SBICAP Trustee

SBICAP Trustee Company Ltd.

Ref. No. 11541/STCL/DT/2022-23 **Date: 20th March, 2023**

To
Nilkamal Limited
Nilkamal House, 77/88,
Road No. 13/14, M.I.D.C.
Andheri East, Mumbai – 400 093

Dear Sir/Madam,

Subject: NOC for creation of pari passu charge on all the movable fixed assets of Nilkamal Limited for an amount of Rs. 100 Crores.

This has reference to your letter dated 01st March 2023 seeking No Objection Certificate for ceding of pari passu charge on the assets mentioned in Annexure hereto in favor of the trustee for the lender of the proposed term loan aggregating Rs. 100 Crores.

On the basis of the certificate dated 14th February 2023 received from the Chartered Accountant for Security Coverage Ratio as on 31st December, 2022. We SBICAP Trustee Company Limited (STCL) acting as the trustee for the holders of the non- convertible debentures of face value Rs. 10,00,000/- each aggregating to Rs. 99 Crores under the Debenture Trust Deed dated 07th March 2022, do hereby convey our No Objection to the company for creating a pari passu on the assets mentioned in Annexure hereto in favor of the trustee to be appointed for the lender of proposed term loan aggregating to Rs. 100 Crore.

This No Objection Certificate is subject to obtaining similar No objection certificate from all other existing charge holders. This No Objection Certificate shall be effective only from the date of obtaining all the No Objection Certificate from all the charge holders as applicable and subject to the condition that the Company shall not dilute the Security Cover as stipulated under the respective Debenture Trust Deed and Disclosure documents.

Thanking you.

For SBICAP Trustee Company Limited

20.03.2023

SBICAP TRUSTEE COMPANY LIMITED

Authorized Signatory

Annexure I

First pari passu charge on All the movable fixed assets of the Issuer, including the plant and machineries, comprising of injection molding machines, molds and other related machineries and accessories forming part of the plant and machinery by whatsoever name called and all equipment, installation, furniture, fixture, electrical fittings, vehicles, etc., both present and future, installed / to be installed at the Borrower's premises and plants or wheresoever else the same may be or be held by any party to the order or disposition of the Issuer or in the course of transit or on high seas or on delivery, and either by way of substitution or addition ("Hypothecated Assets"), with a Security Coverage Ratio of at least 1.25 times.

SBICAP TRUSTEE COMPANY LIMITED

20.03.2023

L B Jha & Co
CHARTERED ACCOUNTANTS

7028, 1 Aerocity, Andheri Kurla Road,
Kurla (West), Mumbai - 400 072.
Tel.: 022 6666 5295 / 6666 5296
Email : lbjhabom@lbjha.com

Statement of Certificate on Security Coverage Ratio as on 31st December 2022 of Nilkamal Limited

To,

SBICAP Trustee Company Limited

Based on examination of books of accounts and other relevant records/documents of Nilkamal Limited, we hereby certify that:

a) The listed entity has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:-

ISIN	Series	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount (INR In crores)
INE310A07012	A	Private Placement	Secured	50
INE310A07020	B	Private Placement	Secured	49

b) Security Cover for listed debt securities:

As per information and explanations provided to us by the Management of "NILKAMAL LIMITED" having its Registered office at Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa-396 230, Union Territory of Dadra and Nagar Haveli and as per our verification from books of accounts and Unaudited Balance Sheet as on 31st December 2022 produced before us and other information and explanations provided to us in form of management confirmation, we certify that the security of the listed entity provide coverage of 3.31 times of the principal amount and interest accrued, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of security cover ratio for the Secured debt securities - Annexure1) (as per requirement of Regulation 54 read with Regulation56(1)(d) of LODR Regulations).

L.B. JHA & CO. ★ CHARTERED ACCOUNTANTS ★

Also At: 404/405, Yogeshwar Building, M-2, Connaught Place, New Delhi - 110001 Tel : 011-4151 0952 / 0956 Fax : 011-4151 0952 E-mail: lbjhadel@lbjha.com
F 2/2, Gillander House, 8, Netaji Subhash Road, Kolkata - 700 001 Tel: 033 - 2242 4277 / 2242 5858 / 2242 5407 Fax : 033 - 2242 0650 / 2230 2846
E-mail : lbjha@lbjha.com

ISIN wise details

S. No.	ISIN	Facility	Type of charge	Sanctioned Amount	Outstanding Amount As on 31st December 2022	Cover Required	Security Required
1.	INE310A07012	Non-convertible Debt Securities	Pari- passu	INR 50 Cr	INR 50 Cr as on 31-12-2022	1.25 Times	INR 62.5 Cr
2.	INE310A07020	Non-convertible Debt Securities	Pari- passu	INR 49 Cr	INR 49 Cr as on 31-12-2022	1.25 Times	INR 61.25 Cr
	Grand Total			**INR 99 Cr**	**INR 99 Cr as on 31-12-2022**	**1.25 Times**	**INR 123.75 Cr**

c) **Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity**

The Company has complied with all the covenants as specified in clause 10.11 of the Debenture Trust deed dated 7th March 2022 between the Company and SBICAP Trustee Company Limited.

We have conducted our examination of the records, documents and books of accounts produced to us by the Company in accordance with the Guidance Note on Report or Certificates for Special Purpose (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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.

This certificate is issued to the Company solely for the purpose of ensuring compliance with the requirements for security cover post issuance of NCD, and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For L .B.JHA & Co
Chartered Accountants
(FRN No- 301088E)

L. B. JHA & CO. CHARTERED ACCOUNTANTS

Pratik Agarwal
(Partner)
(Membership No. 301880)
UDIN:- 23301880BGVDZP3853

Date:-14th February, 2023

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
		Exclusive Charge		Pari- Passu Charge				Elimination on (amount in negative)		Related to only those items covered by this Certificate				
Particulars	Description of Asset for which this Certificate relate	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)	Assets not offered as Security	Debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	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)
		Book Value	Book Value	Yes/ No	Book Value	Book Value						Relating to Column F		
Assets														
Property, Plant and Equipment	Plant & Equipment, Furniture & Fixtures			Yes	36,362.11	-	19,589.91	-	55,952.05			43,469.05		
Capital Work-in- Progress				No			1,601.29		1,601.29					
Right of Use Assets				No			13,105.42		13,105.42					
Goodwill				No					-					
Intangible Assets				No			125.07		125.07					
Intangible Assets under Development				No					-					
Investments				No			7,688.05		7,688.05					
Loans				No			321.05		321.05					
Trade Receivables				No			32,838.15		32,838.15					
Inventories				No			59,810.75		59,810.75					
Cash and Cash Equivalents				No			1,635.97		1,635.97					
Bank Balances other than Cash and Cash Equivalents				No			225.25		225.25					
Others (Refer Note-2)				No			13,581.58		13,581.58					
Total					**35,362.11**	-	**150,522.52**		**186,884.63**			**43,469.00**		
Liabilities														
Debt securities to which Certificate pertains (Refer Note - 1 and 3)	Non convertible debenture			Yes	10,359.59				10,359.59			10,359.59		
Other debt sharing pari-passu charge with above debt (Refer Note - 1 and 3)	External commerical borrowing			Yes	2,790.35				2,790.35			2,790.35		
other debt									-					
Subordinated debt									-					
Borrowings				No			6,417.41		6,417.41					
Bank									-					
Debt Securities									-					
Others									-					
Trade Payables				No			18,771.57		18,771.57					

L.B. JHA & CO. CHARTERED ACCOUNTANTS

NILKAMAL LIMITED

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

Lease Liabilities				No			15,722.91		15,722.91					
Provisions				No			1,704.60		1,704.60					
Others (Refer Note-4)				No			131,118.20		131,118.20					
Total					13,149.94	-	173,734.69	-	186,884.63			13,149.94		
Cover on Book Value					2.27									
Cover on Market Value (refer note 5 below)												3.31		
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

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. 34,008.55 lakhs and Furniture & Fixtures of Rs. 2,353.56 lakhs have been considered out of the total Property, Plant & Equipment of Rs. 69,057.50 lakhs (including ROU of Rs. 13,105.40 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 accured as on 31 December 2022, of Rs. 529.36 lakhs and Rs. 19.03 lakhs respectively.
4. Other Liabilities include Deferred Tax Liabilities, Other financial liabilities (excluding interest accrued as on 31 December 2022), Other Non-financial liabilities, 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 Statutory Auditors are only responsible to certify security coverage ratio calculated based on the book value of assets mentioned in column F above and the unaudited standalone financial information as at 31 December 2022 and other relevant records and documents maintained by the Company.
7. The above financial information as on 31 December 2022 has been extracted from the unaudited standalone books of accounts for the period ended 31 December 2022 and other relevant records of the listed entity.

L.B. JHA & CO. * CHARTERED ACCOUNTANTS *