

CF (Netherlands) Holdings Limited B.V.
Amsterdam

Annual Report
(For the year ended 31st March 2022)

Address of the Company	:	Overtoom 141, 1054HG Amsterdam, The Netherlands
Chamber of Commerce	:	Amsterdam
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Balance Sheet as at 31st March 2022
(Before proposed result appropriation)

	<u>Notes</u>	<u>31-Mar-2022</u> EUR	<u>31-Mar-2021</u> EUR
Fixed assets			
Financial fixed assets			
Participation interest in subsidiaries	1	26,858,261	16,598,581
		<u>26,858,261</u>	<u>16,598,581</u>
Current assets			
Inventories	2	3,522,112	1,063,957
Accounts receivables	3	1,319,751	1,126,362
Other receivables	4	150,112	13,864
Cash and cash equivalents	5	419,860	792,034
Total current assets		<u>5,411,835</u>	<u>2,996,217</u>
Short-term liabilities	6	2,261,459	1,634,824
Balance of current assets less short-term liabilities		3,150,376	1,361,393
Balance of assets less short-term liabilities		<u>30,008,637</u>	<u>17,959,974</u>
Shareholders' equity			
Share capital	7	28,364,150	28,364,150
Currency translation reserve		2,184,949	1,335,998
Retained earnings		(11,740,172)	(15,243,486)
Result for the year		11,199,710	3,503,312
Total shareholders' equity		<u>30,008,637</u>	<u>17,959,974</u>

Profit and Loss account for the year ended 31st March 2022

	<u>Notes</u>	<u>2021/2022</u> EUR	<u>2020/2021</u> EUR
Revenue	8	10,076,779	5,887,447
Cost of goods	9	(7,789,613)	(5,155,748)
Gross operating result		<u>2,287,166</u>	<u>731,699</u>
Employment costs	10	(84,554)	(91,744)
General and administrative expenses	11	(140,816)	(83,748)
Total operating expenses		<u>(225,370)</u>	<u>(175,492)</u>
Total operating result		<u>2,061,796</u>	<u>556,207</u>
Financial income/(cost)	12	12,898	(32,423)
Result before taxation		<u>2,074,694</u>	<u>523,784</u>
Corporate income tax	13	(323,672)	-
Result after taxation		<u>1,751,022</u>	<u>523,784</u>
Share in result of participations	14	9,448,688	2,979,528
Net result for the year		<u>11,199,710</u>	<u>3,503,312</u>

Notes to the Financial Statements

General

The Company, CF (Netherlands) Holdings Ltd. B.V. is a private limited liability company and was incorporated on 2nd June 2009. It has statutory seat in Amsterdam and registered office at Overtoom 141, 1054HG Amsterdam, The Netherlands.

The Company is wholly owned by Cosmo Films Limited, India.

The most important activities of the Company

The principal business activities of the Company is to produce and sell thermal laminating films, to sell, install and maintain thermal laminating machines, to sell biaxially oriented poly propylene films, to participate in, to co-operate with, to finance, to administer, to manage or to take interest in any other form in other companies and/or enterprises in the Netherlands as well as abroad.

Financial year

The financial year of the Company starts on 1st April and ends on 31st March of the immediate following year.

Previous year

Previous year's figures have been revised, wherever necessary, in order to make them look comparable to current year's figures.

Disclosure of estimates

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The exemption of consolidation

The financial statements of the Company are not consolidated with those of its wholly owned subsidiaries as a result of the Article 408 exemption. The consolidated annual accounts of Cosmo Films Limited having its statutory seat in India, in which the annual accounts of the Company together with its wholly owned subsidiaries are included, will be filed with the Chamber of Commerce in Amsterdam, the Netherlands.

Principles for the valuation of assets and liabilities

Accounting policies

The annual accounts have been prepared in accordance with accounting principles generally accepted in the Netherlands (Title 9, Book 2 of the Dutch Civil Code), as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Conversion of amounts denominated in foreign currency

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the corporation carries out most of its activities (the functional currency). The financial statements are denominated in Euro; this is both the functional currency and presentation currency of the Company.

All monetary assets and liabilities denominated in foreign currencies have been converted into Euro at the rate of exchange prevailing at the balance sheet date, whereas non-monetary assets denominated in foreign currencies, are translated at historical rate when the transaction took place. All transactions in foreign currency made during the year under review are accounted for at the official rate of exchange prevailing on or around the date of the transaction took place. The exchange differences are reflected in the financial result.

USD 1 = EUR 0.9008 (last year: EUR 0.8529)

Financial assets

Where significant influence is exercised, participations in non-consolidated group companies are valued under the net asset value method, but not lower than nil value.

Participating interests in which no significant influence can be exerted are stated at acquisition price or, if necessary, at a lower market value.

Amounts receivable included under the other financial fixed assets are stated at face value net of any provisions deemed necessary. Other financial fixed assets, including securities, which are held with the object of a long-term relationship for the furtherance of the Company's activities are stated at the lower of acquisition cost and market value.

Notes to the Financial Statements (continued...)

Inventories

Inventory is valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Accounts receivable

Trade debtors are shown at face value less a provision for doubtful debts when appropriate.

Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is considered uncollectible, it is written off against the allowance account for receivables. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances, remittance in transit and deposits. Cash and cash equivalents are stated at nominal value.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments (for which the Company is not specifically obliged in pursuant to any contract) to holders of these instruments are deducted from the shareholders' equity as a part of the profit distribution.

The Company's ordinary shares are classified as equity instruments.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Accounts payable

All accounts payable are stated at nominal value and are expected to be paid within one year after the balance sheet date.

Current liabilities

The current liabilities concern the liabilities with a duration of shorter than one year. These liabilities are valued at nominal value unless stated otherwise.

Related party transactions

An entity is considered as a related party if any of the following conditions prevail:

- The financial and operating activities are controlled by the Company or are controlled by the same party, which includes common control, joint control or significant influence.
- The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Transaction with related parties were made on terms equivalent to those that prevail in arm's length transaction.

Principles for the determination of the result

The result is determined as the difference between the value of the goods delivered and the costs and other charges related to the year. Profits on transactions are recognised in the year in which they are realised, losses are taken into account as soon as they are foreseeable.

Income and expenses denominated in foreign currencies are accounted for at the official rates of exchange prevailing on the date on which the transaction took place. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are recognized in the profit and loss account.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

Tax on result is calculated by applying the current rate on the result for the financial year in the profit & loss account, taking into account tax losses carry-forward and tax exempt profit elements and after inclusion of non-deductible costs.

Provisions for taxation have been made in accordance with Dutch Corporate Income Tax Law.

Notes to the Financial Statements (continued...)

				<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
				EUR	EUR
1 Financial fixed assets					
<i>Participation interest in subsidiaries</i>					
Name	Legal seat	Valuation method	Owned		
Cosmo Films (Singapore) Pte. Ltd.	Singapore	NAV	100%	7,859	16,721
Cosmo Films Inc.	Illinois, USA	NAV	100%	20,601,579	10,070,613
Cosmo Films Japan G.K.	Tokyo, Japan	NAV	100%	2,407,474	4,590,587
Cosmo Films Korea Ltd.	Chungnam, Korea	NAV	100%	3,826,452	1,898,347
Cosmo Films Poland S z.o.o.	Warsaw, Poland	NAV	100%	14,897	22,313
				<u>26,858,261</u>	<u>16,598,581</u>
<i>Movements in the participations were as follows:</i>					
<i><u>Cosmo Films (Singapore) Pte. Ltd.</u></i>					
Balance as at 1 April				16,721	6,794
Investment during the year				-	18,636
Share in result				(9,311)	(8,923)
Foreign exchange result				449	214
Balance as at 31 March				<u>7,859</u>	<u>16,721</u>
In August 2020, the Company increased its shareholding in Cosmo Films (Singapore) Pte. Ltd. with SGD 30,000 (EUR 18,636).					
<i><u>Cosmo Films Inc.</u></i>					
Balance as at 1 April				10,070,613	5,401,800
Investment during the year				-	2,244,935
Share in result				9,521,686	2,902,423
Addition/(Deletion) in provision				-	(478,545)
Foreign exchange result				1,009,280	-
Balance as at 31 March				<u>20,601,579</u>	<u>10,070,613</u>
On 31 May 2020, the Company entered into a subscription agreement with Cosmo Films, Inc. (the 'Subsidiary') in which the Company agreed to purchase 125 shares of the Subsidiary with nominal value of USD 0.02 per share for a purchase price of USD 2,499,960. The purchase price is paid by off setting the Amended and Restated Note dated 1 January 2013 amounting to USD 2,499,960 against the purchase price of the shares.					
<i><u>Cosmo Films Japan G.K.</u></i>					
Balance as at 1 April				4,590,587	4,956,382
Investment during the year				-	-
Share in result				(523,081)	35,332
Dividend received				(1,508,708)	-
Addition/(Deletion) in provision				-	(401,127)
Foreign exchange result				(151,324)	-
Balance as at 31 March				<u>2,407,474</u>	<u>4,590,587</u>
<i><u>Cosmo Films Korea Ltd.</u></i>					
Balance as at 1 April				1,898,347	1,822,634
Investment during the year				1,470,749	-
Share in result				466,941	57,894
Addition/(Deletion) in provision				-	17,819
Foreign exchange result				(9,585)	-
Balance as at 31 March				<u>3,826,452</u>	<u>1,898,347</u>
In September 2021, the Company increased its shareholding in Cosmo Films Korea Ltd. with KRW 2,000,000,000 (EUR 1,470,749).					
<i><u>Cosmo Films Poland S z.o.o.</u></i>					
Balance as at 1 April				22,313	29,624
Investment during the year				-	-
Share in result				(7,547)	(7,198)
Addition/(Deletion) in provision				-	(113)
Foreign exchange result				131	-
Balance as at 31 March				<u>14,897</u>	<u>22,313</u>

Notes to the Financial Statements (continued...)

	<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
	EUR	EUR
2 Inventories		
FG Inventory	2,912,136	796,679
Goods in transit	609,976	267,278
	<u>3,522,112</u>	<u>1,063,957</u>
3 Accounts receivables		
Trade debtors	<u>1,319,751</u>	<u>1,126,362</u>
4 Other receivables and prepayments		
Accrued income	-	13,864
Prepaid expenses	901	-
VAT receivable	149,211	-
	<u>150,112</u>	<u>13,864</u>
5 Cash and cash equivalents		
Rabo Bank_8337 (EUR)	-	748,169
Rabo Bank_8337 (USD)	-	43,865
CurrencyCloud (EUR)	204,136	-
CurrencyCloud (USD)	11,698	-
ICICI_76333853 (USD)	90,037	-
ICICI_76333854 (EUR)	113,989	-
	<u>419,860</u>	<u>792,034</u>
6 Short-term liabilities		
Trade creditors	1,912,427	1,502,763
VAT Payable	-	89,621
Corporate income tax payable	323,672	-
Other liabilities and accrued expenses	25,360	42,440
	<u>2,261,459</u>	<u>1,634,824</u>
<i>Trade creditors</i>		
Creditors	1,230,499	1,502,763
Other creditors	681,928	-
	<u>1,912,427</u>	<u>1,502,763</u>
<i>Other liabilities and accrued expenses</i>		
Accrued liabilities	21,103	39,133
Payable to employee	4,257	3,307
	<u>25,360</u>	<u>42,440</u>

Notes to the Financial Statements (continued...)*(In Euro)***7 Shareholders' equity**

Movements in equity were as follows:

	Share capital	Currency translation reserve	Retained earnings	Result	Total
Balance as at 1 April 2021	28,364,150	1,335,998	(15,243,486)	3,503,312	17,959,974
Movement during the year	-	848,951	-	-	848,951
Rounding off adjustment	-	-	2	-	2
Allocation of result	-	-	3,503,312	(3,503,312)	-
Result for the year	-	-	-	11,199,710	11,199,710
Balance as at 31 March 2022	28,364,150	2,184,949	(11,740,172)	11,199,710	30,008,637

Following an amendment of the Articles of Association on 21 December 2011, the Company has an authorized share capital of EUR 82,500,000. The share capital is divided in 8,250,000 shares with a nominal value of EUR 10 each. As at 31 March 2022, 2,836,415 shares were issued and fully paid-up (previous year: 2,836,415 shares).

Statutory provision on appropriation of result

Following the appropriation of result proposed by the Board of Directors and pursuant to article 27 of the Articles of Association, the profit for the financial year ended 31 March 2022 will be added to the undistributed result.

Contingent assets and liabilities

Off balance sheet commitments relating to guarantees

As of 6 January 2012 the Company issued a guarantee in favour of Mizuho Bank Ltd., for obligations of Cosmo Films Japan G.K. in the amount of JPY 400,000,000. The expiry date of the guarantee was extended on 28 October 2016 to 31 October 2021.

COVID-19 impact

The outbreak of the Coronavirus (COVID-19) pandemic globally is causing significant disturbance and slowdown in economic activity. CF Group is engaged in the business of flexible packaging films which is part of the essential commodities, and therefore the pandemic has so far had negligible impact on the business operations of the CF Group. Management has exercised due care, in concluding significant accounting judgments and estimates, inter alia, recoverability of receivables, impairment assessment of financial and non-financial assets, realisability of inventory and accordingly noted no significant impact on its financial statement. Further, management believes that the CF Group will be able to discharge the liabilities as and when falling due. The CF Group will continue to monitor current and future conditions and impact thereof on CF Group's operations.

Subsequent events

No subsequent events have occurred since 31 March 2022 that would make the present financial position substantially different from that shown in the balance sheet at the balance sheet date or which would require an adjustment to or disclosure in the annual accounts.

Notes to the Financial Statements (continued...)

	2021/2022	2020/2021
	EUR	EUR
8 Revenue		
Sale of Films	10,034,750	5,799,226
Quality claim	(79,116)	(31,779)
Other operating income	121,145	120,000
	10,076,779	5,887,447
<i>Other operating income</i>		
Re-sale laminate machine	1,145	-
Marketing support fee	120,000	120,000
	121,145	120,000
<p>The Company provides marketing support in Europe and receives a marketing support fee amounting to EUR 120,000 on an annual basis.</p>		
9 Cost of sales		
Cost of goods	(7,789,613)	(5,155,748)
<i>Cost of goods</i>		
Purchase	(7,624,203)	(5,045,112)
Cost of goods warehouse handling	(64,101)	(69,085)
Purchase price differences/claims	58,049	28,040
Transport cost	(159,358)	(69,591)
	(7,789,613)	(5,155,748)
10 Employment costs		
Salaries & wages	(70,064)	(77,200)
Social security & other contributions	(14,490)	(14,544)
	(84,554)	(91,744)
11 General and administrative expenses		
Management & Administration fees	(75,737)	(43,761)
Legal fees	(10,494)	81
Tax advisory fees	(12,470)	(21,763)
Commissions	(8,092)	-
Demurrage cost	(600)	-
Discount allowed	(12,569)	(8,332)
Fines & penalties	(97)	-
Registration expenses	(5,248)	-
Office rent	(525)	-
Telephone expenses	(2,758)	(1,156)
Travelling expenses	(10,540)	(8,522)
Transportation expenses	(480)	-
Other general expenses	(1,206)	(295)
	(140,816)	(83,748)
12 Financial income/(cost)		
Interest and bank charges	(7,234)	(13,765)
Foreign exchange differences	20,132	(40,111)
Interest on loan to subsidiary	-	22,376
Interest on taxes	-	(923)
	12,898	(32,423)
<i>Interest on loan to subsidiary</i>		
Interest on receivables from Cosmo Films Inc.	-	22,376

Notes to the Financial Statements (continued...)

	<u>2021/2022</u>	<u>2020/2021</u>
	EUR	EUR
13 Corporate income tax		
Provision for CIT	(323,672)	-
14 Share in result of participations		
Cosmo Films (Singapore) Pte. Ltd.	(9,311)	(8,923)
Cosmo Films Inc	9,521,685	2,902,423
Cosmo Films Japan G.K.	(523,081)	35,332
Cosmo Films Korea Ltd.	466,941	57,894
Cosmo Films Poland S z.o.o.	(7,546)	(7,198)
	<u>9,448,688</u>	<u>2,979,528</u>

15 Directors

The Company has 2 directors during the financial year (Previous year : 2). Papilio Services Netherlands B.V. had resigned from the directorship in the Company and subsequently, Selvam Balasundaram has been appointed as director in the Company with effect from 1 August 2021.


16 Average number of employees

During the financial year, the Company has 1 employee (Previous year : 1).

Signed on, 04th May, 2022



Anil Kumar Jain
Director



Selvam Balasundaram
Director

Other Information

Auditor's report

Based on article 2:396 section 6 of the Dutch Civil Code, the Company is exempt from the obligation to have the annual accounts audited. Consequently, no audit has been requested and therefore no auditor's report is attached.