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Date:14-05-2024

Ref: BOD/MAY/2024

To,
The Secretary
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001.

SCRIPT CODE : 523385

Dear Sir,

Sub:- Independent Auditor's Certificate on the statement of a certificate on Security Cover Ratio as on 31st March, 2024 pursuant to Regulation 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2021

Dear Sir/Madam,

This is with reference to the compliance with Regulation 54(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2021, we hereby submit the Independent Auditor's Certificate on the statement of a certificate on Security Cover Ratio as on 31st March, 2024.

You are requested to take the above information on record.

Thanking you,
Yours faithfully,
For Nilkamal Limited



Priti Dave
(Company Secretary)
Encl: a.a.



Independent Auditor's Report on Security Cover, Compliance with all Covenants and book value of assets as at March 31, 2024 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to SBICAP Trustee Company Limited (the "Debenture Trustee")

To
The Board of Directors
Nilkamal Limited
Survey No 354/2, Near Rakholi Bridge,
Silvassa - Khanvel Road, Village - Vasona,
Silvassa -396230 (D & NH)

1. This Report is issued in accordance with the terms of the service scope letter dated July 24, 2023 and master engagement agreement dated July 24, 2023, as amended with Nilkamal Limited (hereinafter the "Company").
2. We SRBC & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying statement showing 'Statement of Security Cover Ratio and other Financial Covenants' for its 6.80% rated Nilkamal Series A listed secured redeemable non-convertible debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each due on March 7, 2025 and 7.40% rated Nilkamal Series B listed secured redeemable non-convertible debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each due on March 8, 2027 (hereinafter the NCD) as at March 31, 2024 (hereinafter the "Statement") which has been prepared by the Company from the Board approved standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and SEBI Circular") and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with SBICAP Trustee Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its 6.80% rated listed secured redeemable non-convertible debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each due on March 7, 2025 and its 7.40% rated listed secured redeemable non-convertible debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each due on March 8, 2027 ('Debentures'). The Company has entered into an agreement with the Debenture Trustee vide agreement dated March 7, 2022 in respect of such Debentures.



Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular including maintenance of hundred per cent security cover or higher security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deed dated March 7, 2022 entered into between the Company and the Debenture Trustee ('Trust Deed').

Auditor's Responsibility

5. It is our responsibility to provide a reasonable assurance and conclude as to whether the:
 - (a) Company has maintained Security cover as per the terms of the Debenture Trust deed; and
 - (b) Company is in compliance with all the covenants including financial covenants as mentioned in the Debenture Trust Deed as on March 31, 2024.
 - (c) Book values of assets as included in the Statement are in agreement with the books of account underlying the audited standalone financial results of the company as at March 31, 2024.
6. We have performed an audit of standalone financial result of the Company for the year ended March 31, 2024, prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated May 14, 2024. Our audit of those financial results was conducted in accordance with the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depends on the auditor's judgement including the assessment of risks associated with the reporting criteria. Accordingly, our procedures included the following in relation to the Statement:
- a) Obtained and read the Debenture Trust Deed dated March 7, 2022 and noted that as per such debenture trust deed the Company is required to maintain 125 percent security cover.
 - b) Obtained the Board approved audited standalone financial results of the Company for the period ended March 31, 2024.
 - c) Traced and agreed the principal amount and the interest thereon of the secured listed non-convertible debt security outstanding as on March 31, 2024 to the Board approved audited standalone financial results of the Company and the underlying books of account maintained by the Company as on March 31, 2024.
 - d) Obtained and read the list of security cover in respect of secured listed non-convertible debt security outstanding as per the Statement. Traced the value of assets from the books of accounts and records of the Company underlying the Board approved audited financial results as on March 31, 2024.
 - e) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security.
 - f) Examined and verified the arithmetical accuracy of the computation of Security Cover and financial covenants in the accompanying Statement.
 - g) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Trust Deed.
 - h) Obtained the working of asset and liabilities presented in the respective columns in annexure to the Statement and verified the same from the books of account and relevant records and documents underlying the Board approved audited financial results for the year ended March 31, 2024.
 - i) The amounts appearing in the total column (column J) have been traced from the Board approved standalone financial results.



SRBC & CO LLP

Chartered Accountants

- j) With respect to covenants other than those mentioned in paragraph 10(a) above, the management has represented and confirmed that the Company has complied with all the other covenants as prescribed in the Debenture Trust Deed, as at March 31, 2024. We have relied on the same and not performed any independent procedures in this regard.
- k) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, in our opinion:
- a) Company has maintained security cover as per the terms of the Debenture Trust deed;
 - b) Company is in compliance with all the covenants as mentioned in the Debenture Trust Deed as at March 31, 2024, and
 - c) Book values of assets as included in the Statement are in agreement with the books of account underlying the Board approved audited standalone financial results of the Company as at March 31, 2024.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Ravi Bansal
Partner

Membership Number: 049365



UDIN: 24049365 BKGVJ B 8351

Place of Signature: Mumbai

Date: May 14, 2024



NILKAMAL LIMITED



Registered Office: Survey No. 354/2 and 354/3 , Near Rakholi Bridge,
 Silvassa-Khanvel Road,Village Vasona, Silvassa (D & N H).
 Website : www.nilkamal.com Email : investor@nilkamal.com
 CIN:L25209DN1985PLC000162

Annexure 1

(₹ In Lakhs)

Statement of Security Coverage Ratio														
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of Asset for which this Certificate relate	Exclusive Charge		Pari- Passu Charge			Assets not offered as Security	Elimination on (amount in negative)	(Total C to H)	Related to only those items covered by this Certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items Covered in column F)				Market Value for Assets charged on Exclusive Basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+ N)
Assets														
Property, Plant and Equipment	Plant & Equipment, Furniture & Fixtures			No	38,815.65	-	24,158.83	-	62,974.48					
Capital Work-in- Progress				No			3,811.22		3,811.22					
Right of Use Assets				No			13,181.30		13,181.30					
Goodwill				No			675.60		675.60					
Intangible Assets				No			44.22		44.22					
Intangible Assets under Development				No					-					
Investments				No			3,379.65		3,379.65					
Loans				No			335.54		335.54					
Trade Receivables				No			45,236.91		45,236.91					
Inventories				No			58,281.89		58,281.89					
Cash and Cash Equivalents				No			6,024.89		6,024.89					
Bank Balances other than Cash and Cash Equivalents				No			259.79		259.79					
Others (Refer Note-2)				No			18,748.78		18,748.78					
Total					38,815.65	-	1,74,138.62	-	2,12,954.27					
Liabilities														
Debt securities to which Certificate pertains (Refer Note - 1 and 3)	Non convertible debenture			Yes	9,909.46				9,909.46					Refer note 5 below
Other debt sharing pari-passu charge with above debt (Refer Note - 1 and 3)	Term Loan			No	10,824.94				10,824.94					
other debt									-					
Subordinated debt									-					
Borrowings				No			4,088.94		4,088.94					
Bank									-					
Debt Securities									-					
Others									-					
Trade Payables				No			21,083.94		21,083.94					
Lease Liabilities				No			15,851.88		15,851.88					
Provisions				No			1,886.31		1,886.31					
Others (Refer Note-4)				No			1,49,308.80		1,49,308.80					
Total					20,734.40	-	1,92,219.87	-	2,12,954.27					
Cover on Book Value					1.87									
Cover on Market Value (refer note 5 below)														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio		1.87							

SIGNED FOR IDENTIFICATION
 BY
 ←
 S R B C & CO LLP
 MUMBAI





NILKAMAL LIMITED



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1. **Column C** - includes book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
2. **Column D** - includes book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
3. **Column E** - include debt for which this certificate is issued having any pari passu charge
4. **Column F** - includes : a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c) other debt sharing pari-passu charge along with debt for which certificate is issued.
5. **Column G** - Includes book value of all other assets having pari passu charge and outstanding book value of corresponding debt.
6. **Column H** - includes all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.
7. **Column I** - includes the debt which has been counted more than once (included under exclusive charge column as also under pari passu). In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.
8. **Column N**- All assets are stated at book value.

Notes

1. The secured debt securities ('Securities') issued by the Company are secured by pari-passu charge on Plant and Equipments and Furniture & Fixtures of the Company. For the purpose of calculation of security cover available for these Securities, Plant and Equipments of Rs. 36,785.28 lakhs and Furniture & Fixtures of Rs. 2,030.37 lakhs have been considered out of the total Property, Plant & Equipment of Rs. 76,155.78 lakhs (including ROU of Rs. 13,181.30 lakhs).
2. Other Assets include the Other financial assets, Other non-current assets, Current tax assets & Other Current assets of the Company.
3. Debt securities to which Certificate pertains and Other debt sharing pari-passu charge with above debt include interest accrued as on 31 st March 2024, of Rs. 46.20 lakhs and Rs. 41.84 lakhs respectively.
4. Other Liabilities include Deferred Tax Liabilities, Other financial liabilities (excluding interest accrued as on 31st March 2024), Other Non-financial liabilities, Current tax liability, Equity Share Capital and Other Equity of the Company.
5. As per clause 10.3 of SEBI circular dated May 19, 2022 valuation report for assets offered as security is required once in three years. Company had done valuation at inception of loan i.e. 01 March 2022. Accordingly details of market value of assets offered as security as required in column K to O is not disclosed above.
6. The above financial information as on 31st March 2024 has been extracted from the unaudited standalone books of accounts for the period ended 31st March 2024 and other relevant records of the listed entity.

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S R B C & CO LLP
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