Provision for Bad Debts	642,012	1,976
VAT on Free Issues & Sample Issues	2,694	1,562
Written Off Unclaimed VAT 8%	5,319	3,955
Transport	758,516	323,735
Field sales expenses	-	8,060
Written Off Unclaimed VAT 15%	587	-
Unloading Expenses - Local Furniture	8,600	-
	<u>2,034,773</u>	<u>253,559</u>





**NILKAMAL ESWARAN PLASTICS (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2025**

NYR/DSM/DM

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF NILKAMAL ESWARAN PLASTICS (PRIVATE) LIMITED**

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

*Opinion*

We have audited the financial statements of Nilkamal Eswaran Plastics (Private) Limited ("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 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement 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 2025 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

*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 and the Group in accordance with Code of Ethics for Professional Accountants (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.

*Responsibilities of management and those charged with governance for the financial statements*

The Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Management is responsible for assessing the Company's and 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 Company or 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 the Group's financial reporting process.



(Contd...2/)



Shape the future  
with confidence

### *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.

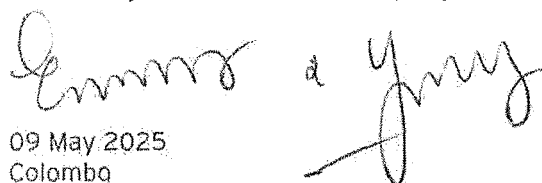
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group 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.

### **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.

  
09 May 2025  
Colombo

Nilkamal Eswaran Plastics (Private) Limited

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

Year ended 31 March 2025

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	3	1,673,919,509	1,102,802,823	1,594,208,424	1,046,950,755
Cost of sales		(906,702,827)	(664,861,264)	(848,613,233)	(627,769,680)
<b>Gross Profit</b>		<b>767,216,683</b>	<b>437,941,560</b>	<b>745,595,190</b>	<b>419,181,075</b>
Other income	4	25,641,699	17,972,094	25,641,699	17,972,094
Administrative expenses		(102,519,730)	(90,529,467)	(101,904,217)	(89,359,383)
Distribution expenses		(233,493,025)	(154,767,914)	(231,458,252)	(154,514,355)
<b>Profit from Operations</b>		<b>456,845,626</b>	<b>210,616,273</b>	<b>437,874,421</b>	<b>193,279,431</b>
Finance Income	5	56,232,710	63,809,133	53,620,673	60,526,648
Finance Cost	6	(1,954,304)	(1,783,706)	(1,690,736)	(1,658,798)
<b>Profit Before Taxation</b>		<b>511,124,032</b>	<b>272,641,700</b>	<b>489,804,358</b>	<b>252,147,282</b>
Income tax expense	7	(144,379,206)	(79,068,559)	(137,714,413)	(73,057,614)
<b>Profit for the Year</b>		<b>366,744,827</b>	<b>193,573,141</b>	<b>352,089,945</b>	<b>179,089,668</b>
<b>Other Comprehensive Income for the Year</b>					
<b>Total Comprehensive Income for the Year</b>		<b>366,744,827</b>	<b>193,573,141</b>	<b>352,089,945</b>	<b>179,089,668</b>
<b>Basic Earnings per Share (Rs.)</b>	8	<b>232.29</b>	<b>122.61</b>	<b>223.01</b>	<b>113.43</b>

The accounting policies and notes on pages 07 through 27 form an integral part of the financial statements.



# Nilkamal Eswaran Plastics (Private) Limited

## STATEMENT OF FINANCIAL POSITION

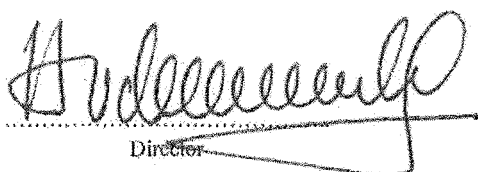
As at 31 March 2025

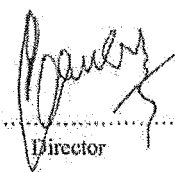
	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	9	128,528,762	150,944,981	128,528,762	150,944,981
Intangible assets	10	1,265,569	1,077,843	1,265,569	1,077,843
Investment in subsidiary	11	-	-	1,000	1,000
Other financial assets	12	55,531,388	67,198,260	55,531,388	67,198,260
<b>Total Non-Current Assets</b>		<b>185,325,719</b>	<b>219,221,084</b>	<b>185,326,719</b>	<b>219,222,084</b>
<b>Current Assets</b>					
Inventories	13	244,486,772	236,134,962	204,452,069	205,145,499
Trade and other receivables	14	250,965,410	220,104,064	234,190,866	199,851,193
Cash and cash equivalents	15.1	840,928,995	513,381,411	800,328,834	480,079,299
<b>Total Current Assets</b>		<b>1,336,381,177</b>	<b>969,620,437</b>	<b>1,238,971,769</b>	<b>885,075,991</b>
<b>Total Assets</b>		<b>1,521,706,896</b>	<b>1,188,841,521</b>	<b>1,424,298,488</b>	<b>1,104,298,075</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Stated capital	16	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings		1,238,781,704	972,053,858	1,147,493,523	895,420,558
<b>Total Equity</b>		<b>1,258,781,704</b>	<b>992,053,858</b>	<b>1,167,493,523</b>	<b>915,420,558</b>
<b>Non-Current Liabilities</b>					
Deferred taxation	7.2	9,373,468	16,498,308	9,373,468	16,498,308
Employee benefits	17	47,370,680	40,289,992	47,370,680	40,289,992
<b>Total Non Current Liabilities</b>		<b>56,744,148</b>	<b>56,788,300</b>	<b>56,744,148</b>	<b>56,788,300</b>
<b>Current Liabilities</b>					
Trade and other payables	18	75,649,149	74,703,366	73,183,794	73,260,357
Related party payables	19	2,989,188	2,237,286	2,989,188	2,237,286
Bank Overdraft	15.2	2,242,710	3,154,706	2,242,710	-
Current Tax	24	125,299,996	59,904,005	121,645,122	56,591,574
<b>Total Current Liabilities</b>		<b>206,181,043</b>	<b>139,999,363</b>	<b>200,060,814</b>	<b>132,089,217</b>
<b>Total Liabilities</b>		<b>262,925,191</b>	<b>196,787,663</b>	<b>256,804,963</b>	<b>188,877,517</b>
<b>Total Equity and Liabilities</b>		<b>1,521,706,896</b>	<b>1,188,841,521</b>	<b>1,424,298,488</b>	<b>1,104,298,075</b>

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

  
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:

  
Director

  
Director

The accounting policies and notes on pages 07 through 27 form an integral part of the financial statements.



# Nilkamal Eswaran Plastics (Private) Limited

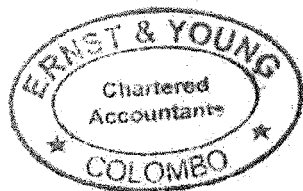
## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

GROUP	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2023	20,000,000	828,480,717	848,480,717
Profit for the year	-	193,573,141	193,573,141
Final Dividend 2022/23	-	(20,000,000)	(20,000,000)
Interim Dividend 2023/24	-	(30,000,000)	(30,000,000)
Balance as at 31 March 2024	20,000,000	972,053,858	992,053,858
Profit for the year	-	366,744,826	366,744,826
Interim Dividend 2023/24	-	(100,016,980)	(100,016,980)
Balance as at 31 March 2025	20,000,000	1,238,781,704	1,258,781,704

COMPANY	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2023	20,000,000	766,330,890	786,330,890
Profit for the year	-	179,089,669	179,089,669
Final Dividend 2022/23	-	(20,000,000)	(20,000,000)
Interim Dividend 2023/24	-	(30,000,000)	(30,000,000)
Balance as at 31 March 2024	20,000,000	895,420,558	915,420,558
Profit for the year	-	352,089,945	352,089,945
Interim Dividend 2024/25	-	(100,016,980)	(100,016,980)
Balance as at 31 March 2025	20,000,000	1,147,493,523	1,167,493,523

The accounting policies and notes on pages 07 through 27 form an integral part of the financial statements.



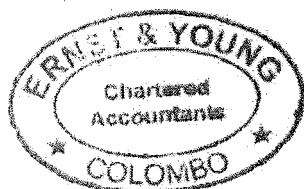
# Nilkamal Eswaran Plastics (Private) Limited

## CASH FLOW STATEMENT

Year ended 31 March 2025

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Cash Flows from Operating Activities</b>					
Profit before Tax		511,124,032	272,641,700	489,804,358	252,147,282
<b>Profit Before Taxation</b>					
<b>Adjustment for :</b>					
Depreciation on property, plant & equipment	9	28,791,533	35,184,851	28,791,533	35,184,851
Amortisation of intangible assets	11	287,915	145,864	287,915	145,864
Provision for gratuity	17	12,627,842	13,192,741	12,627,842	13,192,741
Provision for inventories	13	(8,451,209)	3,592,647	(8,709,459)	4,062,325
Provision/(reversal) for impairment of trade receivables		3,323,279	803,429	2,681,267	801,451
(Profit)/Loss on disposal of property, plant & equipment		93,067	(2,912,035)	93,067	(2,912,035)
Gain on disposal of shares		(16,299,264)	(2,624,702)	(16,299,264)	(2,624,702)
Interest income	5	(56,232,710)	(63,809,133)	(53,620,673)	(60,526,648)
Dividend Income		(2,348,537)	(1,367,000)	(2,348,537)	(1,367,000)
Other Interest expense	6	235,586	354,648	220,061	326,090
Fair Value Gain on Shares		(4,646,048)	(7,518,753)	(4,646,048)	(7,518,753)
		468,505,484	247,684,257	448,882,060	230,911,466
(Increase)/ Decrease in inventories		99,398	1,525,309	9,402,890	10,324,977
(Increase)/ Decrease in trade and other receivables		(33,201,806)	(79,140,521)	(36,038,119)	(69,018,291)
Increase (Decrease) in trade and other payables		945,786	28,645,754	(76,563)	28,016,910
Increase/ (Decrease) in related party payables		751,902	508,740	751,902	508,740
<b>Cash Generated from Operations</b>		437,100,764	210,733,955	422,922,170	200,743,802
Employee benefit paid		(5,547,154)	(4,612,361)	(5,547,154)	(4,612,361)
Interest paid	6	(235,586)	(354,648)	(220,061)	(326,090)
Current tax paid		(86,117,381)	(48,945,435)	(79,795,028)	(43,929,102)
<b>Net Cash Flow Generated from Operating Activities</b>		345,200,644	156,821,551	337,359,928	151,876,248
<b>Cash Flows from Investing Activities</b>					
Acquisition of property, plant and equipment	9	(6,468,380)	(10,337,188)	(6,468,380)	(10,337,188)
Acquisition of intangible assets	11	(475,641)	(951,049)	(475,641)	(951,049)
Proceeds from sale of property, plant and equipment		-	3,311,866	-	3,311,866
Interest received	5	55,259,224	63,809,133	52,647,187	60,526,648
Dividend Received		2,113,689	2,546,351	2,113,689	2,546,351
Investment in equity instruments		(42,897,726)	(42,524,260)	(42,897,726)	(41,534,611)
Disposal of Shares		75,744,749	9,153,816	75,744,749	9,153,816
<b>Net Cash Flow used in Investing Activities</b>		83,275,915	25,008,670	80,663,878	22,715,834
<b>Cash Flows from Financing Activities</b>					
Dividends paid		(100,016,980)	(50,000,000)	(100,016,980)	(50,000,000)
<b>Net Cash Flow used in Financing Activities</b>		(100,016,980)	(50,000,000)	(100,016,980)	(50,000,000)
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		328,459,579	120,130,053	318,006,826	124,592,082
Cash & cash equivalents at the beginning of the year	15	510,226,705	390,096,652	480,079,299	355,487,217
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	15	838,686,286	510,226,705	798,086,125	480,079,299

The accounting policies and notes on pages 07 through 27 form an integral part of the financial statements.



Nilkamal Eswaran Plastics (Private) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 2025

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**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 2025 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;

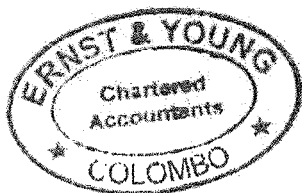
Nilkamal Eswaran Plastics (Pvt) Ltd	Manufacturing of injection molded plastic articles and sofa
Nilkamal Eswaran Marketing (Pvt) Ltd	Importing and selling of all kinds of plastics articles

**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 Date of Authorization for Issue**

The Financial Statements of the Company and the Group for the year ended 31 March 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 09 May 2025.





**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

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**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, Changes in Equity and Cash Flows together with accounting policies and notes to the Financial Statements of the Company and Group as at 31 March 2025 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.

**2.2 Comparative Figures**

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

**2.3 Functional and Presentation Currency**

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

**2.4 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)
- 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)



Nilkamal Eswaran Plastics (Private) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 2025

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**2.5 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.

**2.6 SIGNIFICANT ACCOUNTING POLICIES**

**2.6.1 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.

**2.6.2 Foreign Currency Transactions**

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

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



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

#### 2.6.3 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 10 of 2006 and amendments thereto before 1 April 2018. After 1 April 2018, 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.

#### 2.7 Property, Plant and Equipment

##### a) Cost and Valuation

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

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

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

##### b) Subsequent Cost

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



**c) Depreciation**

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

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

Freehold land is not depreciated.

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

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.

**2.8 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.



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**2.9 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.

**2.10 Inventories**

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

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

**2.11 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.

**2.11.1 Initial recognition of financial assets and liabilities**

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

**2.11.2 Initial measurement**

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



### 2.11.3 Subsequent measurement

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

- Debt instruments shall be measured at amortised cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
- Investments in shares shall be measured at fair value with changes in fair value recognised in profit or loss. For shares traded in an active market the best evidence of fair value is the quoted price for those shares in that active market.

### 2.12.4 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.

### 2.12.5 Cash and Cash Equivalents

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

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

### 2.12.6 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.

#### 2.12.6.1 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.



**2.12.7 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.

**2.13 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.

**2.14 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 using an internally generated model based on formula annually. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded nor actuarially valued.

**2.15 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



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.

#### 2.16 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 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.

#### 2.17 Revenue Recognition

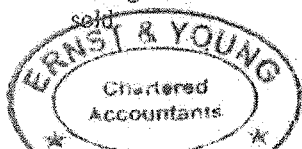
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts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





Nilkamal Eswaran Plastics (Private) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 2025

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**(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.

**2.18 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 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.

**2.19 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.

**2.20 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.



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>3. REVENUE</b>				
Local Sales	1,674,079,201	1,106,494,198	1,594,368,116	1,050,642,130
Less: Trade Discounts	(159,692)	(3,691,374)	(159,692)	(3,691,374)
	<u>1,673,919,509</u>	<u>1,102,802,823</u>	<u>1,594,208,424</u>	<u>1,046,950,755</u>
<b>4. OTHER INCOME</b>				
	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
(Gain) / Loss on disposal of property, plant and equipment	(93,067)	2,912,035	(93,067)	2,912,035
Interest on staff loan	544,871	535,894	544,871	535,894
Scrap sales	1,776,844	1,493,366	1,776,844	1,493,366
Mould Lease Income	119,200	1,520,344	119,200	1,520,344
Dividend Income	2,348,537	1,367,000	2,348,537	1,367,000
Fair Value Gain on Shares	4,646,048	7,518,753	4,646,048	7,518,753
Profit on Disposal of shares	16,299,264	2,624,702	16,299,264	2,624,702
	<u>25,641,699</u>	<u>17,972,094</u>	<u>25,641,699</u>	<u>17,972,094</u>
<b>5. FINANCE INCOME</b>				
	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest income from investment in securities Purchased under Resale	16,211,087	10,786,308	16,211,087	7,503,823
Interest Income from Fixed Deposit	24,357,853	40,156,915	24,357,853	40,156,915
Interest Income from Mutual Funds ( CAL securities)	14,690,284	12,865,910	12,078,247	12,865,910
Exchange Gain	973,486	-	973,486	-
	<u>56,232,710</u>	<u>63,809,133</u>	<u>53,620,673</u>	<u>60,526,648</u>
<b>6. FINANCE COST</b>				
	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Bank charges	1,720,525	1,493,841	1,470,675	1,397,491
Exchange gain/loss	13,719	(64,784)	-	(64,784)
Interest on short term borrowings	143,061	188,648	143,061	160,090
Interest on distributor cash deposit	77,000	166,000	77,000	166,000
	<u>1,954,304</u>	<u>1,783,706</u>	<u>1,690,736</u>	<u>1,658,798</u>
<b>7. INCOME TAX EXPENSE</b>				
	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Current Income Tax</b>				
Current Income tax charge (Note 7.1)	151,514,557	88,406,904	144,848,576	82,395,959
Over Provision in Respect of Prior Years	(10,511)	-	(9,324)	-
	<u>151,504,046</u>	<u>88,406,904</u>	<u>144,839,252</u>	<u>82,395,959</u>
<b>Deferred Tax Expenses /(Income)</b>				
Deferred Income Tax Charge / (Reversal) (Note 7.2)	(7,124,840)	(9,338,345)	(7,124,840)	(9,338,345)
<b>Income Tax expense recorded in the Statement of Profit or Loss</b>	<u>144,379,206</u>	<u>79,068,559</u>	<u>137,714,413</u>	<u>73,057,614</u>



Nilkamal Eswaran Plastics (Private) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 2025

7. INCOME TAX EXPENSE (Contd...)

7.1 Reconciliation between the accounting profit and the tax profit

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit Before Tax	511,124,032	272,641,700	489,804,358	252,147,282
Other Sources of Income	(79,097,942)	(65,712,027)	(76,485,905)	(62,429,542)
Aggregate disallowable expenses	45,526,935	46,098,925	44,626,674	46,093,113
Aggregate allowable expenses	(28,308,598)	(22,683,945)	(28,308,598)	(22,220,661)
Profit from business	449,244,427	230,344,653	429,636,529	213,590,193
Interest Income - Non Business Income	55,804,095	64,345,027	53,192,058	61,062,542
Taxable Income	505,048,522	294,689,680	482,828,587	274,652,735
Manufacturing Business- Tax @18%				
Manufacturing Business- Tax @30%	134,773,328	69,103,396	128,890,959	64,077,058
Non Business Income - Interest Income @30%	16,741,229	19,303,508	15,957,617	18,318,902
Taxable Income	151,514,557	88,406,904	144,848,576	82,395,959
Current Tax @30%	151,514,557	88,406,904	144,848,576	82,395,959
	151,514,557	88,406,904	144,848,576	82,395,959

7.2 Deferred Tax Liabilities

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	16,498,308	25,836,653	16,498,308	25,836,653
Provision made during the year	(7,124,840)	(9,338,345)	(7,124,840)	(9,338,345)
At the end of the year	9,373,468	16,498,308	9,373,468	16,498,308

7.3 The closing deferred tax asset balance relates to the following

Accelerated depreciation for tax purpose	23,584,672	28,585,306	23,584,672	28,585,306
Employee benefit liability	(14,211,204)	(12,086,998)	(14,211,204)	(12,086,998)
	9,373,468	16,498,308	9,373,468	16,498,308

8. EARNINGS PER SHARE

8.1 Basic Earnings Per Share is calculated by dividing the Net Profit for the Year attributable to Ordinary Shareholders by the Weighted Average Number of Ordinary Shares outstanding during the year.

8.2 The following reflects the income and share data used in the Basic Earnings Per Share computations.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Net Profit for the Year	366,744,827	193,573,141	352,089,945	179,089,668
Net Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	366,744,827	193,573,141	352,089,945	179,089,668
Number of Ordinary Shares used as the denominator:				
Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings Per Share	1,578,800	1,578,800	1,578,800	1,578,800
Basic earnings Per Share	232.29	122.61	223.01	113.43

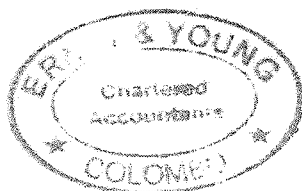


**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**9. PROPERTY, PLANT AND EQUIPMENT**

	Company/Group	Freehold Land	Buildings	Plant and Machinery	Moulds	Office Equipment	Computer Equipment	Furniture and Fittings	Motor Vehicles	Road Development	31.03.2
9.1	Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	As at 01st April	26,370,476	234,697,234	273,472,163	415,703,620	7,093,758	10,676,910	5,424,076	35,454,426	680,763	1,009,57
	Additions	-	-	632,685	500,000	1,351,396	3,984,299	-	-	-	6,46
	Disposals	-	-	-	-	-	174,500	-	-	-	17
	As at 31 March	26,370,476	234,697,234	274,104,848	416,203,620	8,445,154	14,486,709	5,424,076	35,454,426	680,763	1,015,86
9.2	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-
	As at 01st April	-	181,743,291	224,626,235	396,528,086	5,770,674	9,409,357	4,415,613	35,454,426	680,763	858,62
	Charge for the year	-	5,862,508	13,843,631	7,264,875	526,593	998,783	295,138	-	-	28,79
	Disposals	-	-	-	-	-	81,433	-	-	-	8
	As at 31 March	-	187,605,799	238,469,866	403,792,961	6,297,267	10,326,712	4,710,751	35,454,426	680,763	887,33
	Carrying Value as at:										
	31 March 2025	26,370,476	47,091,434	35,634,982	12,410,659	2,147,887	4,159,958	713,325	-	-	128,52
	31 March 2024	26,370,476	52,953,942	48,845,928	19,175,534	1,323,084	1,267,553	1,008,463	-	-	150,94

9.3 During the financial year, the Company/Group acquired property, plant and equipment to aggregate value of Rs.6,468,380 /- (2024 - Rs. 10,337,188/-). Cash payments amounting to Rs.6,468,380/- Rs.10,337,188/-) were made during the year for purchase of property plant & equipment.



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**9. PROPERTY, PLANT AND EQUIPMENT (Contd...)**

**9.4 Assets Pledged**

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 328, Madapatha Road, Batakettara	Commercial Bank of Ceylon PLC	Fund based and non-fund based short term banking facilities - Rs 305,000,000/-	86,000,000
Piliyandala and immovable plant and equipment	State Bank of India, Colombo	Fund based and non-fund based short term banking facilities - Rs 190,000,000/-	226,000,000

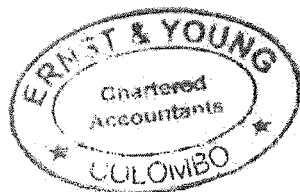
**10. INTANGIBLE ASSETS**

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<b>Computer Softwear</b>				
<b>Cost</b>				
As at 01 April	14,493,027	13,541,978	14,493,027	13,541,978
Acquisitions during the year	475,641	951,049	475,641	951,049
As at 31 March	14,968,668	14,493,027	14,968,668	14,493,027
<b>Accumulated Amorization</b>				
As at 01 April	13,415,184	13,269,320	13,415,184	13,269,320
Amortization during the year	287,915	145,864	287,915	145,864
As at 31 March	13,703,099	13,415,184	13,703,099	13,415,184
<b>Carrying Value</b>				
As at 31 March	1,265,569	1,077,843	1,265,569	1,077,843

- 10.1 During the financial year, the Company/Group acquired intangible assets to aggregate value of Rs.475,641 /- (2024 - Rs. 951,049/-). Cash payments amounting to Rs.475,641 /- (2024 - Rs. 951,049/-) were made during the year for purchase of intangible assets.

**11. INVESTMENT IN SUBSIDIARIES**

	Company		Company	
	2025	2024	2025	2024
	Holding %	Holding %	Rs.	Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd	100	100	1,000	1,000
	100	100	1,000	1,000



Nilkamal Eswaran Plastics (Private) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 2025

12. OTHER FINANCIAL ASSETS

Group/Company

12.1 Investment in Equity Securities 31.03.2025

	No of shares as at 31.03.2025	No of shares as at 31.03.2024	Total Market Value as at 31.03.2024	Cost of Acquisition/ Carrying Value	Cost of Acquisition/ Carrying	Market price as at 31.03.2024	Market price as at 31.03.2025	Total Market Value as at 31.03.2025	Revaluation Gain/(Loss) 31.03.2025	Rev Gai 31.
	Qty	Qty	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Dialog Axiata PLC	-	986,123	11,537,639	9,405,250	-	12	-	-	-	-
Hemas Holding PLC	95,000	95,000	7,638,000	6,616,191	6,616,191	80	120	11,400,000.00	(4,783,809.00)	-
John Keels Holding PLC	330,000	60,000	11,640,000	9,302,308	5,477,123	194	20	6,666,000.00	(1,188,877.00)	-
Teejay Lanka PLC	-	280,000	10,528,000	9,515,963	-	38	-	-	-	-
Hatton National Bank PLC	-	45,000	8,100,000	7,073,875	-	180	-	-	-	-
Aitken Spence Hotel Holding PLC	-	60,000	3,972,000	3,713,629	-	66	-	-	-	-
Commercial Bank of Ceylon PLC	115,005	30,000	2,931,000	2,366,117	10,873,381	98	148	16,963,237.50	(6,089,856.50)	-
Peoples Leasing and Finance PLC	-	986,511	10,851,621	11,427,736	-	11	-	-	-	-
Lanka IOC PLC	70,000	-	-	-	5,308,096	-	127	8,890,000	418,096	-
CTC	8,600	-	-	-	10,911,708	-	1,350	11,612,150	(700,442)	-
	618,605	2,542,634	67,198,260	59,421,069	42,186,499	-	-	55,531,388	(12,344,888)	-

12.2 Profit or Loss on Disposal of Equity Securities 31.03.2025

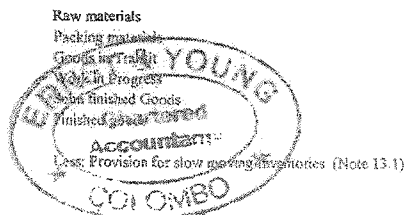
	No of shares	Date of Disposal	Price per share	Cost	SP/Share	Sale Proceeds	Pro
Dialog Axiata PLC	169,512	24.04.2024	9	1,456,990	12	1,994,313	-
Dialog Axiata PLC	816,611	01.05.2024	10	7,947,973	12	9,608,833	-
John Keels Holding PLC	30,000	24.04.2024	144	4,305,184	201	6,021,792	-
Hatton National Bank PLC	15,938	01.05.2024	128	2,035,470	202	3,226,756	-
Hatton National Bank PLC	10,000	26.05.2024	178	1,778,571	204	2,036,928	-
Hatton National Bank PLC	20,000	04.07.2024	176	3,522,033	201	4,024,812	-
Commercial Bank of Ceylon PLC	10,562	01.05.2024	79	833,031	115	1,211,470	-
Commercial Bank of Ceylon PLC	19,995	13.06.2024	79	1,583,634	108	2,155,045	-
Peoples Leasing and Finance PLC	736,511	06.01.2025	12	8,727,331	12	8,933,297	-
Peoples Leasing and Finance PLC	250,000	13.06.2024	11	2,700,405	13	3,164,160	-
Aitken Spence Hotel Holding PLC	60,000	15.04.2025	62	3,713,817	81	4,864,896	-
Central Finance	50,000	15.04.2025	126	6,304,405	184	9,220,560	-
CIC Holding	85,000	15.04.2025	59	5,020,580	67	5,715,264	-
Teejay Lanka PLC	28,000	15.04.2025	340	9,515,775	485	13,566,336	-
	2,302,129			59,445,199		75,744,463	1

12.3 Profit or Loss on Disposal of Equity Securities 31.03.2024

	No of shares	Date of Disposal	Price per share	Cost	SP/Share	Sale Proceeds	Pro
Ceylon Grain Elevators PLC	27,500	13.11.2023	141	3,886,168	181	4,976,136	-
Melsta Corp PLC	50,000	21.12.2023	53	2,642,946	83.55	4,177,680	-
	77,500			6,529,114		9,153,816	-

13. INVENTORIES

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Raw materials	103,367,956	126,745,620	103,367,957	126,745,620
Packing materials	3,871,454	1,920,615	3,871,454	1,920,615
Goods in Transit	11,901,000	26,356,401	11,901,000	26,356,401
Work in Progress	3,399,875	3,439,036	3,399,875	3,439,036
Semi finished Goods	19,636,018	9,419,592	12,325,165	9,419,592
Finished Goods	140,806,235	115,200,272	85,321,377	115,200,272
	282,982,537	283,081,935	220,186,828	283,081,935
Less: Provision for slow moving inventories (Note 13.1)	(38,495,765)	(46,946,974)	(15,734,758)	(46,946,974)
	244,486,772	236,134,962	204,452,069	236,134,962



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2025

**13. INVENTORIES (Contd....)**

13.1 Provision for slow moving Inventories	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance as at the beginning of the year	46,946,974	43,354,326	24,444,218	20,381,893
Provision for the year	(8,451,209)	3,592,648	(8,709,459)	4,062,325
Balance as at the end of the period	38,495,765	46,946,974	15,734,758	24,444,218

13.1.2 Provision Category wise	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Raw materials	9,921,325	18,658,281	9,921,325	18,516,621
Packing materials	362,779	376,788	362,779	376,788
Finished goods	1,709,500	24,576,671	1,709,500	3,476,894
Semi-finished goods	26,502,160	3,335,234	3,741,155	2,073,915
	38,495,765	46,946,974	15,734,758	24,444,218

13.2 The group has mortgaged its stocks with assignment over Trade Debtors, to obtain banking facilities as follows

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

**14. TRADE AND OTHER RECEIVABLE**

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade Receivables - Related Parties (Note 14.1)	12,437,659	9,197,497	12,437,659	8,769,025
- Other	192,662,771	172,894,383	185,870,798	162,102,830
Less: Provision for impairment (Note 14.2)	(4,471,596)	(2,696,558)	(3,813,768)	(2,680,741)
	200,628,834	179,395,322	194,494,690	168,191,114
Staff Loans	4,287,713	4,766,786	4,287,713	4,766,786
Refundable Deposits	5,201,873	12,237,568	5,170,877	12,198,266
Prepayments and advances	4,088,483	4,325,298	4,056,825	4,285,145
Advances paid to suppliers	24,928,085	9,056,436	24,502,126	8,943,238
VAT Receivables	10,151,787	8,856,010	-	-
Other receivables	1,431,176	1,219,185	1,431,176	1,219,185
NBT recoverable	247,460	247,460	247,460	247,460
	250,965,410	220,104,064	234,190,866	199,851,193



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**14. TRADE AND OTHER RECEIVABLE (Contd...)**

**14.1 Trade Receivables - Related Parties**

Relationship	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Good Value Eswaran (Pvt) Ltd	5,069,579	5,315,988	5,069,579	5,315,988
Eswaran Brothers Exports (Pvt) Ltd	278,600	-	278,600	-
Nilkamal Eswaran Marketing (Pvt) Ltd	-	-	-	2,934,871
Nilkamal Limited	7,089,481	3,881,509	7,089,481	518,166
	<u>12,437,659</u>	<u>9,197,497</u>	<u>12,437,659</u>	<u>8,769,025</u>

**14.2 Provision for Impairment**

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	2,696,558	1,899,511	2,680,741	1,891,484
(Reversal)/Charge for the year	3,323,279	803,429	2,681,267	801,451
Written off during the year	(1,548,241)	(6,382)	(1,548,241)	(12,194)
Balance as at 31 March	<u>4,471,596</u>	<u>2,696,558</u>	<u>3,813,768</u>	<u>2,680,741</u>

**15. CASH AND CASH EQUIVALENTS**

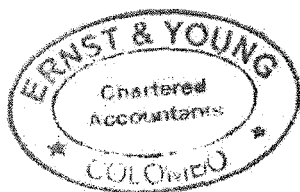
**Components of Cash and Cash Equivalents**

**15.1 Favorable Cash and Cash Equivalent Balance**

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash at Bank	6,535,438	35,331,039	2,123,389	34,850,038
Cash In Hand	969,991	479,522	905,880	469,522
Investments on Units @ CAL Fixed income Fund	113,857,471	74,235,589	113,857,471	74,235,589
Repo investments in Sri Lanka Government Treasury Bills	386,000,000	97,000,000	350,000,000	65,000,000
Investments in Fixed Deposits	312,007,188	287,611,961	312,007,188	287,611,961
Interest Receivable	21,558,907	18,723,300	21,434,907	17,912,189
	<u>840,928,995</u>	<u>513,381,411</u>	<u>800,328,834</u>	<u>480,079,299</u>

**15.2 Favorable Cash and Cash Equivalent Balance**

Bank Overdraft	(2,242,710)	(3,154,706)	(2,242,710)	-
	<u>(2,242,710)</u>	<u>(3,154,706)</u>	<u>(2,242,710)</u>	<u>-</u>
<b>Total Cash and Cash Equivalents For the Purpose of Statement of Cash Flows</b>	<u>838,686,286</u>	<u>510,226,705</u>	<u>798,086,125</u>	<u>480,079,299</u>





**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**16. STATED CAPITAL**

	Company/Group		Company/Group	
	2025	2024	2025	2024
	Number	Number	Rs.	Rs.
Ordinary Shares	1,578,800	1,578,800	20,000,000	20,000,000
	<u>1,578,800</u>	<u>1,578,800</u>	<u>20,000,000</u>	<u>20,000,000</u>

**17. RETIREMENT BENEFIT OBLIGATIONS**

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	40,289,992	31,709,612	40,289,992	31,709,612
Current Service Cost	3,841,271	3,096,815	3,841,271	3,096,815
Interest Cost	7,252,198	3,383,644	7,252,198	3,383,644
Actuarial Gain/(Loss)	1,534,373	6,712,282	1,534,373	6,712,282
Payments made during the year	(5,547,154)	(4,612,361)	(5,547,154)	(4,612,361)
Balance as at 31 March	<u>47,370,680</u>	<u>40,289,992</u>	<u>47,370,680</u>	<u>40,289,992</u>

**17.1 The principal assumptions used are as follows:**

	2025	2024
Principal assumptions used were as follows at the reporting date:		
Discount Rate	11%	18%
Future Salary Increment	12%	15%
Retirement Age	60 Years	60 Years
Staff Turnover	8%	16%

**18. TRADE AND OTHER PAYABLE**

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade Payables - Related Parties (Note 18.1)	2,975	5,855,954	2,975	5,855,953
- Other	19,319,063	35,085,758	19,256,811	34,857,586
Security Deposits from Trade Debtors	1,100,000	1,100,000	1,100,000	1,100,000
Accrued Expenses	27,807,895	15,486,071	25,559,905	14,575,751
Value Added Tax Payable	16,765,955	10,282,524	16,765,955	10,282,524
Social Security Contribution Levy Payable	3,004,942	2,472,883	3,004,942	2,472,883
Advances from Customers	2,379,726	804,362	2,224,613	499,846
Other Payables	5,268,593	3,615,814	5,268,593	3,615,814
	<u>75,649,149</u>	<u>74,703,366</u>	<u>73,183,794</u>	<u>73,260,357</u>

**18.1 Trade Payables - Related Parties**

	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Eswaran Brothers Ceylon (Pvt) Ltd	Affiliate Company	2,975	2,975	2,975	2,975
Nilkamal Limited	Parent Company	-	5,852,979	-	5,852,978
		<u>2,975</u>	<u>5,855,954</u>	<u>2,975</u>	<u>5,855,953</u>

**19. RELATED PARTY PAYABLES**

	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Nilkamal Limited	Parent Company	2,989,188	2,237,286	2,989,188	2,237,286
		<u>2,989,188</u>	<u>2,237,286</u>	<u>2,989,188</u>	<u>2,237,286</u>



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

**20. PROFIT FROM CONTINUING OPERATIONS**

Stated after Charging /(Crediting)	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Depreciation	28,791,533	35,184,851	28,791,533	35,184,851
Audit Fees and Expenses	2,785,587	2,490,882	2,455,587	2,190,882
Non Audit Services	334,969	430,000	334,969	350,000
Amortisation of Intangible Assets	287,915	145,864	287,915	145,864
(Reversal)/Provision for impairment of trade receivables	2,996,944	803,429	2,681,267	801,451
(Charge)/Reversal of provision for Inventories	(8,451,208)	3,592,647	(8,709,458)	4,062,325
Staff Costs Includes				
- Defined Benefit Plan Costs - Gratuity	12,627,842	13,192,741	12,627,842	13,192,741
- Defined Contribution Plan Costs - EPF and ETF	13,927,093	12,837,563	13,927,093	12,837,563
- Salaries , wages and Other related Costs	158,413,409	102,664,949	158,413,409	102,664,949

**21. COMMITMENTS AND CONTINGENCIES**

**21.1 Capital Expenditure Commitments**

The Company does not have significant Capital Expenditure commitments as at the date of reporting.

**21.2 Contingencies**

The Company does not have significant contingencies as at the reporting date.

**22. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

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

**23. RELATED PARTY TRANSACTIONS**

**23.1 Key Management Personnel**

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/Group 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/Group.

**23.2 Compensation of Key Management Personnel**

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Short Term Benefits	18,286,589	17,524,648	18,286,589	17,524,648
	18,286,589	17,524,648	18,286,589	17,524,648



# Nilkamal Eswaran Plastics (Private) Limited

## NOTES TO THE FINANCIAL STATEMENTS

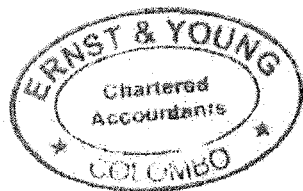
Year ended 31 March 2025

### 23. RELATED PARTY TRANSACTIONS (Contd.)

#### 23.3 Transactions with Related Companies

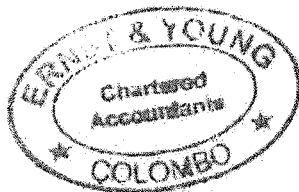
Company Name	Relationship	Nature of Transaction	Company	
			2025 Rs.	2024 Rs.
Nilkamal Eswaran Marketing (Pvt) Ltd	Subsidiary Company	Net fund transfer to/(from) the Related Party Company	2,902,745	14,684,181
		Settlement of Dues to the Related Party Company	(5,837,617)	(14,684,181)
Nilkamal Limited	Parent Company	Purchases for the Related Party Company	15,295,148	14,942,149
		Dividends	89,070,100	43,805,421
		Mould lease income from the Related Party Company	119,200	1,520,344
		Mould lease rentals paid to the Related Party Company	-	1,320,000
		Purchase of Capital Goods form the Related Party Company	-	5,076,457
		Sale of Molds	-	(3,071,204)
		Royalty Payable	11,956,563	7,852,130
Eswaran Brothers Exports (Pvt) Ltd	Affiliate Company	Sales	5,146,635	-
		Settlements	(56,640)	(138,000)
Eswaran Brothers Ceylon (Pvt) Ltd - Crates	Affiliate Company	Sales	74,050	-
		Settlements	(77,025)	-
Good Value Eswaran (Pvt) Ltd	Affiliate Company	Sales	25,559,277	23,723,858
		Settlements	(25,116,592)	(23,196,036)
Good Value Eswaran Worldwide (Pvt) Ltd	Affiliate Company	Sales	1,767,251	-
		Settlements	(1,140,357)	(138,000)

- 23.4 The Company has provided a Corporate Guarantee for Rs 16mn in 21 November 2012 for banking facility made available to the Subsidiary Nilkamal Eswaran Marketing (Pvt) Ltd by the Commercial Bank of Ceylon PLC.



**Nilkamal Eswaran Plastics (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2025

24. CURRENT TAXATION	2025 Rs.	2024 Rs
Opening balance at the beginning of the year	56,591,574	18,206,548
Self Assessment Tax Payment for 23/24		
Q4	(7,066,582)	(10,000,000)
Final Tax	(50,846,624)	(11,130,099)
WHT Claimed	(76,779)	-
Sub Total	(57,989,985)	(21,130,099)
Self Assessment Tax Payment for 24/25		
Q1	(6,705,381)	(5,987,960)
Q2	(6,642,949)	(14,802,638)
Q3	(6,541,611)	-
WHT Claimed 24/25	(1,137,904)	(2,090,236)
WHT On CAL Fixed Income securities	23/24 (411,122)	
	24/25 (356,753)	
Over/Under provision pertaining to last year	(9,324)	-
Sub Total	(21,805,043)	(22,880,834)
Current year Provision	144,848,576	82,395,960
	<u>121,645,122</u>	<u>56,591,575</u>

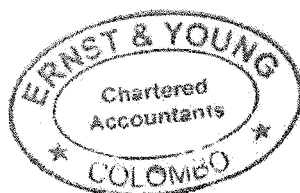


**NILKAMAL ESWARAN PLASTICS (PRIVATE) LIMITED**

**DETAILED STATEMENTS OF PROFIT OR LOSS  
YEAR ENDED 31 MARCH 2025**

**Nilkamal Eswaran Plastics (Private) Limited**  
**DETAILED STATEMENT OF PROFIT OR LOSS**  
Year ended 31 March 2025

	STATEMENT	Company	
		2025 Rs.	2024 Rs.
Revenue		1,594,208,424	1,046,950,755
Cost of Sales	I	(848,613,233)	(627,769,680)
Gross Profit		745,595,190	419,181,075
Other income		25,641,699	17,972,094
Administrative expenses	III	(101,904,217)	(89,359,383)
Distribution expenses	IV	(231,458,252)	(154,514,355)
<b>Profit from Operations</b>		<b>437,874,421</b>	<b>193,279,431</b>
Finance Income		53,620,673	60,526,648
Finance Cost		(1,690,736)	(1,658,798)
<b>Profit Before Taxation</b>		<b>489,804,358</b>	<b>252,147,282</b>



**Nilkamal Eswaran Plastics (Private) Limited**  
**DETAILED STATEMENT OF PROFIT OR LOSS**

Year ended 31 March 2025

**STATEMENT - I**

**COST OF SALES**

	Company	
	2025 Rs.	2024 Rs.
Opening Stock	229,589,717	239,914,694
Purchases	695,593,188	447,296,339
Provision for Discount for Slow-moving Stock	(8,709,458)	4,062,325
Manufacturing Cost (Statement II)	166,782,013	149,718,243
Goods in Transit	(14,455,401)	16,367,796
Closing Stock	(220,186,827)	(229,589,717)
	<u>848,613,233</u>	<u>627,769,680</u>

**STATEMENT - II**

**MANUFACTURING COST**

	Company	
	2025 Rs.	2024 Rs.
Allowance for Extra Hours	-	56,000
Annual Leave Encashment	2,440,075	1,714,499
Attendance Allowance	1,068,883	664,400
Bonus	2,749,523	3,721,036
Budgetary Allowance	883,595	1,357,250
Contract Wages	28,722,426	14,177,350
Depreciation on Moulds	7,264,841	14,043,788
Depreciation on Plant, Machinery and Equipment	13,843,684	13,701,637
Electricity	40,403,193	43,406,419
EPF	3,827,291	3,582,616
ETF	956,825	895,654
Fabricated Outside Work	-	3,000
Factory Consumables	2,561,847	1,781,777
Food Allowance	-	102,800
Hard Shift Allowance	176,000	159,000
House Rent Allowance	-	40,000
Loading and Unloading Charges	105,010	136,100
Meal Allowance	5,565	15,525
Mould Lease Rent	-	1,320,000
Night Shift Allowance - Factory	19,530	129,917
OSS Products Expenses	586,681	317,258
Overtime	13,127,723	9,380,892
Plant & Machinery Maintenance	10,419,987	7,175,289
Powder Coating Charges	3,763,044	2,430,907
Production Incentive	1,053,422	687,157
Related Expenses - Leased Moulds	137,601	455,549
Salaries & Wages	22,555,523	20,572,245
Screen Printing	314,977	403,733
Special Allowance	1,625,661	1,468,614
Travelling Allowance	5,085,493	4,154,614
Water Bill Expenses	1,348,039	873,343
Sofa Labour	1,735,575	789,875
	<u>166,782,013</u>	<u>149,718,243</u>

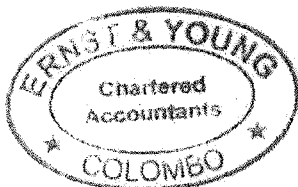


**Nilkamal Eswaran Plastics (Private) Limited**  
**DETAILED STATEMENT OF PROFIT OR LOSS**  
Year ended 31 March 2025

**STATEMENT - III**

**ADMINISTRATION COSTS**

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>Rs.</b>	<b>Rs.</b>
Accommodation	1,340,041	737,331
Annual Leave Encashment	1,152,340	1,321,949
EPF 12%	2,090,876	2,136,549
ETF 3%	522,737	530,079
Food Allowance	-	137,300
Bonus	1,192,395	1,013,599
Gratuity	12,627,842	13,192,742
House Rent	-	59,000
Salaries	10,755,664	10,653,300
Special Allowance	2,448,456	2,175,709
Budgetary Allowance	49,000	302,615
Vehicle Hiring	1,022,400	1,021,670
Overtime	83,508	76,148
Traveling Allowance	3,169,835	3,010,845
Travelling expense	2,050,299	1,569,721
Fuel Expenses	2,984,908	2,523,058
Seminar & Training	19,000	132,554
Staff Recruitment	109,720	184,024
Vehicle Maintenance	5,969,907	2,700,640
Audit Fees	1,955,556	2,190,882
Audit Fees - Internal	835,000	830,333
Books & Periodicals	98,300	67,380
Building Maintenance	1,853,174	1,411,294
Charity & Donations	145,050	145,300
Computer Consumables	635,300	302,090
Container Washing & Cleaning Charges	47,180	86,739
Depreciation on Other Fixed Assets	7,970,923	7,584,779
Insurance Expenses	6,790,324	6,386,196
License Fee	213,576	227,673
Medical Expenses	254,184	170,875
Office Maintenance	17,479,913	12,099,628
Payroll Outsourcing Fee	208,339	67,758
Postage, Stamp & Courier	106,289	408,258
Printing & Stationery	400,675	188,255
Rates & Taxes	2,435,454	2,435,454
Secretarial Fees	328,144	217,337
Security Expenses	6,431,033	5,990,124
Staff Welfare	4,396,426	3,212,097
Stamp Duty	99,950	56,750
Tab & Phone Repair	200,931	174,162
Telephone & Fax	1,417,829	1,627,182
Miscellaneous Expenses	11,740	-
	<b>101,904,217</b>	<b>89,359,383</b>





Nilkamal Eswaran Plastics (Private) Limited

DETAILED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

STATEMENT - IV

DISTRIBUTION EXPENSES

	Company	
	2025	2024
	Rs.	Rs.
Advertising Expenses	23,320	54,700
Annual Leave Encashment	3,960,701	2,868,030
Bad Debts	2,681,267	801,451
Budgetary Allowance	819,756	1,328,813
Bonus	2,791,608	2,324,193
Daraz Sales Commission	157,932	90,516
Distributor Sales Incentives	9,103,235	2,921,836
EPF	5,227,506	4,550,886
ETF	1,301,858	1,141,780
Export Charges	-	134,742
Fields Sales Expenses	6,173,912	5,491,297
Food Allowance	-	215,135
Fuel Expenses	5,489,985	6,209,436
House Rent Allowance	-	13,000
House Rent- Sales	-	42,400
Online Courier Chagres	491,313	4,236
Online Sales Commission	751	(11,615)
Overtime	367,453	170,213
Promotions & Events	7,159,671	4,296,587
Purchase of Samples	227,045	48,437
Review Meeting Expense	461,969	303,386
Royalty	11,956,563	7,852,130
Salaries	26,675,219	23,843,784
Sales Incentives	34,427,715	11,165,533
Settlement Discounts	17,521,265	12,115,078
Social Security Contribution Levy	33,911,038	22,272,052
Special Allowance	5,453,796	4,954,788
Tender Expenses	653,440	590,781
Transport Charges	44,686,702	30,110,589
Traveling Allowance	9,577,542	4,617,335
Traveling for sales	-	3,957,522
VAT on Sample Issues	-	4,227
Written Off Unclaimed VAT	155,686	31,079
	<u>231,458,252</u>	<u>154,514,355</u>

