

CF (Netherlands) Holdings Ltd B.V.

located, Amsterdam

Report on the annual accounts
1 April 2020 until 31 March 2021

Table of contents

	Page
Financial statements	
Balance sheet as at 31 March 2021	2
Profit and loss account for the period 01-04-2020 until 31-03-2021	4
Notes to the financial statements	5
Notes to the balance sheet	7
Notes to the profit and loss account	11
Appendices	

Balance sheet as at 31 March 2021
(Before distribution of profit)

Assets

		31-03-2021		31-03-2020	
		€	€	€	€
Fixed assets					
<i>Financial fixed assets</i>					
Participations in group companies	1		16.598.581		12.217.234
Current assets					
<i>Inventories and work in progress</i>					
FG Inventory		796.679		813.770	
Goods in transit		267.278		950.211	
			1.063.957		1.763.981
<i>Receivables</i>					
Trade receivables	2	1.126.362		138.665	
Receivables from group companies	3	-		2.400.969	
Taxes and social security charges	4	-		47.465	
Other accounts receivable	5	13.864		2.547	
			1.140.226		2.589.646
Cash	6		792.034		438.109
			19.594.798		17.008.970

Liabilities

		31-03-2021		31-03-2020	
		€	€	€	€
Shareholder's equity	7				
Issued share capital	8	28.364.150		28.364.150	
Revaluation reserves		1.335.998		2.197.751	
Accumulated deficit		-15.243.486		-15.923.437	
Result for the year		3.503.312		679.951	
			17.959.974		15.318.415
Current liabilities, accruals and deferred income					
Creditors		1.502.763		1.667.812	
Taxes and social security charges	9	89.621		-	
Other payables	10	3.307		3.502	
Accruals and deferred income	11	39.133		19.241	
			1.634.824		1.690.555
			19.594.798		17.008.970

Profit and loss account for the period 01-04-2020 until 31-03-2021

		2020 / 2021		2019 / 2020	
		€	€	€	€
Operating income	12	5.759.115		2.657.208	
Cost of sales	13	-5.155.748		-2.483.010	
Gross margin		603.367		174.198	
Other operating income	14	120.000		120.000	
Gross margin		723.367		294.198	
Wages and salaries	15	77.200		68.700	
Social security charges and pensions cost	16	14.544		15.009	
Selling expenses	17	-		1.966	
General expenses	18	127.769		31.240	
Total operating expenses		219.513		116.915	
Operating result		503.854		177.283	
Other interest and similar income	19	22.376		160.037	
Interest and similar expenses	20	-2.446		-896	
Financial income and expense		19.930		159.141	
Result of ordinary activities before taxation		523.784		336.424	
Taxation		-		-	
		523.784		336.424	
Share in result of participations	21	2.979.528		343.527	
Net result after taxes		3.503.312		679.951	

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of CF (Netherlands) Holdings Ltd B.V. is Strawinskyalaan 937, in Amsterdam the Netherlands. CF (Netherlands) Holdings Ltd B.V. is registered at the trade register under number 34341583.

General notes

The most important activities of the entity

The Company is a private company with limited liability and was incorporated under the laws of the Netherlands on 2 June 2009.

The principal business activity 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 cooperate 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.

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.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, 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 CF (Netherlands) Holdings Ltd B.V. 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 CF (Netherlands) Holdings Ltd B.V.

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, where as 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.

United States Dollar USD 1.00 = EUR 0.8529 (last year: EUR 0.9127)

Accounting principles

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.

Current assets

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as CF (Netherlands) Holdings Ltd B.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the profit and loss account.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet

Assets

Fixed assets

Financial fixed assets

1 Participations in group companies

	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
Cosmo Films (Singapore) Pte. Ltd.	16.721	6.794
Cosmo Films Inc	10.070.613	5.401.800
Cosmo Films Japan G.K.	4.590.587	4.956.382
Cosmo Films Korea Ltd.	1.898.347	1.822.634
Cosmo Films Poland S z.o.o.	22.313	29.624
	<u>16.598.581</u>	<u>12.217.234</u>

Cosmo Films (Singapore) Pte. Ltd.

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
Book value as at 1 April	6.794	16.760
Investments	18.636	-
Profit/(Loss)	-8.923	-9.756
Foreign exchange result	214	-210
Book value as at 31 March	<u>16.721</u>	<u>6.794</u>

In August 2020 the Company increased its shareholding in Cosmo Films (Singapore) Pte. Ltd. with SGD 30,000 (EUR 18,636).

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
Cosmo Films Inc		
Book value as at 1 April	5.401.800	3.214.427
Investments	2.244.935	-
Profit/(Loss)	2.902.423	2.075.770
Addition to provision	-478.545	111.603
Book value as at 31 March	<u>10.070.613</u>	<u>5.401.800</u>

On 31 May 2020 the Company entered into a subscription agreement with Cosmo Films, Inc. in which the Company agreed to purchase 125 shares of Cosmo Films, Inc. with nominal value 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 (see note 3).

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
Cosmo Films Japan G.K.		
Book value as at 1 April	4.956.382	6.068.150
Profit/(Loss)	35.332	-1.373.402
Addition to provision	-401.127	261.634
	<u>4.590.587</u>	<u>4.956.382</u>
Book value as at 31 March	<u>4.590.587</u>	<u>4.956.382</u>
Cosmo Films Korea Ltd.		
Book value as at 1 April	1.822.634	2.266.643
Profit/(Loss)	57.894	-341.594
Addition to provision	17.819	-102.415
	<u>1.898.347</u>	<u>1.822.634</u>
Book value as at 31 March	<u>1.898.347</u>	<u>1.822.634</u>
Cosmo Films Poland S z.o.o.		
Book value as at 1 April	29.624	3.962
Investments	-	35.877
Profit/(Loss)	-7.198	-7.490
Addition to provision	-113	-2.725
	<u>22.313</u>	<u>29.624</u>
Book value as at 31 March	<u>22.313</u>	<u>29.624</u>
Current assets		
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
2 Trade receivables		
Trade debtors	<u>1.126.362</u>	<u>138.665</u>
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
3 Receivables from group companies		
Loan to Cosmo Films Inc	<u>-</u>	<u>2.400.969</u>

In May 2020 the loan granted to Cosmo Films Inc amounting to USD 2,499,960 was converted into shares. The accrued interest amounting to USD 155,460 was received on the Company's bank account.

	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
4 Taxes and social security charges		
Value added tax	-	47.465
	<u> </u>	<u> </u>
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
5 Other amounts receivable		
Accrued recharge income	13.864	-
Bank interest receivable	-	12
Prepayments	-	2.535
	<u> </u>	<u> </u>
	<u>13.864</u>	<u>2.547</u>
	<u> </u>	<u> </u>
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
6 Cash		
Cash	792.034	438.109
	<u> </u>	<u> </u>

The cash balances are freely available to the Company.

7 Shareholder's equity

Movements in equity were as follows:

	Issued share capital	Revaluation reserves	Accumulated deficit	Total
	€	€	€	€
Balance as at 1 April 2020	28.364.150	2.197.751	-15.243.486	15.318.415
Result for the year	-	-	3.503.312	3.503.312
Addition in financial year	-	-861.753	-	-861.753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 31 March 2021	<u>28.364.150</u>	<u>1.335.998</u>	<u>-11.740.174</u>	<u>17.959.974</u>

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 2021 will be added to the undistributed result.

8 Issued share capital

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 2021, 2,836,415 shares were issued and fully paid-up (previous year: 2,836,415 shares).

Current liabilities, accruals and deferred income

	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
9 Taxes and social security charges		
Value added tax	89.621	-
	<u>89.621</u>	<u>-</u>
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
10 Other payables		
Vacation days/payable to employee	3.307	3.502
	<u>3.307</u>	<u>3.502</u>
	<u>31-03-2021</u>	<u>31-03-2020</u>
	€	€
11 Accruals and deferred income		
Other accrued expenses	39.133	19.241
	<u>39.133</u>	<u>19.241</u>

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.

Subsequent events

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 judgements 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 statements. 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.

Other than the above listed event, no subsequent events have occurred since 31 March 2021 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 profit and loss account

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
12 Operating income		
Sales	5.799.226	2.694.659
Payment discount	-8.332	-5.900
Quality claim	-31.779	-31.551
	<u>5.759.115</u>	<u>2.657.208</u>
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€

13 Cost of sales

Cost of sales	<u>5.155.748</u>	<u>2.483.010</u>
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€

Cost of sales

Cost of sales	5.045.112	2.462.905
Cost of goods warehouse handling	69.085	21.103
Purchase price differences/claims	-28.040	-32.653
Transport cost	69.591	31.655
	<u>5.155.748</u>	<u>2.483.010</u>

14 Other operating income

Marketing support fee	<u>120.000</u>
-----------------------	----------------

The Company provides marketing support in Europe and receives a marketing support fee amounting to EUR 120,000 on an annual basis.

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
15 Wages and salaries		
Salaries and wages	<u>77.200</u>	<u>68.700</u>

Remuneration of directors

The Company has 2 Directors during the year under review (31 March 2020: 2 directors).

The Company has no supervisory directors.

Average number of employees

2020 / 2021

Average number of employees	<u>Number</u>
2019 / 2020	1,00

Average number of employees	<u>Number</u>
	1,00

<u>2020 / 2021</u>	<u>2019 / 2020</u>
€	€

16 Social security charges and pensions cost

Social security charges	8.298	8.620
Other pension charges	6.246	6.389
	<u>14.544</u>	<u>15.009</u>
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€

17 Selling expenses

Write off doubtful debtor	-	1.966
	<u>-</u>	<u>1.966</u>
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€

18 General expenses

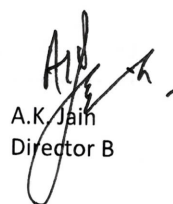
Management and administration fees	43.761	38.371
Payroll services	240	120
Travel costs	8.522	24.374
Legal expenses	-81	-169
Currency translation differences	40.111	-57.659
Bank expenses	12.242	5.586
Tax advice	21.763	19.488
Telephone expenses	1.156	1.129
Miscellaneous expenses	55	-
	<u>127.769</u>	<u>31.240</u>

	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
19 Other interest and similar income		
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
Interest income on loan to subsidiary		
Interest on receivables from Cosmo Films Inc	22.376	160.037
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
20 Interest and similar expenses		
Paid bank interest	1.523	545
Interest on taxes	923	351
	<u>2.446</u>	<u>896</u>
	<u>2020 / 2021</u>	<u>2019 / 2020</u>
	€	€
21 Share in result of participations		
Result from Cosmo Films (Singapore) Pte. Ltd.	-8.923	-9.757
Result from Cosmo Films Inc	2.902.423	2.075.770
Result from Cosmo Films Japan G.K.	35.332	-1.373.402
Result from Cosmo Films Korea Ltd.	57.894	-341.594
Result from Cosmo Films Poland S z.o.o.	-7.198	-7.490
	<u>2.979.528</u>	<u>343.527</u>

Amsterdam, 18 June 2021



Papilio Services Netherlands B.V.
Director A



A.K. Jain
Director B