

EMAMI LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2024

EMAMI LANKA (PRIVATE) LIMITED

**DETAILED INCOME STATEMENT
YEAR ENDED 31 MARCH 2024**

PNS/KKW/PE

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EMAMI LANKA (PRIVATE) LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Emami Lanka (Private) Limited, ("the Company"), which comprise the statement of financial position as at 31 March 2024, 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 2024 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 of 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 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 Standard for Small and Medium-Sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and when the management decides that it is not a going concern, disclosing as applicable, matters relating to use of the basis of accounting other than going concern. 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/)

EY2024052222781

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

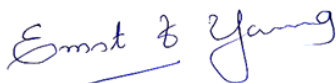
We also:

- 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.



24 May 2024
Colombo

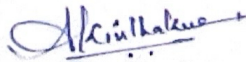
Emami Lanka (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

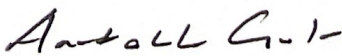
	Note	2024 Rs.	2023 Rs.
ASSETS			
Non-current assets			
Property and equipment	9	35,886,580	37,149,285
Intangible assets	10	2,490	15,803
		<u>35,889,069</u>	<u>37,165,088</u>
Current assets			
Inventory	11	184,189,356	194,307,316
Trade receivables	12.1	293,609,576	233,333,689
Other receivables	12.2	18,231,144	17,653,395
Cash and cash equivalents	13.1	65,550,700	129,164,608
Total current assets		<u>561,580,775</u>	<u>574,459,009</u>
Total assets		<u>597,469,845</u>	<u>611,624,097</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	14	1,138,500	1,138,500
Accumulated losses		(174,618,526)	(95,460,255)
Total equity		<u>(173,480,026)</u>	<u>(94,321,755)</u>
Non-current liabilities			
Retirement benefit obligations	15	3,050,250	2,860,748
Interest bearing borrowings	17	232,841,000	104,320,320
Deferred tax liability	16	-	3,018,170
Total non current liabilities		<u>235,891,250</u>	<u>110,199,238</u>
Current liabilities			
Trade and other payables	18	455,116,317	375,399,351
Interest bearing borrowings	17	79,942,304	215,103,946
Current tax liabilities		-	5,243,318
Bank overdraft	13.2	-	-
Total current liabilities		<u>535,058,621</u>	<u>595,746,614</u>
Total equity and liabilities		<u>597,469,845</u>	<u>611,624,097</u>

I certify that the Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007.




Head of Finance

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 7 through 18 form an integral part of the Financial Statements.

24 May 2024
Colombo

Emami Lanka (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	Notes	2024 Rs.	2023 Rs.
Revenue	4	670,599,243	446,390,640
Cost of sales		(416,984,792)	(208,977,772)
Gross profit		<u>253,614,451</u>	<u>237,412,869</u>
Other income	5	32,052,592	3,682,395
Selling and distribution expenses		(276,523,465)	(161,795,341)
Administrative and other expenses		<u>(68,119,003)</u>	<u>(56,551,021)</u>
Profit from operation	6	(58,975,426)	22,748,902
Finance expenses	7	(24,670,860)	(39,046,554)
Profit before taxation		<u>(83,646,285)</u>	<u>(16,297,653)</u>
Income tax expense	8	4,488,015	(7,079,263)
Profit for the year		<u>(79,158,271)</u>	<u>(23,376,916)</u>
Other comprehensive income / (expense)		-	-
Total comprehensive income for the year		<u><u>(79,158,271)</u></u>	<u><u>(23,376,916)</u></u>

The accounting policies and notes on pages 7 through 17 form an integral part of the Financial Statements.